

Official Invitation for Proposals

For the Purchase of

\$78,885,000*

**PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
Refunding Revenue Bonds
STATE SYSTEM OF HIGHER EDUCATION, SERIES AY
(Federally Taxable)**

Electronically submitted proposals will be received by the Pennsylvania Higher Educational Facilities Authority (herein referred to as the "Authority"), up to 11:00 a.m., Prevailing Local Time, on

September 24, 2020

for the purchase of \$78,885,000* aggregate principal amount of the Authority's Refunding Revenue Bonds, State System of Higher Education, Series AY (Federally Taxable) (the "Series AY Bonds"). Such electronic proposals will be made as described under "**Electronic Bids**" herein and reviewed by the Authority immediately thereafter.

No bid for the Series AY Bonds will be considered unless the underwriting group submitting such bid includes as a co-manager at least one Minority, Veteran or Female Business Enterprise, which shall be identified by the successful bidder prior to the award of the Series AY Bonds, as described under "ACCEPTANCE OF PROPOSALS" herein. Any determination of whether any firm so identified is in fact a Minority, Veteran or Female Business Enterprise will be made by the Authority and will be conclusive. Sealed bids and faxed bids will not be accepted by the Authority.

The Authority and the State System of Higher Education (the "System" or "PASSHE"), individually and jointly, reserve the right to reject any and all bids and to waive any irregularity or obvious error in any bid. No bid may be withdrawn after the 11:00 a.m. deadline for the submission of bids. The award of the Series AY Bonds or the rejection of all bids will occur within five (5) hours after that time. **The Authority and the System reserve the right to extend any date and/or time fixed for the receipt of bids by giving notice, through The Bond Buyer Wire and Bloomberg Business News (the "News Services"), of the new date and time so fixed, which notice shall be given at least twenty-four (24) hours prior to such new date and time.** If all bids are rejected, the Authority and the System may fix a new date and time for the receipt of bids for the Series AY Bonds by giving notice in the same manner at least twenty-four (24) hours prior to such new date and time. Any notice specifying a new date and/or time for the receipt of bids, following the rejection of all bids received or otherwise, shall be considered a supplement to this Invitation.

The Series AY Bonds are being issued pursuant to Act No. 318 of the General Assembly of the Commonwealth of Pennsylvania, approved December 6, 1967, as amended, known as the Pennsylvania Higher Educational Facilities Authority Act (the "Act") to finance: (i) the refunding all or a portion of Pennsylvania Higher Educational Facilities Authority's State System of Higher Education Revenue Bonds,

* Preliminary, subject to change. See "Adjustment of Principal Amounts" herein.

Series AM of 2011, and (ii) contingencies and payment of costs and expenses incident to the issuance of the Series AY Bonds.

Due to the importance which the Authority and the System attach to the requirement that each underwriting group submitting a bid on their bond issues has as a co-manager at least one Minority Business Enterprise, each potential bidder is requested to submit the following form prior to the deadline for the submission of bids to the attention of Michael R. Baird at telecopy number (866) 898-3791.

Terms used herein but not otherwise defined herein shall have the meaning given thereto in the Official Statement (defined hereinafter).

BOND DETAILS

The Series AY Bonds will be dated the date of delivery thereof and will bear such rate or rates of interest, payable semiannually on June 15 and December 15 in each year, commencing December 15, 2020, as shall be fixed by the purchaser in its proposals for the purchase of the Series AY Bonds. The Series AY Bonds shall mature serially on June 15 of the years and in the amounts set forth in the following table. The Series AY Bonds will be issued in book-entry only form. See "**Book-Entry Only System**" herein.

Maturity Schedule *

<u>Maturity (June 15)</u>	<u>Principal</u>
2022	\$7,280,000
2023	7,365,000
2024	7,465,000
2025	7,575,000
2026	7,710,000
2027	6,310,000
2028	6,430,000
2029	6,550,000
2030	6,690,000
2031	6,835,000
2032	1,650,000
2033	1,695,000
2034	1,730,000
2035	1,775,000
2036	1,825,000

At the option of the successful bidder of the Series AY Bonds, consecutively maturing serial Series AY Bonds (which may include a year in which the maturing principal is currently estimated to be zero) bearing the same rate of interest may be converted to a term Bond of the Series AY Bonds maturing in the final year of such Series ("Term Bond") in the manner described herein under the caption "**Redemption: Mandatory Redemption**", subject to all terms and conditions set forth in the Indenture. **Within 24 hours of the award of the Series AY Bonds by the Authority, the successful bidder will be required to notify the Authority in writing as to which Series AY Bonds are to be converted to a Term Bond if any such Series AY Bonds are to be so converted.**

* Preliminary, subject to change.

