Revised November 18, 2011

Invitation

to Become a Member of NACo RMA LLC

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I. Invitation to Become a Member of NACo RMA LLC

Invitation to Become a Member of NACo RMA LLC
Information Packet

Disclaimer

These materials have been prepared on a confidential basis by NACo RMA, LLC (the "Company"). Membership interests in the Company have not been and will not be registered under the Securities Act of 1933, as amended or the securities laws of any state or other U.S. jurisdiction, and may not be offered, sold or transferred without compliance with all applicable federal, state and other U.S. securities laws. By accepting receipt of these materials, you agree to be bound by these restrictions. The Company has not been and will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and is relying upon one or more exemptions from registration under the Investment Company Act. Neither the Securities and Exchange Commission nor any other securities commission has reviewed or passed upon the accuracy or adequacy of these materials or the merits of any potential investment or other securities transaction. Any representation to the contrary is unlawful.

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The descriptions contained herein are a summary of certain proposed terms, are not intended to be complete and are subject to, and qualified in their entirety by, the terms of the limited liability company agreement of the Company. In addition, certain information contained in this presentation constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "could", "can", "expect", "anticipate", "project", "target", "estimate", "intend", or "believe", or the negatives thereof or other variations thereon or comparable terminology. As a result of various risks and uncertainties, some of which are identified in the section of this document entitled "Risk Factors", actual events or results may differ materially from such forward-looking statements.

In considering any performance information contained in these materials, prospective investors should bear in mind that past, projected or targeted performance is not necessarily a predictor of future returns. Financial results and the Company's financial condition are subject to a number of uncertainties. The financial illustrations contained in these materials do not constitute forecasts and should not be construed as such. Accordingly, no assurance or representation can be made as to actual future operating results or financial condition of the Company. Nothing contained herein should be relied upon as a promise or representation as to the future.

Certain information in this presentation has been obtained from third party sources that are believed by the Company to be reliable. However, such information may be incorrect, incomplete or condensed; neither the Company nor NACo FS Corporation or any of their respective affiliates, members, directors, officers, employees, agents or representatives accepts any responsibility for, or guarantees, its accuracy. Accordingly, no representation or warranty, expressed or implied, as to the fairness, correctness, accuracy or completeness of such information (or any part of it) is made by any party and no reliance may be placed on such information. None of the Company, NACO FS Corporation, their respective affiliates, members, directors, officers, employees, agents or representatives, or any other person accepts any obligation or responsibility to advise any person of changes in the information set forth herein after the date hereof.

To the extent permitted by law, none of the Company, NACo FS Corporation, their respective members, directors, officers, employees, agents or representatives, or any other person accepts any liability whatsoever for any losses arising from or relating to any use of or reliance on these materials or otherwise arising in connection therewith. All material contained herein is for discussion purposes only. None of NACo FS Corporation, the Company or any of their respective affiliates is acting as adviser or fiduciary to any prospective investor in relation to the subject matter of these materials or any transaction.

Summary of the Offering

1. Purpose of NACo RMA LLC

a. NACo RMA is a Delaware Limited Liability Company formed for the express purpose of seeking, on behalf of its members, the designation of Registered Municipal Advisor. NACo RMA will be principally engaged in the retirement business, soliciting, as defined by SEC regulations and any other applicable statues and regulations, public entities, primarily counties, for their participation in retirement programs which are supported and endorsed by the RMA.

2. Proposed Membership

b. NACo FS Corp or a State Association of Counties

3. Ownership Structure

a. Ownership will generally follow the 50-50, NACo-State Association model we have pursued in the past. Actual expenses of the RMA, instead of a pre-agreed percentage of revenue as in the past, will be paid at the RMA, possibly reducing money available for distribution.

b. Each state with assets in the program will be offered a "Participating Percentage Interest" calculated on past participation of their state in the program.

c. There are two classes of membership units.

  i. Class A units, which have voting and distribution rights. These units are always owned 50% by NACo Interests and 50% State Association Interests

    1. Class A units owned by NACo shall have no Participating Percentage Interest and therefore receive no distributions. NACo, as is the present practice, will have previously retained the bulk of its compensation through royalties taken at the top of the house.

    2. Class A units owned by State Associations will have corresponding Participating Percentage Interests and therefore be entitled to distributions

  ii. Class B units, which have distribution rights but no voting rights and are owned by NACo FS Corp. These units represent the Participating Percentage Interests for states with assets in the program who have decided not to become members of the LLC for whatever reason. NACo FS Corp may choose, with the agreement of the Board of Managers, to allow a non-participating state to buy membership units and participate in the future.

4. Governance Structure

a. There will be a 6 person Board of Managers

  i. Three persons will be appointed by NACo Interests

  ii. Three persons will be nominated and elected by the State Association Interests

  iii. Each group will have 50% of the voting power of the LLC Board of Managers. Most issues will require a 50% vote but some will require a 75% majority.

b. NACo will appoint officers to conduct the activities of the RMA

5. Activities of the RMA

a. Marketing

  i. The RMA will carry out solicitation activities in much the same way as in the past as governed by agreements with service providers and vendors.

b. Compliance

  i. A major function of the RMA will be to supervise solicitation activities conducted in its behalf by its Associated Persons.

    1. Associated Persons are individuals who may be employed by NACo Interests, State Association interests, or other parties who conduct solicitation activities on behalf of the RMA.

    2. A list of these associated persons will be maintained by the RMA.

    3. Initial training and ongoing training will be provided in accordance with prudent standards and regulatory guidance.

  ii. These supervisory activities and other functions of the RMA will be conducted under the guidance of a compliance manual as followed and applied by the appointed officers of the RMA. The RMA will employ a compliance vendor to maintain the manual, keep abreast of regulatory changes and consult on matters as needed.

c. Book keeping and Disbursement
    i. NACo will provide bookkeeping and financial management services
    ii. NACo will provide the initial working capital which may be repaid all or in part by action of the board of members
    iii. Disbursements will be made quarterly as in the past
d. Insurance coverage
    i. NACo is seeking bids on coverage suitable for this unique business.

6. Joining/Leaving the RMA

a. The initial offering period will extend through March 31, 2012
    i. Members joining by December 31, 2011 will elect the initial State Association Interest Board of Managers members
    ii. All members joining by March 31, 2012 will be treated as if they were members for the entire 2012 calendar year.
    iii. Members joining after March 31, 2012 will be entitled to distributions and other allocations on a pro rata basis as determined by the Board of Managers.
    iv. Members may leave the RMA at their discretion subject to certain restrictions and procedures.

7. Cash Flow

a. As in the past, NACo, which is also a Registered Municipal Advisor, will receive the payment from our provider. That RMA will pass down approximately 50% of this payment as revenue to the RMA LLC.
b. The RMA LLC will seek to distribute income, less expenses, to its members according to Participating Percentage Interest, which may be adjusted prospectively in the future by the Board of Managers, to reflect support of the program.
c. The RMA LLC will also determine what amount, if any, of royalties may be paid to each state association for use of their brand.

II. Risk Factors

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN NACo RMA, LLC (THE "COMPANY") INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR INSTITUTIONS THAT CAN FULLY UNDERSTAND AND ARE CAPABLE OF BEARING THE RISKS OF AN INVESTMENT IN THE COMPANY. THERE CAN BE NO ASSURANCE THAT MEMBERS OF THE COMPANY ("MEMBERS") WILL RECEIVE A RETURN OF THEIR CAPITAL. MEMBERS COULD LOSE SOME OR ALL OF THEIR INVESTMENT. IN ADDITION, THERE WILL BE OCCASIONS WHEN CERTAIN MEMBERS AND THEIR RESPECTIVE AFFILIATES MAY ENCOUNTER POTENTIAL CONFLICTS OF INTEREST IN CONNECTION WITH THE COMPANY.

THE FOLLOWING CONSIDERATIONS SHOULD BE CAREFULLY EVALUATED BEFORE MAKING A DECISION TO INVEST IN THE COMPANY. THE FOLLOWING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN CONNECTION WITH AN INVESTMENT IN THE COMPANY. PROSPECTIVE INVESTORS SHOULD READ THE SUBSCRIPTION AGREEMENT AND THE LIMITED LIABILITY COMPANY AGREEMENT OF THE COMPANY IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO MAKE AN INVESTMENT IN THE COMPANY.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THESE MATERIALS AS LEGAL, TAX, INVESTMENT OR ACCOUNTING ADVICE. EACH PROSPECTIVE INVESTOR IS STRONGLY ENCOURAGED TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO LEGAL, TAX, REGULATORY, FINANCIAL AND ACCOUNTING CONSEQUENCES OF ITS INVESTMENT IN THE COMPANY.

RISK FACTORS

No Operating History. The Company is a newly formed entity with no history of revenue or expenses upon which to evaluate likely performance. Estimates of operating results may prove inaccurate. In addition, cash flows may be insufficient to meet obligations of the Company or to make distributions to the Members.

Unproven Structure. The Securities Exchange Act of 1934, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Exchange Act"), generally requires any person that solicits a municipal entity to register as a municipal advisor with the Securities and Exchange Commission. None of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, any state securities commission or any other U.S. regulatory authority has issued final rules or regulations relating to municipal advisor registration; therefore, although the Company has registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board under applicable temporary registration rules, it is uncertain whether further registration will be required or whether the Company's structure will meet the final regulatory requirements. If it is determined that the Company's structure does not satisfy registration or other regulatory requirements, the Company may be required to make substantial changes to its structure and business model or cease operations entirely. Moreover, individual Members may be subject to registration requirements, which may make membership in the Company less desirable. A substantial change in the Company's business and operations could have a material adverse effect on profitability.

No Existing Sources of Revenue. Although it is anticipated that the Company will enter into a co-endorsement agreement with an affiliate of NACo FS Corporation (the "NACo Affiliate"), the Company has not yet entered into any such co-endorsement agreement or any other endorsement contracts. Moreover, the terms of the anticipated co-endorsement agreement, which would be based upon an endorsement contract between Nationwide Retirement Solutions and the NACo Affiliate, have not yet been finalized. The NACo Affiliate is currently renegotiating the terms of its endorsement contract with Nationwide Retirement Solutions and there can be no assurance that the contract will be successfully renegotiated. In the event that agreement cannot be reached, Nationwide Retirement Solutions or the NACo Affiliate may terminate their existing contract, and termination payments will be made through the remaining term. In such event, any co-endorsement agreement between the Company and the NACo Affiliate would be limited in duration and would provide for a portion of termination payments to be paid to the Company.

In addition, even if a co-endorsement contract is entered into with the NACo Affiliate, revenue levels could be lower than NACo FS Corporation and the NACo Affiliate have negotiated in previous years. Moreover, if the Company fails to comply with applicable registration requirements, it will not be entitled to receive revenue in connection with endorsement activities.