Adjustment of Principal Amounts

The Authority and the System severally reserve the right to modify or amend this Official Invitation for Proposals, prior to the bid date, including to change the scheduled maturities or to increase or reduce the aggregate principal amount of the Series AY Bonds and the principal amount of any maturity offered for sale. If any such modification or amendment occurs, supplemental information with respect to the Series AY Bonds will be communicated via TM3 (www.tm3.com) not later than 5:00 p.m., EDT or prevailing Harrisburg, Pennsylvania time, on the day preceding the day on which proposals may be submitted, and bidders shall bid upon the Series AY Bonds based upon the terms thereof set forth in this Official Invitation for Proposals as so modified or amended by such supplemental information. If any prospective bidder does not subscribe to TM3, please call RBC Capital Markets, LLC, Michael R. Baird, at 410-625-6103 and arrangements will be made to notify such prospective bidder of any modification or amendment to this Official Invitation for Proposals prior to 5:00 p.m., EDT or prevailing Harrisburg, Pennsylvania time, on the day preceding the day on which proposals may be submitted.

The aggregate principal amount and the principal amount of each serial maturity of the Series AY Bonds are also subject to adjustment by the Authority after the opening of the electronic bids submitted for their purchase. Changes to be made will be communicated to the successful bidder not later than five (5) hours after the bids have been opened and will be made only as necessary to comply with the requirements of federal tax law necessary to maintain the exemption from federal income tax of the interest payable thereon and in no case will reduce or increase the aggregate principal amount of the Series AY Bonds by more than 10 percent from the amount bid upon. The underwriting spread bid by the successful bidder (defined as the amount equal to the difference between the purchase price bid for the Series AY Bonds and the aggregate reoffering price to the public of the Series AY Bonds) will be adjusted proportionally to reflect any reduction or increase in the aggregate principal amount of the Series AY Bonds, but the interest rates and reoffering prices specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes within these limits.

MUNICIPAL BOND INSURANCE

Bidders may opt to purchase, at their sole expense, if the Series AY Bonds so qualify, a municipal bond insurance policy selected by the Authority, and under which the System shall be the obligor to the insurer, to insure payment of the principal of and interest on all, or a portion of, the Series AY Bonds when due. Neither failure of the Series AY Bonds to qualify for or failure of the provider to issue such insurance policy shall relieve the successful bidder of its obligation to purchase the Series AY Bonds.

REDEMPTION

The Series AY Bonds are subject to redemption as follows:

Optional Redemption. The Series AY Bonds maturing on and after June 15, 2031 are subject to optional redemption prior to maturity by the Authority at the written direction of the System in whole at any time or in part from time to time, on and after June 15, 2030, at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon to the date of redemption. Any partial redemption may be in any order of maturity and in any principal amount within a maturity as designated by the System by lot within a maturity. In the case of any Series AY Bond also subject to mandatory redemption, the Authority, at the direction of the System, shall be entitled to designate whether any optional redemption shall be credited against principal amounts due at maturity or against particular scheduled mandatory redemption Series AY Bonds to be redeemed within any maturity will be selected by the Trustee by lot.

Extraordinary Optional Redemption. The Series AY Bonds will be subject to redemption prior to maturity at the option of the Authority, at the direction of the System, in whole at any time or in part from time to time with respect to the Series AY Bonds in any order of maturity selected by the System, and within any maturity by lot, upon payment of a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption, but only in the event that all or a portion of the Projects financed or refinanced with the proceeds of the Series AY Bonds are damaged, destroyed or condemned, or sold under threat of condemnation, and it is determined that repair or reconstruction is not desirable, practical or financially feasible, from and to the extent of insurance proceeds, condemnation awards or proceeds of sale in lieu of condemnation received by the Trustee as a result of such damage, destruction, condemnation or sale under threat of condemnation.

Mandatory Redemption. The successful bidder for the Series AY Bonds will be given the option to convert consecutively maturing serial Series AY Bonds bearing the same rate of interest to a Term Bond of such Series maturing in the final year of such particular consecutive series. Such Term Bond shall be subject to mandatory redemption by lot, prior to maturity, at a redemption price of one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption, from moneys deposited in a sinking fund established for the Series AY Bonds within the Revenue Fund established under the Indenture, such redemptions to occur according to the principal maturity schedule contained herein, in the proposal and in the Official Statement. The principal amount of the Series AY Bonds otherwise required to be redeemed may be reduced by the principal amount of Series AY Bonds previously called for extraordinary optional redemption or theretofore delivered to the Trustee by the System in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Revenue Fund established under the Indenture and which have not theretofore been applied as a credit against any sinking fund installment.