Under the terms of any endorsement contract, the Company likely will be limited significantly in its ability to endorse competing products, which will limit sources of revenue for the Company. If the Company is a party to only one endorsement contract and that contract is non-performing or terminates, the Company will have no other source of revenue.

Operating Costs and Formation Indebtedness. The Company will incur certain ongoing direct staffing, legal, accounting, consulting, compliance and other overhead costs, irrespective of the amount of revenue generated. The Company has or will have outstanding indebtedness to NACo FS Corporation for formation costs and initial operating expenses, which will be repaid before any distributions to the Members will be paid. If the Company has insufficient cash to meet all of its financial obligations, the Company's Members will not receive a return of their capital.

No Full-time Management. The individuals who will be responsible for managing the business and operations of the Company will not be full-time employees of the Company. Such persons will be employees of other organizations and will have responsibilities to such organizations, which will reduce the amount of business time and attention they devote to the Company. In addition, the success of the Company will depend in part upon the skill and expertise of the managers and officers of the Company. There can be no assurance that the managers and officers will continue to be associated with the Company or that suitable replacements will be found. The loss of any key persons could have a material adverse effect on the Company's operations and earnings. There can be no assurance that the Company will not require additional staff and other resources in order to implement its business plan effectively.

Regulatory Risk. Governmental regulation of the Company could place substantial restrictions on operations, impose significant additional costs and reduce earnings of the Company. Statutes, rules and regulations are subject to change and the Company cannot predict what new regulatory measures will be adopted or the effect any such measures may have on the Company.

Compliance Risks. As a registered municipal advisor, the Company will be subject to ongoing compliance requirements, such as those relating to recordkeeping, supervision, supervisory procedures and continuing education, among others. The cost of compliance may be significant, in terms of both time and money. In recent years, state and federal regulators have become increasingly active in conducting examinations and significant penalties may result from compliance failures, including a revocation or suspension of necessary licenses, fines and other disciplinary measures. The imposition of such penalties would be detrimental to the business and operations of the Company. There can be no assurance that the Company's compliance program will be implemented successfully or that regulatory requirements otherwise will be satisfied. Loss of income resulting from regulatory noncompliance could have a material adverse effect on the operating results of the Company.

Restrictions on Transfer and Withdrawal. Membership interests in the Company have not been registered under the Securities Act of 1933, as amended, or any other applicable securities laws. There will be no public or private market for the interests and none is expected to develop. Moreover, the interests generally may not be transferred and Members will not be able to withdraw from the Company without the consent of the Company's Board of Managers. As a result of these restrictions, Members may not be able to liquidate their investments for an extended period of time.

No Right to Control the Company's Operations. Members will have limited voting rights, will have no opportunity to control the day-to-day operations of the Company and must rely entirely on the Board of Managers and the officers to conduct and manage the affairs of the Company. In addition, NACo FS Corporation will elect the officers of the Company and will have the right to designate fifty percent of the members of the Board of Managers. Accordingly, no prospective investor should invest in the Company unless it is willing to entrust all aspects of the operation and management of the Company to the Board of Managers and the officers.

Indemnification. The Company will indemnify and hold harmless the Board of Managers, the officers, the Members, their respective affiliates and all of their respective officers, directors, members, partners, controlling shareholders, employees and agents against all liabilities that they may incur as a result of their activities on behalf of the Company, except to the extent that such liabilities are determined to have resulted from certain misconduct, as provided for in the Limited Liability Company Agreement of the Company. If the Company's assets are insufficient to meet such liabilities, the Company may withhold distributions to meet its indemnification obligations.

No Protection under the Investment Company Act. The Company will not be subject to the provisions of the Investment Company Act of 1940, as amended, in reliance upon exemptions available under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. Accordingly, Members will not be entitled to rely upon the protections afforded to investors under the Investment Company Act. Members' subscription agreements will contain representations and the subscription agreements and the Limited Liability Company Agreement of the Company will contain restrictions on transfer designed to assure that exemptions from registration under the Investment Company Act will be available.

Forward-looking Statements. Statements contained in the materials provided by the Company that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Company. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed on such statements. No assurance can be given that actual results will achieve the Company's stated objectives.

Partnership Status. The Company believes that it will be classified as a partnership for U.S. federal income tax purposes. An entity that would otherwise be classified as a partnership for such tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." The Company intends to conduct the activities of the Company to ensure that the Company is not treated as a publicly traded partnership. If the Company becomes a publicly traded partnership, it will be treated as if it had transferred all of its assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which it becomes a publicly traded partnership, in return for stock in that corporation, and then distributed the stock of the corporation to its owners in liquidation of their membership interests in the Company. This deemed contribution could have adverse tax consequences to certain investors. While the Company does not expect that the Company will become a publicly traded partnership, investors are urged to consult with their own tax advisors as to the impact of treatment of the Company as a publicly traded partnership.

Tax-Exempt Investors. Unrelated business taxable income ("UBTI") is generally defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a company treated as a partnership for United States federal income tax purposes of which the tax-exempt entity is a member). Income recognized by a tax-exempt entity generally is exempt from U.S. federal income tax except to the extent of the entity's UBTI. Based upon the nature of the Company's operations, it is anticipated that

tax-exempt investors will realize UBTI. Tax-exempt investors should consult their own tax advisors regarding all aspects of UBTI.

IRS Challenges. The IRS may challenge the Company's treatment of items of income, gain, loss, deduction and credit, or the characterization of the Company's transactions. Any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges. The Limited Liability Company Agreement of the Company provides for the allocation of income, gain, loss and deduction among the Members of the Company. The rules regarding partnership allocations are complex and no assurance can be given that the IRS will not successfully challenge the allocations in the Limited Liability Company Agreement and reallocate items of income, gain, loss, deduction, or credit in a manner which decreases the losses, deductions or credits, or increases the income or gain allocable to the Members.

Cash Distributions and Income Allocations. Members will be required to report their allocable shares of the Company's income on their personal income tax returns even though they may have received total cash distributions that are less than the amount of reportable income or even the resulting federal income tax. Moreover, in the event that any of the assets owned directly or indirectly by the Company are subject to any indebtedness at the time they are sold, the gain from such sale allocated to a Member may exceed the amount of the cash proceeds received by the Member.

Taxes and Filing Requirements. The state in which a Member resides may impose an income tax upon the Member's share of the Company's taxable income. Because the Company may conduct its activities in many different taxing jurisdictions, an investment in the Company may impose upon the Members the obligation to file annual tax returns in a number of different states or localities, as well as the obligation to pay taxes to a number of different states or localities. The Company also may be required to withhold state taxes from distributions to Members in certain instances. Differences may exist between federal income tax laws and state and local income tax laws. You are urged to consult your own tax advisor with respect to state and local income taxation issues.

Circular 230 Statement: In compliance with Circular 230 of the Treasury Regulations governing tax practice, you are hereby advised that (i) any written tax advice contained herein was not written or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code, (ii) the advice was prepared to support the promotion or marketing of the transactions or matters addressed by the written advice, and (iii) any person reviewing this memorandum and any written tax advice contained herein should seek advice based on such person's particular circumstances from an independent tax advisor.

CONFLICTS OF INTEREST

It is anticipated that NACo FS Corporation and certain of its affiliates will enter into certain agreements and arrangements with the Company, including a co-endorsement agreement and, as a result, will encounter potential conflicts of interest in connection with the Company. It is further anticipated that such agreements and arrangements will involve the payment of fees and expenses between the Company and NACo FS Corporation and its affiliates and may not contain terms that are as favorable to the Company as may be obtained from an unrelated third party in arms-length negotiations. By acquiring an interest in the Company, each Member will be deemed to have acknowledged the existence of any such actual conflict or potential conflicts of interest and to have waived any claim with respect to any liability arising from such conflicts. Pillsbury Winthrop Shaw Pittman LLP is acting as counsel to the Company and NACo FS Corporation in connection with the organization of the Company and the offering of membership interests. It is not anticipated that, in connection with the organization or operation of the Company, the Company will engage separate counsel to represent the Members. Prospective investors should seek individual counsel if they so desire.

FEDERAL INCOME TAX CONSIDERATIONS

The following summary is a general discussion of certain of the federal income tax consequences that may be relevant to ownership of membership interests in the Company. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, administrative rulings issued by the Internal Revenue Service (the "IRS"), and judicial decisions, all as of the date of this Memorandum. These authorities are subject to change or alternative construction, possibly with retroactive effect, and any such change or alternative construction could affect the continuing accuracy of this summary. This summary is based on the assumption that the Company is operated in accordance with its organizational documents including the Limited Liability Company Agreement. This summary is for general information only and does not purport to discuss all aspects of federal income taxation which may be important to a particular person in light of its investment or tax circumstances, or to certain types of investors subject to special tax rules (including financial institutions, broker-dealers, insurance companies, and foreign investors), nor does it describe any aspect of state,

local, foreign or other tax laws. **No rulings have or will be requested from the IRS or any state, local or foreign taxing authority concerning any of the tax matters described herein.** Accordingly, there can be no assurance that the IRS or any state, local or foreign taxing authority or a court will agree with the following discussions, or with any of the positions taken by the Company for tax purposes.

In compliance with Circular 230 of the Treasury Regulations governing tax practice, you are hereby advised that (i) any written advice contained herein was not written or intended to be used (and cannot be used) by any taxpayer for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code, (ii) the advice was prepared to support the promotion or marketing of the transactions or matters addressed by the written advice, and (iii) any person reviewing this Confidential Offering Memorandum and any written tax advice contained herein should seek advice based on such person's particular circumstances from an independent tax advisor.

Based on the terms of the Company's Limited Liability Company Agreement and the representations contained therein, the Company should be treated as a partnership and not as an association taxable as a corporation for federal income tax purposes. Assuming that the Company is treated as a partnership for federal income tax purposes, the Company will not pay federal income taxes. Instead, the Members are subject to tax and each Member will be required to report its allocable share of the Company's items of income, gain, loss, deduction, and credit. Members will be required to take into account their allocable share of the Company's income and gains for each year of the Company without regard to whether the Member has received or will receive any distributions from the Company. If for any reason the Company were taxable as a corporation rather than as a partnership for federal income tax purposes, items of income, gain, loss, deduction, and credit would not pass through to the respective Members, and the Members would be treated as shareholders for federal income tax purposes. The Company would be required to pay income tax at regular corporate tax rates on its net income, and distributions to Members would constitute dividends that would not be deductible in computing the Company's taxable income.

Although the Limited Liability Company Agreement generally will determine the allocation of income and losses among Members, such allocations will be disregarded for tax purposes if they do not comply with the provisions of section 704(b) of the Code and the Treasury Regulations promulgated thereunder. The Company's allocations of taxable income, gain and loss are intended to comply with the requirements of section 704(b) of the Code and the Treasury Regulations promulgated thereunder. If an allocation is not respected for federal income tax purposes, the item subject to the allocation will be reallocated in accordance with the Members' interests in the Company, which will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the Members with respect to such item. A Member's ability to deduct its share of any of the Company's losses may be limited.

Members generally will not recognize gain upon the receipt of a cash distribution from the Company unless the amount of the cash distribution exceeds the Member's tax basis in its membership interest. If the amount of the cash distribution exceeds the Member's adjusted tax basis in its membership interest, the amount of such excess will be recognized by the Member as though it were gain from the sale or exchange of the Member's membership interest and will be realized in the year of receipt of the cash distribution. It is possible that the U.S. federal income tax liability of a holder with respect to its allocable share of the Company's income for a particular year could exceed the cash distribution to the Member for the year, thus giving rise to an out-of-pocket tax liability for the Member.

A Member will have an initial basis in its membership interest equal to the amount paid for the membership interest plus the Member's share of the Company's liabilities, if any. That basis will be increased by the Member's share of the Company's income and by increases in the Member's share of the Company's liabilities. That basis will be decreased, but not below zero, by distributions from the Company, by the Member's share of losses and by any decrease in the Member's share of the Company's liabilities.

A Member will recognize gain or loss on the sale of its membership interest equal to the difference, if any, between the amount realized and the Member's tax basis in the membership interest sold. The amount realized will be measured by the sum of the cash or the fair market value of other property received plus the Member's share of the Company's liabilities, if any. Gain or loss recognized on the sale of a membership interest will generally be taxable as capital gain or loss and will be long-term capital gain or loss if the membership interest was held for more than one year on the date of the sale or exchange. If the amount realized with respect to a membership interest that is attributable to your share of "unrealized receivables" or "substantially appreciated inventory" of the Company exceeds the adjusted tax basis attributable to those assets, such excess will be treated as ordinary income rather than capital gain. Among other things, "unrealized receivables" include depreciation recapture for certain types of property. Certain limitations apply to the use of capital losses.

III. Membership Operating Agreement and Exhibits

LIMITED LIABILITY COMPANY AGREEMENT

OF

NACo RMA, LLC

THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. IN ADDITION TO OTHER RESTRICTIONS ON TRANSFER NOTED IN THIS AGREEMENT, THE SECURITIES REPRESENTED BY THIS DOCUMENT MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS (1) THE SECURITIES ARE REGISTERED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (2) AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. INVESTORS SHOULD BEAR IN MIND THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NACo RMA, LLC

LIMITED LIABILITY COMPANY AGREEMENT

THIS LIMITED LIABILITY COMPANY AGREEMENT OF NACo RMA, LLC (the "Company"), dated as of the ____ day of ____________, 2011, is made by and among NACo Financial Services Corporation, a Delaware corporation ("FS Corp"), and each of the State Associations indicated on the signature pages hereto (each, a "State Association"). FS Corp and each State Association will be referred to in this Agreement as a "Member" and, collectively, they will be referred to as the "Members".

RECITALS:

WHEREAS, the Company was formed under the Delaware Limited Liability Company Act (as amended or restated from time to time, the "Act") by causing the Certificate of Formation of the Company (the "Certificate of Formation") to be filed with the office of the Secretary of State of the State of Delaware on the 27th day of June, 2011;

WHEREAS, the parties hereto desire to continue the Company as a limited liability company under the Act and this Agreement and provide for the admittance of new members to the Company; and

WHEREAS, the parties hereto desire to provide for the governance of the Company and to set forth in detail their respective rights and obligations relating to the Company.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein, the parties, intending to be legally bound, hereby covenant and agree as follows:

ARTICLE I
COMPANY; PRINCIPAL OFFICE; PURPOSES; POWERS; TERM

Section 1.1 Company; Principal Office. The name of the Company is NACo RMA, LLC. The Board of Managers of the Company (the "Board of Managers") is authorized to change the name of the Company and may conduct the business of the Company under any other name, if it deems it necessary or advisable to do so, provided that it complies with all applicable laws in so doing. The principal office and place of business of the Company will be at 25 Massachusetts Avenue, Suite 500, Washington, D.C. 20001, or such other location as the Board of Managers may determine from time to time.

Section 1.2 Purposes; Powers. The Company is formed for the principal purposes of (i) registering as a municipal advisor and (ii) soliciting county governments and other public entities ("County Entities") to participate in retirement programs (the "Programs") which are supported, endorsed and marketed by the Company. The Company will have all powers available to it as a limited liability company under the Act.

Section 1.3 Term. The Company will have perpetual existence beginning on the date that the Certificate of Formation was accepted for filing by the Delaware Secretary of State; provided, however, that the Company may be dissolved in accordance with Section 11.1 of this Agreement.

ARTICLE II
UNITS AND MEMBERS

Section 2.1 Units and Members. (a) There will be two classes of units of membership interest ("Units"), which will be designated "Class A Units" and "Class B Units". Members will be entitled to one vote for each Class A Unit held. Class B Units will not have voting rights.

(b) FS Corp or its permitted assign will purchase from the Company, from time to time, that number of Class A Units such that FS Corp will have and maintain a membership interest in the Company (an "Interest") equal to fifty percent (50%), based upon the number of Class A Units owned by FS Corp relative to the total number of Class A Units owned by all Members. The purchase price of each Class A Unit will be one dollar ($1.00). FS Corp will own the number of Class A Units set forth opposite its name on Schedule A hereto.

(c) Prior to March 31, 2012, each State Association will purchase from the Company that whole number of Class A Units equal to the quotient obtained by dividing (A) the dollar amount of compensation received by such State Association in respect of its endorsement of the Programs for the twelve (12) months immediately preceding the date of admission of such State Association to the Company by (B) One Thousand Dollars ($1,000.00), and such State Association will contribute to the Company One Dollar ($1.00) for each Class A Unit issued. The State Associations will have and maintain an Interest equal to fifty percent (50%) in aggregate.

(d) The Company will issue to FS Corp that whole number of Class B Units equal to the quotient obtained by dividing (A) the dollar amount of compensation received by each state association that is not a Member in respect of its endorsement of the Programs for the twelve (12) months immediately preceding the date of admission of FS Corp to the Company by (B) One Thousand Dollars ($1,000.00), and FS Corp will contribute to the Company One Dollar ($1.00) for each such Class B Unit issued. FS Corp or its assign will own all of the outstanding Class B Units.

(e) Each Member will have the participating percentage interest in respect of its Class A Units or Class B Units, as applicable (the "Participating Percentage Interest") set forth opposite its name on Schedule A hereto, with respect to which such Member will be entitled to the stated percentage share of the Company's Available Cash (as defined in Section 8.2.) The Board of Managers may adjust each Member's Participating Percentage Interest from time to time, as appropriate to reflect the relative level of such Member's participation in the Company's business. Decisions made by the Board of Managers with respect to the Participating Percentage Interest of any Member will be final and binding on all Members.

(f) The Board of Managers may authorize and issue, from time to time, one or more additional classes of Units, with such terms and subject to such conditions as the Board of Managers determines in its discretion to be in the best interest of the Company. Upon the issuance of any such additional class or classes of Units, the Board of Managers will cause this Agreement to be amended to reflect the creation and issuance of such additional class(es) of Units. The name and address of each Member will be set forth in Schedule A. The Company will update Schedule A, from time to time, to reflect the admission and withdrawal of Members and to reflect changes in Interests and Participating Percentage Interests.

(g) Each Member makes the following representations and warranties to the Company and the other Members, solely as to itself: (i) such Member has full power and authority to execute, deliver and perform this Agreement and the transactions contemplated hereby; (ii) this Agreement has been duly authorized, executed and delivered by such Member and constitutes a legal, valid and binding obligation of such Member, enforceable against it in accordance with these terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting creditor's rights generally; (iii) no consent, approval, authorization, order, registration or qualification of or with any court or government agency or body having jurisdiction over such Member is required for the execution, delivery or performance of this Agreement by such Member; and (iv) the execution, delivery and performance of this Agreement by such Member has been approved by all necessary action, corporate or otherwise, and neither the execution, delivery nor performance of this Agreement by such Member will conflict with or result in a material breach of or default under any of the terms or provisions of its certificate of incorporation, certificate of formation, charter, bylaws, other governing documents, any statute, any order, rule or regulation of any court or government agency or body having jurisdiction over it or any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which such Member is a party.

Section 2.2 Obligations of the Members. (a) Each Member hereby acknowledges and agrees that, for so long as it is a Member, (i) its endorsement of the Programs will be on an exclusive basis through the Company, (ii) such Member will not endorse programs or services that are comparable and/or competitive with the Programs, (iii) such Member will not solicit or receive fees from other vendors ("Competitors") that may be characterized as program sponsorship fees, endorsement fees or royalties with respect to services similar to those offered under the Programs, (iv) such Member will comply with the provisions of the Company's compliance manual and will endorse the Programs in a manner that complies with all applicable laws, rules and regulations and (v) it will comply with the provisions of this Agreement, and, on behalf of the Company, perform the services applicable to its respective status as set forth in Schedule B hereto. Each State Association further agrees that, except as authorized by its governing documents, written policies or past practice in effect as of the admission of such Member to the Company, or any applicable law or rule, such State Association will not allow Competitors to join such State Association, to exhibit at its conferences, to be sponsors of State Association events or activities, to advertise in State Association publications and/or obtain mailing lists of the State Association. Subject to the terms of this Section, each State Association will consult with FS Corp prior to endorsing other retirement-related services or programs to ensure that such endorsement does or will not conflict with the terms of this Agreement.

(b) Each Member must have, at any given time, (i) County Entities that have adopted one or more Programs, (ii) at least one individual who is a holder of an account of deferred compensation in the Programs, with such account at all times having a balance greater than zero and consisting of contributions to, and earnings arising from, such account in its jurisdiction of operation. Any Member that does not meet the conditions set forth in clauses (i) and (ii) above will not be entitled to receive distributions from the Company pursuant to Section 8.2. Nothing contained in this Section 2.2(b) will prohibit FS Corp from receiving distributions in respect of its Class A Units or Class B Units.

(c) Each Member hereby (i) grants the Company a license to use any and all of such Member's logos, marks, trademarks, service marks and any other distinguishing designs, words or identifiers (collectively, "Logos")

in the sole discretion of the Company to enhance or support the Programs and (ii) agrees to provide such Logos (and any replacements, modifications or revisions thereto from time to time) to the Company in electronic format upon such Member's execution of this Agreement. The use of any name, logo, or information of a party to this Agreement or information provided by a party to this Agreement will solely be used for purposes of marketing the Programs. In no event will information with respect to participants in the Programs be shared with anyone other than those parties with which it is necessary to share such information for the purposes of carrying out the terms of this Agreement in matters related thereto.

Section 2.3 Limitation of Liability. No Member will be liable under a judgment, decree or order of any court, or in any manner, for a debt, obligation or liability of the Company, except as provided by law or as specifically provided otherwise herein. No Member will be required to make any contribution to the Company solely by reason of any negative balance in such Member's Capital Account (as defined in Section 6.3), nor will any negative balance in a Member's Capital Account create any liability on the part of the Member to any third party.

Section 2.4 Voting of the Members. Each Member will be entitled to one vote for each Class A Unit owned by such Member on any matter with respect to which Members have a right to vote. Whenever action is required or permitted by this Agreement to be taken by the Members, except as otherwise specifically provided in this Agreement, such action will be deemed to be valid if taken by vote or written consent, or by vote or consent at a meeting, of holders of a majority of the Interests, as represented by the number of outstanding Class A Units held by such Members.

ARTICLE III
BOARD OF MANAGERS

Section 3.1 Management and Control of the Company; Voting of the Board of Managers. (a) The management, policies and control of the Company will be vested exclusively in the Board of Managers. The Board of Managers will be comprised of six (6) individuals who will act and serve as the managers of the Company (the "Managers") within the meaning of Section 18-101(10) of the Act. In any and all elections to the Board of Managers (whether at a meeting or by written consent in lieu of a meeting), each Member will vote or cause to be voted all Class A Units owned by it, or over which it has voting control, and otherwise use its respective best efforts, so as to fix the number of Managers of the Company at six (6) and to elect individuals as Managers as set forth in this Section 3.1.

(b) FS Corp will be entitled to designate, from time to time, three of the Managers constituting the Board of Managers (each, a "FS Manager" and collectively, the "FS Managers"). The initial FS Managers will be Peter Torvik, Lisa Cole and David Keen. Any Manager designated by FS Corp may be removed by FS Corp (and only by FS Corp) for any reason or no reason. If any of the FS Managers ceases to be a Manager for any reason, FS Corp will designate a Manager to fill the vacancy created by the departing Manager within ten (10) business days, and until such time as FS Corp has filled the vacancy, no action of the Board of Managers will be taken or considered. Any vote or consent of the FS Managers will be at the direction or with the consent (by vote or in writing) of FS Corp. The FS Managers will represent fifty percent (50%) of the votes entitled to be cast by the Board of Managers.

(c) Beginning in January 2012, the State Associations will be entitled to designate, from time to time, by majority vote (based upon their respective Interests), three of the Managers constituting the Board of Managers (each, a "State Association Manager" and collectively, the "State Association Managers"). Any State Association Manager may be removed by majority vote (based upon the respective Interests of the State Associations) of the State Associations (and only by the State Associations) for any reason or no reason. Such vote may be given at a special meeting of the Members duly called or by an action by written consent for that purpose. If any of the State Association Managers ceases to be a Manager for any reason, the State Associations will designate (by majority vote, based upon their respective Interests) a Manager to fill the vacancy created by the departing Manager within ten (10) business days, and until such time as the State Associations have filled the vacancy, no action of the Board of Managers will be taken or considered. Any vote or consent of the State Association Managers will be taken at the direction or with the consent (by vote or in writing) of the State Associations owning not less than a majority of the outstanding Class A Units that are owned by the State Associations. The State Association Managers will represent fifty percent (50%) of the votes entitled to be cast by the Board of Managers.

(d) Whenever action is required or permitted by this Agreement to be taken by the Board of Managers, unless otherwise provided in this Agreement or required by the Act, such action will be deemed to be valid if taken by vote or written consent of Managers representing a majority of the Interests, so long as a quorum has been reached.

Section 3.2 Powers. Subject to the provisions of this Agreement, the Board of Managers will have the power on behalf and in the name of the Company to carry out and implement any of the purposes of the Company, exercise any of the powers of the Company and take any actions necessary or incidental to the business of the Company. The

Company is authorized to contract with other parties and to employ such employees, accountants, attorneys and agents as it, in its sole discretion, determines are necessary to or useful in the operation of the Company.

Section 3.3 Duty of Care. Except to the extent that the Act prohibits the elimination or limitation of liability of Managers for breaches of fiduciary duty, no Manager will be personally liable to the Company or its Members for monetary damages for any breach of fiduciary duty as a Manager, notwithstanding any provision of law imposing such liability. No amendment to or repeal of this provision will apply to or have any effect on the liability or alleged liability of any Manager for or with respect to any acts or omissions of such Manager occurring prior to such amendment.

Section 3.4 Exculpation. The Managers will not incur any liability to the Company or any Member for any loss suffered by the Company or such other Member which arises out of any action or omission of any Manager or any affiliate of any Manager assisting such Manager at the Manager's request, in performing the Managers' duties hereunder; provided, however, that (i) such person or entity ("Person") acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Company and, (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe such Person's conduct was unlawful. Neither any Manager nor any affiliate of such Manager will be liable to the Company or any Member for the negligence, whether of omission or commission, dishonesty or bad faith of any employee, broker or other agent of the Company selected by such Manager or affiliate with reasonable care. Each Manager and each affiliate of each Manager will be fully protected against liability to the Company or any Member with respect to any action or omission taken or suffered by any of them in good faith if such action or omission is taken or suffered in reliance upon and in accordance with the opinion or advice as to matters of law of legal counsel, or as to matters of accounting of accountants, selected by any of them with reasonable care. In addition, each Manager and any Manager's affiliates will be entitled to indemnification by the Company to the extent provided in Article V hereof. For purposes of this Agreement, "affiliate" means a Person controlling, controlled by or under common control with, another Person. "Control" means the ability to direct the management and policies of a Person. "Controlling" and "controlled" have correlative meanings.

Section 3.5 Meetings of the Managers. (a) Regular meetings of the Board of Managers will be held no less frequently than once during each semi-annual period beginning January 1, 2012, at such location as is determined in each case by the Board of Managers. A record will be maintained of the meetings of the Managers. The Managers may adopt their own rules of procedure which will not be inconsistent with this Agreement. The Company will promptly reimburse in full each Manager for all of his or her reasonable out-of-pocket expenses incurred in attending each meeting of the Board of Managers or any committee thereof.

(b) A minimum of two FS Managers and two State Association Managers will constitute a quorum at any meeting of the Board of Managers. Any Manager may call a meeting of the Managers. Notice stating the place, day and hour of the meeting will be hand delivered, sent by facsimile (with a copy sent by prepaid overnight courier or by first class or registered mail, postage prepaid) or electronic mail, by prepaid overnight courier, or mailed by first class or registered mail, postage prepaid not less than three (3) business days before the date of the meeting, by or at the direction of the requesting Manager, to each of the other Managers. Such notice will be deemed to have been duly given five (5) days after being deposited in the mail, postage prepaid, if mailed; seventy-two (72) hours after being sent by overnight courier, delivery charges prepaid; when receipt acknowledged, if sent by facsimile or electronic mail; and upon delivery, if delivered by hand. Notwithstanding the foregoing, a Manager may call an emergency meeting of the Board of Managers upon twenty-four (24) hours' notice hand delivered, sent by facsimile (with a copy sent by prepaid overnight courier) or electronic mail, if such Manager believes in good-faith that such meeting is necessary to avoid a liability or adverse consequence to the Company.

Section 3.6 Manner of Acting. (a) The following actions will require the affirmative vote or consent of Managers representing at least seventy-five percent (75%) of the Interests: (i) enter into any agreement for the purchase of any material assets or equity interests; (ii) enter into a merger, consolidation, or other business combination or joint venture transaction on behalf of the Company; (iii) sell all or substantially all of the assets of the Company; (iv) consummate an initial public offering involving the Company; (v) take any action that authorizes, creates or issues any new class of equity securities of the Company; (vi) other than as contemplated by this Agreement, enter into any transaction with a Member or its affiliates, a Member of the Board of Managers or an officer of the Company; (vii) incur indebtedness or create any security interests, liens or mortgages on any property or assets of the Company in excess of $50,000; (viii) liquidate or dissolve the Company; (ix) make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, or file a petition or answer seeking for the Company any reorganization, arrangement, composition, readjustment or similar relief under any statute, law or regulation; and (x) amend the Certificate of Formation or this Agreement other than in connection with an issuance of securities in accordance with this Agreement or changes required by law, rule or regulation to which the Company is then subject.

(b) Unless otherwise provided by law, any action required or permitted to be taken at a meeting of the Managers or any committee thereof, may be taken without a meeting if (i) a consent in writing, setting forth the

action so taken, is signed by the number (and, if applicable, the classification) of Managers that would be required to take such action at a meeting of the Managers and (ii) at least three (3) business days' prior notice of the effectiveness of the action has been given to each Manager in the manner specified in Section 12.1.

(c) Managers may participate in any meeting of the Managers or any committee thereof by means of conference telephone or similar communication if all Persons participating in such meeting can hear one another for the entire discussion of the matter(s) to be voted upon. Participating in a telephonic meeting will constitute presence in person at such meeting.

ARTICLE IV
OFFICERS

Section 4.1 Officers. The officers of the Company will be designated by the FS Managers and will be responsible for the general day-to-day conduct of the business and affairs of the Company. The officers (or any of them) may sign any and all deeds, mortgages, bonds, contracts or other instruments on behalf of the Company. The officers will keep the books and records of the Company, make distributions to the Members and otherwise execute policies adopted by or directed by the Managers, in each case, in accordance with the provisions of this Agreement. The officers will be responsible for supervising all solicitation activities of those FS Corp employees and employees of the State Associations that are authorized to solicit on behalf of the Programs, and will be responsible for establishing, implementing and monitoring the Company's compliance program. In connection with their compliance function, among other things, the officers will maintain a list of associated Persons, provide initial and ongoing training and information and monitor and implement regulatory changes. The officers also will cause all policies and procedures of the Company to be recorded, updated as appropriate and maintained in the Company's compliance manual, a copy of which will be provided to all associated Persons and Members.

Section 4.2 Election and Tenure. The officers of the Company will consist of each of the following Persons who will hold the office indicated beside his or her name until his or her successor is chosen and qualifies or until his or her earlier resignation or removal:

Name	Position
Peter Torvik	Chief Compliance Officer
Lisa Cole	Manager
David Keen	Financial Officer

Section 4.3 Resignations; Removal; Vacancies. Any officer of the Company may resign at any time by giving written notice to the Board of Managers, and, unless otherwise specified therein, the acceptance of such resignation will not be necessary to make it effective. Any officer may be removed at any time by the FS Managers, with or without cause. A vacancy in any officer position may be filled by a vote of the FS Managers.

ARTICLE V
INDEMNIFICATION

Section 5.1 Indemnification.

(a) The Company will indemnify and hold harmless the Managers, the officers of the Company, the Members, their respective affiliates, and all of their respective officers, directors, members, partners, controlling shareholders, employees, and agents (each, an "Indemnified Person"), from and against any and all losses, claims, demands, costs, damages, liabilities, joint and several, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which an Indemnified Person may be involved, or threatened to be involved, as a party or otherwise ("Indemnified Amounts"), arising out of or incidental to the business of the Company, regardless of whether an Indemnified Person continues to be a Manager, an officer of the Company, a Member, an affiliate, or an officer, director, member, partner, controlling shareholder, employee, or agent of a Manager, of an officer of the Company, of a Member or of an affiliate at the time any such Indemnified Amount is paid or incurred; provided that no Indemnified Person will be indemnified for any Indemnified Amounts suffered that are attributable to such Indemnified Person's gross negligence, willful misconduct or knowing violation of law, or for any present or future material breaches of any representations, warranties or covenants by such Indemnified Person contained herein or in any other agreement with the Company, or for any losses incurred by the Company. Expenses, including attorney fees, incurred by any such Indemnified Person in defending a proceeding will be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an

undertaking by or on behalf of such Indemnified Person to repay such amount if it is ultimately determined that such Indemnified Person is not entitled to be indemnified by the Company.

(b) The right to indemnification and the advancement of expenses conferred in this Section 5.1 will not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, by-law, vote of the Members or otherwise.

(c) The Company may procure and maintain director and officer insurance, at its expense, to protect each Manager and officer against any expense, liability or loss in connection with any action taken by such Person in its capacity as a Manager or officer, which insurance will be on terms that are customary for the nature, scope and size of the Company's business, and in amounts approved by the Board of Managers, which in no event will be less than $5,000,000 per occurrence. The Company may maintain insurance, at its expense, to protect any Indemnified Person against any expense, liability or loss described in paragraph (a) above whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Agreement.

(d) Notwithstanding anything contained herein to the contrary (including in this Section 5.1), any indemnity by the Company relating to the matters covered in this Section 5.1 will be provided out of and to the extent of Company assets only and no Member (unless such Member otherwise agrees in writing or is found in a final decision by a court of competent jurisdiction to have personal liability on account thereof) will have personal liability on account thereof or will be required to make additional capital contributions to help satisfy such indemnity of the Company.

(e) If this Section 5.1 or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Company will nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 5.1 to the fullest extent permitted by any applicable portion of this Section 5.1 that will not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI
CAPITAL

Section 6.1 Capital Contributions. Each Member has made the capital contribution to the Company set forth opposite such Member's name in Schedule A, as such amount may hereafter be adjusted in accordance with the terms of this Agreement. The Managers may permit, but will not require, Members to make additional capital contributions to the Company in cash or property upon terms and subject to conditions agreed at such time by the Managers and any such contributing Member. Upon such additional capital contribution by existing Members, or upon the admission of a new Member in accordance with this Agreement and the Act, the Company will issue additional Units, and such Member will also receive Capital Account credit for each such capital contribution at the time and in the amount that such contribution is made.

Section 6.2 No Interest or Withdrawals. No interest will accrue on any capital contribution made by a Member, and no Member will have the right to withdraw or to be repaid any of its capital contributions so made, except as specifically provided in this Agreement.

Section 6.3 Capital Accounts. There will be established on the books of the Company a capital account ("Capital Account") for each Member that will consist of such Member's initial capital contribution to the Company as reflected in the books and records of the Company, increased by any additional capital contributions made by such Member as so reflected; and any amounts from time to time added to the Capital Account of such Member pursuant to Article VII; decreased by any distributions made to such Member pursuant to Article VIII; and any amounts from time to time subtracted from the Capital Account of such Member pursuant to Article VII; otherwise adjusted in accordance with the tax accounting principles set forth in Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

Section 6.4 Compliance with Treasury Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 704(b) of the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations Section 1.704-1(b), and will be interpreted and applied in a manner consistent with such regulations; provided, that in no event will any Member have any obligation to restore any deficit balance which may from time to time exist in its Capital Account.

Section 6.5 Effect of Transfer. In the event of any transfer of Units pursuant to Article IX, the transferee will succeed to the Capital Account and Participating Percentage Interest of the transferor in respect of the Units transferred (and the Interest represented thereby).

ARTICLE VII
ALLOCATIONS

Section 7.1 General. Each Member's distributive share of the Company's total income, gain, loss, deduction or credit (or items thereof), which total will be as shown on the annual federal income tax return prepared by or at the direction of the Managers or as finally determined by the United States Internal Revenue Service or the courts, and as modified by the capital accounting rules of section 704(b) of the Code and the Treasury Regulations thereunder, as implemented by Section 6.3 hereof, as applicable, will be determined as follows:

Except as otherwise provided in this Agreement, all items of income, gain, loss, deduction and credit will be allocated among the Members such that the Adjusted Capital Account of each Member, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Member pursuant to Section 8.2 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their respective values as computed in accordance with the capital accounting rules under section 704(b) of the Code ("Book Value"), all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Book Value of the assets securing such liability), and the net assets of the Company were distributed to the Members in accordance with the distribution priorities set forth in Section 8.2. The "Adjusted Capital Account" of each Member shall be equal to the sum of (a) such Member's Capital Account plus (b) the sum of (i) such Member's share of "minimum gain" and "partner nonrecourse debt minimum gain," each as defined in the regulations under Section 704(b) of the Code, computed immediately prior to the hypothetical sale of assets, and (ii) the amount, if any, which such Member is unconditionally obligated to contribute to the capital of the Company as of the last day of such tax period.

Section 7.2 Limitation. Notwithstanding anything in Section 7.1 to the contrary, items of loss and deduction allocated to any Member with respect to any taxable year will not exceed the maximum amount of such items that can be so allocated to such Member without causing such Member to have a deficit balance in its Capital Account in excess of the amount of such Member's obligation, if any, to restore such deficit Capital Account, computed in accordance with the rules of section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations (including such Member's share of "minimum gain" and "partner nonrecourse debt minimum gain" as provided in sections 1.704-2(g) and 2(i)(5) of the Treasury Regulations). Any such items of loss or deduction in excess of the limitation set forth in the preceding sentence will be allocated to those Members that would not be subject to such limitation, proportionately in accordance with their relative Adjusted Capital Accounts.

Section 7.3 Minimum Gain Chargeback. Notwithstanding anything to the contrary in this Article VII, if there is a net decrease in "minimum gain" or "partner nonrecourse debt minimum gain" (as such terms are defined in sections 1.704-2(b) and 1.704-2(i)(2) of the Treasury Regulations) during a taxable period of the Company, then each Member will be allocated items of income and gain for such year (and, if necessary, for subsequent years) in the manner provided in section 1.704-2 of the Treasury Regulations.

Section 7.4 Qualified Income Offset. Subject to the provisions of Section 7.2 and Section 7.3, but otherwise notwithstanding anything to the contrary in this Article VII, if any Member's Capital Account has a deficit balance in excess of such Member's obligation to restore its Capital Account balance, computed in accordance with the rules of paragraph (b)(2)(ii)(d) of section 1.704-1 of the Treasury Regulations, then sufficient amounts of income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) will be allocated to such Member in an amount and manner sufficient to eliminate such deficit as quickly as possible.

Section 7.5 Change in Interests. Except as otherwise required by law, if the Interests of the Members are changed during any taxable year, all items to be allocated to the Members for such entire taxable year will be prorated on the basis of the portion of such taxable year which precedes each such change and the portion of such taxable year on and after each such change according to the number of days in each such portion, and the items so allocated for each such portion will be allocated to the Members in the manner in which such items are allocated as provided in Section 7.1 during each such portion of the taxable year in question.

Section 7.6 Nonrecourse Debt. Items of deduction and loss attributable to "partner nonrecourse debt" within the meaning of section 1.704-2(b)(4) of the Treasury Regulations will be allocated to the Members bearing the economic risk of loss with respect to such debt in accordance with section 1.704-2(i)(1) of the Treasury Regulations. Items of deduction and loss attributable to "nonrecourse debt" of the Company within the meaning of section 1.752-2 of the Treasury Regulations will be allocated to the Members in proportion to the relative number of Units held by such Members.

Section 7.7 State and Local Items. Items of income, gain, loss, deduction, credit and tax preference for state and local income tax purposes will be allocated to and among the Members in a manner consistent with the allocation of such items for federal income tax purposes in accordance with the foregoing provisions of this Article VII.

ARTICLE VIII
DISTRIBUTIONS

Section 8.1 Timing of Distributions. The Company will distribute Available Cash to the Members by the later of (i) sixty (60) days after the end of each calendar quarter ending in March, June and September and ninety (90) days after the end of the quarter ending in December and (ii) fifteen (15) days after the Company has received quarterly program payments (each, a "Program Payment") from Nationwide Retirement Solutions ("NRS") pursuant to an agreement between the Company and NRS. Notwithstanding the foregoing, the Company will not be required to make any distributions with respect to any quarter unless and until it has received a corresponding payment from NRS for such period.

Section 8.2 Distributions. The Company will make distributions to the Members in an amount equal to the excess of Program Payments over Company expenses, liabilities, reasonably anticipated contingencies and reserves as determined by the Board of Managers in its reasonable judgment ("Available Cash"), such distributions to be made pro rata in accordance with the Members' respective Participating Percentage Interests.

Section 8.3 Reserves. Amounts which otherwise would be distributable pursuant to Section 8.2 hereof but are used to fund reserves will, upon any reduction in such reserves, be distributed to the Members that would have been entitled to receive such amounts, as determined by the Board of Managers in good faith, had such reserves not been established; provided, that the relevant Participating Percentage Interest as of the time that such amounts are released from a reserve and available for distribution will be used (rather than the respective Participating Percentage Interest in effect at the time of the establishment of such reserve).

Section 8.4 Withholding. If the Company incurs a tax withholding obligation with respect to any Member, any amount required to be withheld by the Company with respect to such Member will be treated for all purposes of this Agreement as if it had been transferred to such Member by the Company as an interest-free advance. Amounts treated as advanced to any Member pursuant to this Section 8.4 will be repaid by such Member to the Company within thirty (30) days after the Company delivers a written request to such Member for such repayment; provided, however, that if any such repayment is not made, the Company will collect such unpaid amounts from any Company distributions that otherwise would be made to such Member. Any part of such withheld amount not collected by the Company from such distributions will be charged to such Member's Capital Account at such time as the Managers in their sole discretion determine, but in no event later than the time immediately preceding the Company's final distribution to such Member.

Section 8.5 Certain Distributions Prohibited. Anything in this Article VIII to the contrary notwithstanding, no distribution will be made to any Member if, and to the extent that, such distribution would not be permitted under the Act or other applicable law.

Section 8.6 Consent to Distributions. Each Member, by becoming a Member, consents to any such distribution hereafter made or omitted to be made to the Members or any of them in accordance with this Article VIII.

ARTICLE IX
TRANSFERS; ADMISSION OF NEW MEMBERS

Section 9.1 Transfers Generally Prohibited. Except as otherwise provided in this Article IX, no sale, assignment, gift, pledge, hypothecation or other disposition or encumbrance (each, a "Transfer") of a Member's Units (or the Interest represented thereby, including without limitation any economic interest in such Member's Units) will be made, in whole or in part, to any Person without the prior written consent of the Board of Managers, except that no such consent will be required in connection with a Transfer (i) to an affiliate of such Member or (ii) to or from FS Corp pursuant to Section 9.2(b) or Section 10.3.

Section 9.2 Admission of New Members. (a) One or more Persons may be admitted to the Company from time to time as additional or substitute Members, upon such terms and conditions as the Managers may authorize by the affirmative vote, whether by written consent or at a meeting called for such purpose, of the Board of Managers.

(b) Admission of a new Member will be conditioned upon the execution of a counterpart copy of this Agreement by such new Member. A Person may be admitted to the Company as a new Member without making a contribution, or being obligated to make a contribution, to the Company. Upon or subsequent to such new Member's admission, the Interests and/or Participating Percentage Interests of the Members may be allocated or reallocated as the Board of Managers may agree in writing, consistent with the provisions of this Agreement. Upon admission of a new State Association, (A) the Company will redeem from FS Corp that number of Class B Units equal to the number of Class A Units that are being issued to such new State Association in accordance with Section 2.2, (B) the corresponding Participating Percentage Interest will be allocated to the new State Association and (C) FS Corp will have no further interest in and will receive no further distributions in respect of, such Class B Units. The redemption price of such Class

B Units will be determined by mutual agreement of FS Corp and the Board of Managers

(c) Any transferee of a Member's Class A Units (or the Interest represented thereby) that have been Transferred in accordance with the provisions of this Article IX will be admitted as a substitute Member, upon receipt of the prior written consent of the Board of Managers. Without the consent of, and the satisfaction of any conditions imposed by the Board of Managers, no transferee will be admitted as a substitute Member. Any transferee that is admitted to the Company as a substitute Member will succeed to the rights, liabilities, Capital Account, Interest and Participating Percentage Interest of the transferor Member, to the extent of the Interest Transferred. The restrictions contained in this Article IX will apply to any transferee that is not admitted to the Company as a substituted Member, with the same force and effect as if such Person were a Member.

(d) The Managers will not cause or permit (i) any offering of Units in the Company to be registered under the Securities Act of 1933, as amended or (ii) the Units to become traded on an established securities market. The Managers will withhold their consent to, and will neither permit nor recognize, any Transfer that, to the Manager's knowledge after reasonable inquiry, (i) would otherwise be accomplished by a trade on a secondary market (or the substantial equivalent thereof), in each case within the meaning of Section 7704 of the Code and any regulations promulgated thereunder that are in effect at the time of the proposed Transfer, or (ii) would cause the Company to have more than 100 Members, as determined under Treasury Regulation Section 1.7704-1(h)(1).

ARTICLE X
WITHDRAWAL OF MEMBERS

Section 10.1 Withdrawals Generally. Without the prior written consent of Managers representing at least seventy-five percent (75%) of the Interests, which consent will not be unreasonably withheld, delayed or denied, no Member will have the right to withdraw capital from the Company prior to the dissolution and winding up of the Company.

Section 10.2 Mandatory Withdrawals. Any State Association may be required to withdraw from the Company by written notice approved by Managers representing at least seventy-five percent (75%) of the Interests, if such State Association has breached any covenant contained in this Agreement, violates any provisions of the Company's compliance manual or any applicable law, rule or regulation, no longer endorses the Programs, or if the Board of Managers otherwise determines that such Member's withdrawal is in the best interest of the Company.

Section 10.3 Action upon Withdrawal. Upon the withdrawal of a State Association pursuant to this Article X, FS Corp will purchase for cash such State Association's Units (the "Withdrawing Class A Units") at a purchase price [equal to such State Association's Capital Account as of the date written notice of such Member's withdrawal is given or received by the Company, as the case may be][to be agreed among FS Corp, the withdrawing State Association and the Board of Managers]. The purchase of Withdrawing Class A Units will take place as soon as practicable following such notice of withdrawal and immediately following such purchase, FS Corp will exchange the Withdrawing Class A Units for an equivalent number of Class B Units and the corresponding Participating Percentage Interest will be allocated to FS Corp.

Section 10.4 Effect of Withdrawal. Notwithstanding any other provision of this Agreement, no Member that has withdrawn from the Company will be entitled, after the date of withdrawal, to inspect the Company's books or records or to receive any reports or other information from the Company, except such former Member's Schedule K-1 (or equivalent) with respect to the Company's Internal Revenue Service information return on Form 1065, any other supplemental information and supporting data to confirm the information on the Schedule K-1, and any equivalent state tax schedules or forms required to enable such former Member to complete its tax returns for any fiscal period during which such former Member is treated as a partner of the Company for tax purposes. Any such former Member hereby agrees that it will continue to be treated as a Member of the Company, solely for tax purposes, until such former Member has received liquidating distributions from the Company in aggregate amounts equal to the positive balance in such former Member's Capital Account.

ARTICLE XI
DISSOLUTION

Section 11.1 Dissolution. The Company will be dissolved and its affairs will be wound up upon the first to occur of the following:

(a) Upon the vote or written consent of Managers representing at least seventy-five percent (75%) of the Interests;

(b) At any time there are no Members unless the Company is continued without dissolution in accordance with the Act; or

(c) The entry of a decree of judicial dissolution under Section 18-802 of the Act.

Section 11.2 Winding Up. The Board of Managers, or if none, a Person approved by Members holding a majority in Interest, may wind up the Company's affairs, unless otherwise provided by law.

Section 11.3 Distribution of Assets. Upon the winding up of the Company, the Person or Persons charged with winding up the Company first will make payment of, or adequate provisions for, the debts, expenses and obligations of the Company. The remaining assets of the Company will be distributed as Program Payments to the Members in accordance with the distribution provisions specified in Section 8.2 hereof. In performing their duties, the liquidator(s) are authorized to sell, exchange or otherwise dispose of the assets of the Company in such reasonable manner as the liquidator(s) may determine to be in the best interest of the Members.

Section 11.4 No Liability for Return of Capital. Neither the liquidator(s) nor any Member will be personally liable for the return of the capital contributions of any Member. No Member will be liable to restore to the Company any deficit balance in such Member's Capital Account if any such deficit should exist after the Company's final Program Payment distribution.

ARTICLE XII
MISCELLANEOUS

Section 12.1 Notice All notices, requests, consents, reports and demands under this Agreement will be in writing and will be hand delivered, sent by facsimile (with a copy sent by prepaid overnight courier or by first class or registered mail, postage prepaid) or electronic mail, by prepaid overnight courier, or mailed by first class or registered mail, postage prepaid, to the intended recipient at the address set forth below:

If to the Company, at 25 Massachusetts Avenue, Suite 500, Washington, D.C. 20001, Attention: Chief Compliance Officer, or at such other address or addresses as may have been furnished in writing by the Company to the Members, with copies to Pillsbury Winthrop Shaw Pittman LLP, 2300 N Street, NW, Washington, D.C. 20037, Attention: Debby Baum; or

If to the FS Corp, at such address as appears on the records of the Company, or at such other address or addresses as may have been furnished to the Company in writing by such Member with copies to Pillsbury Winthrop Shaw Pittman LLP, 2300 N Street, NW, Washington, D.C. 20037, Attention: Debby Baum; or

If to a State Association, at such address as appears on the records of the Company, or at such other address or addresses as may have been furnished to the Company in writing by such Member in accordance with this Section 12.1.

All such notices and communications will be deemed to have been duly given five (5) days after being deposited in the mail, postage prepaid, if mailed; seventy-two (72) hours after being sent by overnight courier, delivery charges prepaid; when receipt acknowledged, if sent by facsimile or electronic mail; and upon delivery, if delivered by hand. Any party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other parties notice in the manner set forth in this Section 12.1.

Section 12.2 Records and Accounting. The Company will maintain complete and accurate books of account of the Company's affairs at the Company's principal office, which books will be open to inspection by any Member (or such Member's authorized representative) at any time during ordinary business hours.

Section 12.3 Bank Accounts. The Company may establish accounts for the deposit of Company funds, in such types and at such institutions, as is determined from time to time by the Board of Managers.

Section 12.4 Waiver of Notice. Whenever any notice is required to be given pursuant to the provisions of the Act, the Certificate of Formation or this Agreement, a waiver thereof, in writing, signed by the Persons entitled to such

notice, whether before or after the time stated therein, will be deemed equivalent to the giving of such notice.

Section 12.5 Governing Law. This Agreement will be construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

Section 12.6 Amendments. This Agreement may be altered, amended, modified, restated, or repealed and a new agreement may be adopted by consent of Members representing seventy-five percent (75%) of the Interests, after notice and opportunity for discussion of the proposed alteration, amendment, restatement, or repeal.

Section 12.7 Remedies Upon Breach. Any Member that fails to perform in accordance with the terms and conditions of this Agreement will keep and save harmless the assets of the Company and will indemnify the Company and the Members from any and all claims, demands and actions of every kind and nature whatsoever which may arise out of or by reason of such violation of any terms of this Agreement or applicable law.

Section 12.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which taken together will constitute one Agreement.

Section 12.9 Tax Matters Manager. The Tax Matters Manager will be FS Corp. The Tax Matters Manager is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Tax Matters Manager will have the authority and responsibility to arrange for the preparation of, and timely file, the Company's tax returns.

Section 12.10 Entire Agreement. This Agreement constitutes the entire Agreement of the parties hereto with respect to the subject matter hereof.

Section 12.11 Severability of Provisions. Each provision of this Agreement will be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality will not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

Section 12.12 Interpretation. Unless the context otherwise requires: (i) a term has the meaning assigned to it; (ii) "or" is not exclusive; (iii) words in the singular include the plural, and words in the plural include the singular; (iv) "amended," with reference to a law, statute, rule or regulation, is deemed to be followed by "from time to time"; (v) "herein," "hereof" and other words of similar import refer to this Agreement as a whole and not to any particular Section, subsection, paragraph, clause, or other subdivision; (vi) "including" and "includes," when following any general provision, sentence, clause, statement, term or matter, will be deemed to be followed by ", but not limited to," and ", but is not limited to," respectively.

In Witness Whereof, the undersigned has signed this Limited Liability Company Agreement as of the date first above written.

Member

____
[Print Name of Member]

By: ________________________________

Name: _____________________________

Title: ______________________________

SCHEDULE A

[Member Information]

SCHEDULE B

1. Each State Association will work with Nationwide Retirement Solutions ("NRS") staff assigned to such State Association's state of operations, as well as FS Corp or its designee, to develop an annual marketing plan (the "Marketing Plan"). The basic form of the Marketing Plan will be established by agreement between FS Corp and the representatives of the National Council of County Association Executives ("NCCAE") who serve on the NACo Deferred Compensation Advisory Committee. The Marketing Plan will outline the goals and objectives for both NRS and the State Association with respect to the Programs for the upcoming year. All marketing support, including all printed and electronic publications, will be provided in compliance with the reporting and disclosure requirements as set forth in this Agreement. In developing and implementing the Marketing Plan, to the extent permitted by the articles of incorporation and bylaws of such State Association, and any applicable statute or rule, each State Association will:

(a) Provide adequate staff support who shall:

(i) Provide assistance to develop and implement an effective, successful Marketing Plan.

(ii) Provide information to NRS and FS Corp marketing staff on county contacts, opportunities, questions and problems, as requested.

(iii) Provide advice on county structure, state statutory requirements and limitations, and relevant State Association operations, as requested.

(iv) Develop proficiency in knowledge of the Programs, the elements of the NRS marketing model, and the relationship between the National Association of Counties ("NACo") and NRS, including attendance at NRS or NACo training sessions.

(v) Accompany NRS and/or FS Corp marketing staff on county visits or to State Association functions, for the purpose of providing assistance in making presentations by NRS and FS Corp staff, as appropriate.

(vi) Receive and respond to questions from State Association members concerning the Programs.

(vii) Respond promptly to calls regarding the Programs from NRS, NACo and FS Corp staff, State Association members and participants, and refer questions and issues promptly to FS Corp, NACo or NRS, as appropriate.

(b) Provide to NRS, at State Association's own cost, at every general purpose conference that has a substantial attendance by State Association membership:

(i) A booth space in the relevant exhibit hall or area, in a location commensurate with, or superior to, other participating vendors. Where the State Association has no exhibit hall or area at such conference, it will nevertheless secure a table or other appropriate space to advertise the Programs if such opportunity exists for other State Association-endorsed activities and programs; and further, if such State Association provides display space to Competitors in any of its exhibits, such State Association will offer space in a prominent location for marketing the Programs.

(ii) Conference or meeting registration for two representatives of NRS.

(iii) An advertisement in the printed program for such conference, where such printed program exists, at a size and format comparable to advertisements for other State Association-endorsed products.

(c) Provide, at its own cost, with respect to publications and marketing communications (unless otherwise provided below):

(i) A display advertisement or editorial copy (e.g., a featured article) discussing or highlighting the Programs in a positive manner, as follows:

(A) If advertising is included in State Association's periodicals, at least one one-half (1/2)-page advertisement every other issue, or a substitute advertisement as may be requested from time to time by NRS or FS Services, in its primary newsletter, magazine, web letter or other membership communication.

(B) If advertising is not included in the State Association's periodicals, editorial copy featuring the Programs will be published, at the request of NRS or FS Corp.

(ii) Subscriptions to periodicals published by or on behalf of the State Association to the NRS regional vice president and Program director for the jurisdiction of operations ("Home State Program director"), if applicable.

(iii) Current and updated official county mailing and telephone lists (if not previously provided), in electronic format where available, to FS Corp and the NRS home office, regional vice president, Home State Program director, if applicable and each enroller assigned to counties within the jurisdiction of operations.

(iv) If the State Association publishes and has editorial control over a directory, and the directory includes any advertisements for commercial products or services or State Association activities or programs, an advertisement of the Programs commensurate with that provided to any other State Association-endorsed service or product.

(v) A link, on the State Association website, sized and placed comparably to other State Association-endorsed programs (including display of appropriate Program logos), to the NRS website for the Programs.

(vi) Assistance with direct mailings to counties to augment the marketing efforts of NRS.

(d) Provide agenda time for an annual presentation by NRS on the status of the Programs nationally and within the jurisdiction of operations at a meeting of the State Association governing body and/or a general session of the State Association membership.

(e) Provide ongoing, best efforts to promote the Programs to all county governments or like entities within the jurisdiction of operations and to the employees of such county governments or like entities, and, on at least a semi-annual basis, report to FS Corp as to the activities it has undertaken with respect to this Section, with such reporting to be in the format established by FS Corp.

(f) Create an advisory marketing committee, as appropriate, composed of such individuals representing County Entity members of State Association as it may determine advisable or necessary, to meet at least twice yearly to assist State Association staff and NRS representatives to identify, prioritize and pursue marketing opportunities. Issues or concerns identified by this committee may be submitted in writing to FS Corp for its input and advice.

(g) Cause the State Association Executive Director or his or her designee to meet not less than semi-annually with the NRS Home State director to discuss the status of the Marketing Plan and any other issues arising relative to the Programs, its marketing, or this terms set forth herein. The State Association liaison and the Executive Director of State Association will respond to, and reasonably accommodate, meeting requests from the NRS regional vice president and FS Corp staff.

(h) Provide complimentary corporate membership to NRS if the State Association offers such a membership program.

2. FS Corp will:

(a) Make commercially reasonable efforts to meet the objectives of the Marketing Plan.

(b) Provide advertising and editorial copy and meet all reasonable deadlines and procedures for advertising and editorial copy and exhibit booth registrations, with camera-ready advertisement copy and materials of professional quality for distribution to State Associations. Relevant advertisements and articles will be made available on the FS Corp website or other media.

(c) Furnish pertinent information, upon request, to assist State Association in meeting its responsibilities under this Agreement.

(d) Promptly inform each State Association of any changes in the Programs or personnel which will impact marketing efforts for the Programs.

(e) Comply with the Company's compliance manual and all relevant federal and state statutes and rules, including but not limited to privacy and rules relative to use of electronic media and e-mail for marketing purposes and rules relating to the use of copyright, trademark, service mark or any other intellectual property right.

(f) Neither sell nor distribute the lists, files or other information required to be provided by any State Association pursuant to this Agreement.

(g) Upon request, FS Corp will assist the Company in communicating and resolving with NRS issues related to the Company's involvement in the Programs.

IV. Schedule of Estimated Contribution Amounts

State Association	Contribution	Percent Ownership
Association of County Commissions of Alabama Attn: Mr. Sonny Brasfield Executive Director 100 North Jackson Street Montgomery, AL 36104-3811	$44	.7%
Alaska Municipal League Attn: Ms. Kathie Wasserman Executive Director 217 Second Street, Suite 200 Juneau, AK 99801-1267	$4	.1%
Arizona Association of Counties Attn: Ms. Nicole Stickler Executive Director 1910 West Jefferson, Suite 1 Phoenix, AZ 85009	$164	2.5%
Association of Arkansas Counties Attn: Mr. Chris Villines Executive Director 1415 West Third Street Little Rock, AR 72201-1810	$12	.2%
CSAC Finance Corporation Attn: Ms. Nancy Parrish Executive Director 1100 K Street, Suite 101 Sacramento, CA 95814	$521	8.0%
Colorado Counties, Inc. Attn: Mr. John Taylor Executive Director 1700 Broadway, Suite 1510 Denver, CO 80290	$39	.6%
Delaware Association of Counties Attn: Mr. Richard C. Cecil Executive Director 12 N Washington Avenue Lewes, DE 19958-1806	$5	.1%
Florida Association of Counties Attn: Mr. Christopher L. Holley Executive Director 100 South Monroe Street Tallahassee, FL 32301	$601	9.3%
Idaho Association of Counties Attn: Mr. Daniel Chadwick Executive Director P. O. Box 1623 700 West Washington Street Boise, ID 83702	$12	.2%
Illinois Counties Association Attn: Mr. David Meyer Secretary/Treasurer 217 Monroe Street, Suite 101 Springfield, IL 62701	$252	3.9%

State Association	Contribution	Percent Ownership
Association of Indiana Counties, Inc. Attn: Mr. David Bottorff Executive Director 101 W Ohio St #1575 Indianapolis, IN 46204-2051	$29	.4%
Iowa State Association of Counties Attn: Mr. William Peterson Executive Director 501 S.W. 7th Street, Suite Q Des Moines, IA 50309-4540	$17	.3%
Kansas Association of Counties Attn: Mr. Randall Allen Executive Director 300 SW Eighth Avenue, Third Floor Topeka, KS 66603-3912	$10	.2%
Kentucky Association of Counties Attn: Mr. Denny Nunnelly Executive Director 380 King's Daughter Drive Frankfort, KY 40601-4106	$11	.2%
Police Jury Association of Louisiana Attn: Mr. Roland Dartez Executive Director 707 North Seventh Street Baton Rouge, LA 70802-5327	$110	1.7%
Maryland Association of Counties Attn: Mr. Michael Sanderson Executive Director 169 Conduit Street Annapolis, MD 21401-2512	$121	1.9%
Massachusetts Association of County Commissioners Attn: Mr. Peter H. Collins Treasurer PO Box 310 Dedham, MA 02027-0310	$5	.1%
Michigan Association of Counties Attn: Mr. Timothy K. McGuire Executive Director 935 N. Washington Avenue Lansing, MI 48906-5156	$155	2.4%
Association of Minnesota Counties Attn: Mr. Jeff Spartz Executive Director 125 Charles Street Saint Paul, MN 55103-2108	$129	2.0%
Mississippi Association of Supervisors Attn: Mr. Derrick Surrette Executive Director 793 N. President Street Jackson, MS 39202-3002	$3	.1%
Missouri Association of Counties Attn: Mr. Dick Burke Executive Director P.O. Box 234 Jefferson City, MO 65102-0234	$18	.3%

State Association	Contribution	Percent Ownership
Montana Association of Counties Attn: Mr. L. Harold Blattie Executive Director 2715 Skyway Dr. Helena, MT 59602-1213	$9	.1%
Nebraska Association of County Officials Attn: Mr. Larry Dix Executive Director 625 South 14th Street, Suite A Lincoln, NE 68508-2737	$6	.1%
Nevada Association of Counties Attn: Mr. Jeff Fontaine Executive Director 304 S. Minnesota Street Carson City, NV 89701	$4	.1%
New Hampshire Association of Counties Attn: Ms. Betsy Miller Executive Director 46 Donovan Street, Suite #2 Concord, NH 03301-2624	$6	.1%
New Jersey Association of Counties Attn: Mr. John Donnadio Executive Director 150 West State Street Trenton, NJ 08608-1105	$124	1.9%
New Mexico Association of Counties Attn: Mr. Paul Gutierrez Executive Director 613 Old Santa Fe Trail Santa Fe, NM 87501-0308	$11	.2%
New York State Association of Counties Attn: Mr. Steve Acquario Executive Director 540 Broadway, 5th Floor Albany, NY 12207	$62	1.0%
North Carolina Association of County Commissioners Attn: Mr. David Thompson Executive Director 215 N. Dawson Street Raleigh, NC 276021311	$80	1.2%
North Dakota Association of Counties Attn: Mr. Mark Johnson Executive Director 1661 Capitol Way Bismarck, ND 58501-2195	$20	.3%
Association of County Commissioners of Oklahoma Attn: Ms. Gayle Ward Executive Director 429 NE 50th Street Oklahoma City, OK 73105-1815	$22	.3%
Association of Oregon Counties Attn: Mr. Mike McArthur Executive Director 1201 Court Street, N.E. Salem, OR 97301-0729	$20	.3%

State Association	Contribution	Percent Ownership
County Commissioners Association of Pennsylvania Attn: Mr. Doug Hill Executive Director 17 North Front Street Harrisburg, PA 17101-1606	$74	1.1%
South Dakota Association of County Commissioners Attn: Mr. Bob Wilcox Executive Director 306 East Capitol Avenue #10 Pierre, SD 57501-2519	$5	.1%
Tennessee County Services Association Attn: Mr. David Seivers Executive Director 226 Capitol Blvd. Building, Suite 700 Nashville, TN 37219	$84	1.3%
Texas Association of Counties Attn: Mr. Gene Terry Executive Director PO Box 2131 Austin, TX 78768-2131	$185	2.9%
Utah Association of Counties Attn: Mr. Brent Gardner Executive Director 5397 S. Vine Street Salt Lake City, UT 84107-6757	$18	.3%
Virginia Association of Counties Attn: Mr. James Campbell Executive Director 1207 East Main Street Richmond, VA 23219-3627	$52	.8%
Washington State Association of Counties Attn: Mr. Eric Johnson Executive Director 206 10th Avenue, SE Olympia, WA 98501-1333	$62	1.0%
West Virginia Association of Counties Attn: Ms. Patricia Hamilton Executive Director 2211 Washington East Street Charleston, WV 25311-2218	$9	.1%
Wisconsin Counties Association Attn: Mr. Mark O'Connell Executive Director 22 East Misslin Street, Suite 900 Madison, WI 53703-4247	$122	1.9%

V. Initial Balance Sheet, Income Statement and Cash Flow

NACo RMA, LLC

ProForma Balance Sheet

As of January 1 and December 31, 2012

	Jan 1,	Dec 31,
Assets		
Cash in Bank	$203,280	$203,280
Unamortized Formation Costs	90,000	54,000
Total Assets	$293,280	$257,280

Liabilities		
Due to FSCorp	$290,000	$254,000
Total Liabilities	290,000	254,000

Members Equity		
Capital Accounts	3,280	3,280
Total Liabilities & Members Equity	$293,280	$257,280

This assumes that the current contract (as of 10/4/2011) between NACo Entities and NRS remains in force.

NACo RMA, LLC

ProForma Income Statement

For the Calendar year ending December 31, 2012

Revenue	
Program Marketing & Administration	$3,978,000
Operating interest	120
Total operating revenue	3,978,120

Expenses	
Program Marketing	$120,000
Marketing & Royalty Payments	2,460,000
Board of Directors/Governance	7,500
Staffing (Salaries & Benefits)	214,000
Administration & Compliance	293,000
Total operating expenses	3,094,500

Net income before taxes and amortization	883,620
Amortization of Formation costs	(36,000)
Interest Expense	(1,360)
Provision for Income Tax Expense	-
Net Income available for Distribution	$846,260

This assumes that the current contract (as of 10/4/2011) between NACo Entities and NRS remains in force.

NACo RMA, LLC

ProForma Statement of Cash Flow

For the Calendar year ending December 31, 2012

Cash flows from Operating activities		
Program Marketing & Administration	$3,978,000	
Marketing & Royalty Payments	(2,460,000)	
Program Marketing	(120,000)	
Board of Directors/Governance	(7,500)	
Staffing (Salaries & Benefits)	(214,000)	
Administration & Compliance	(293,000)	
Total operating revenue		$883,500

Cash Flows from Investment Activities		
Operating interest		120

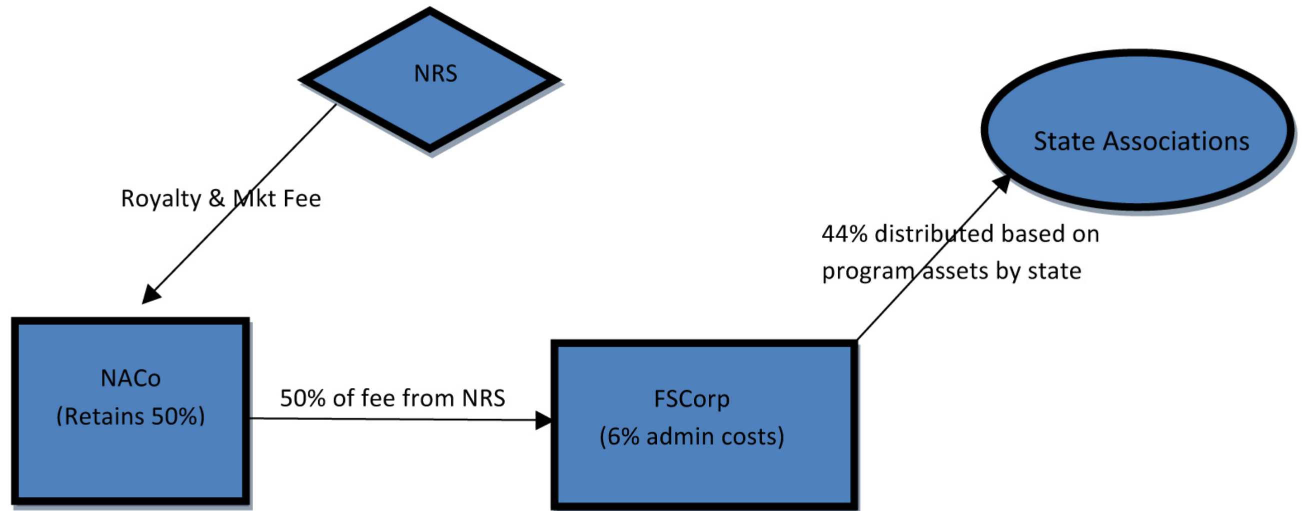
Cash Flows from Financing Activities		
Proceeds from Issuance of Shares	3,280	
Proceeds from Issuance of Debt	200,000	
Repayment of Borrowings	(36,000)	
Interest on Debt	(1,360)	
Distributions to Members	(846,260)	
		(680,340)

Net increase in Cash Held		203,280
Cash on Hand, December 31,2011		-
Cash on Hand, December 31,2012		$203,280

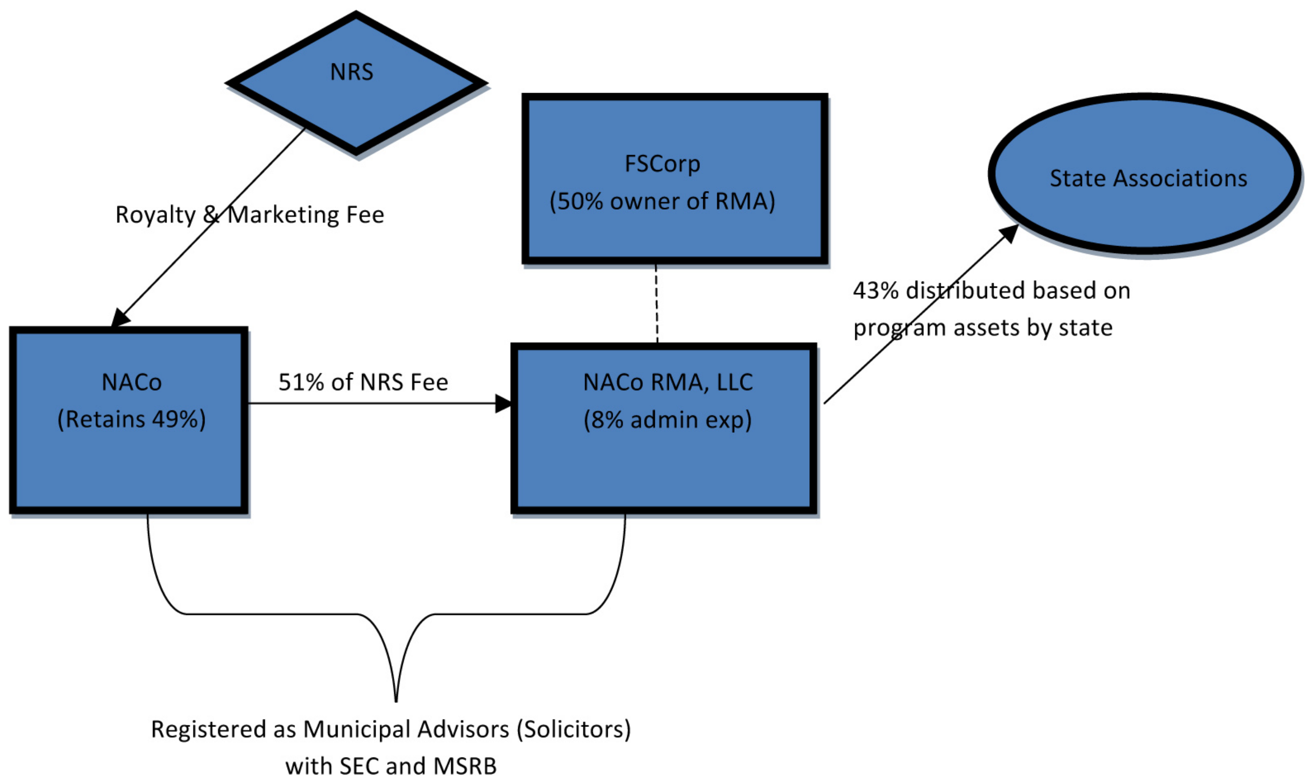
This assumes that the current contract (as of 10/4/2011) between NACo Entities and NRS remains in force.

VI. Organizational Flowchart

Deferred Compensation Flow under Current Structure



Deferred Compensation Flow under RMA Structure



VII. Reference Links

Reference Links

The Municipal Securities Rulemaking Board has a number of discussion pages about Registered Municipal Advisors. The MSRB can be accessed at www.msrb.org.

The following links, as well as others, may be useful:

- www.msrb.org/Market-Topics/Municipal-Advisors.aspx
- www.msrb.org/en/MSRB-For/Municipal-Advisors/Municipal-Advisor-News.aspx

In addition, the municipal securities sections of the Dodd Frank Act are available at:

- http://thomas.loc.gov/cgi-bin/cpquery/?&dbname=cp111&sid=cp1118emTZ&refer=&r_n=hr517.111&item=&&&sel=TOC_1822482&#