Notice of Redemption

Notice of redemption will be mailed to the registered owners of the Series AY Bonds not more than 45 nor less than 30 days prior to the date of redemption, by first class mail. The Trustee will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee as long as DTC acts as securities depository for the Series AY Bonds.

BOOK-ENTRY ONLY SYSTEM

The Series AY Bonds will be issued by means of a book-entry only system with no distribution of Series AY Bond certificates made to the public. One certificate representing the aggregate principal amount of each series of the Series AY Bonds maturing in each year will be issued and fully registered as to principal and interest in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), a Securities and Exchange Commission registered depository and a New York limited-purpose trust company. Ownership of the Series AY Bonds, in principal amounts of \$5,000 or integral multiples thereof, will be shown on, and transfers of beneficial ownership effected through, records maintained by DTC and its participants pursuant to rules and procedures established by DTC. The responsibility for maintaining, reviewing and supervising such records rests collectively with DTC and its participants. The successful bidder for the Series AY Bonds, as a condition to the delivery of such Series, shall be required to deposit the Series AY Bond certificates with DTC registered in the name of Cede & Co. Interest will be payable on each semiannual interest payment date, and principal of the Series AY Bonds will be paid annually as set forth in the foregoing maturity schedules to DTC or its nominee as registered owner of such Series. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such DTC participants and other nominees of beneficial owners. Neither

the Authority nor the System will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants, or persons acting through such participants.

Replacement Series AY Bonds upon Termination or Failure of Book-Entry Only System

In the event that (i) the Authority determines that DTC is incapable of discharging its duties or the interests of the Beneficial Owners or the Authority may be adversely affected if the book-entry only system of transfer is continued (the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), or (ii) the System determines, and notifies the Authority of its determination, that continuation of the book-entry only system through DTC is not in the best interests of the System, the Authority shall appropriately notify DTC and (if there is no successor depository) shall direct the Trustee to authenticate and make available for delivery replacement Series AY Bonds in the form of fully registered, physical bond certificates.

INTEREST RATE AND BID REQUIREMENTS

Each bidder shall designate such rates of interest for the maturities specified herein in its proposal for the purchase of the Series AY Bonds subject to the following limitations:

- (1) No bid for the Series AY Bonds will be considered unless the underwriting group submitting such bid includes as a co-manager at least one Minority, Veteran or Female Business Enterprise, which shall be identified by the successful bidder prior to the award of the Series AY Bonds, as described under "**ACCEPTANCE OF PROPOSALS**" herein. Any determination of whether any firm so identified is in fact a Minority, Veteran or Female Business Enterprise will be made by the Authority and will be conclusive. To facilitate the determination of whether a firm is a Minority, Veteran or Female Business Enterprise, bidders are asked to identify the co-manager(s) which are Minority, Veteran or Female Business Enterprises in advance of the deadline for submission of bids by completing the form attached as Exhibit A-2 and sending it by telecopy to the number noted thereon.
- (2) No interest rate shall be specified which is not a multiple of 1/20 or 1/8 of 1%, and a zero rate of interest may not be named;
- (3) All Series AY Bonds of the same subseries and maturing on the same date shall bear the same rate of interest;
- (4) No one Series AY Bond shall bear interest at more than one rate;
- (5) No proposal for less than all of the Series AY Bonds will be considered;
- (6) No proposal naming an aggregate bid price of less than 98.5% of the principal amount of the Series AY Bonds, will be considered;
- (7) Proposals must be made upon the prescribed form of the Bid Services (see **Electronic Bids** below), and bidders must specify a single annual interest rate for each maturity of the Series AY Bonds set forth therein. Consecutive principal maturities of the Series AY Bonds bearing the same rates of interest may be converted to a term Series AY Bond at the option of the bidder as set forth herein under the caption "**REDEMPTION - Mandatory Redemption**";
- (8) Each proposal will be required to comply with the provisions relating to a Good Faith Deposit as further set forth herein under the caption "**GOOD FAITH**"; and

- (9) Notwithstanding anything to the contrary herein, the Authority and the System, individually and jointly, reserve the right to reject any or all bids with respect to the Series AY Bonds.

Electronic Bids

Solely as an accommodation to bidders, the Authority will receive bids delivered electronically through the following services (the "Bid Services"); no bid will be received in any other medium:

- Dalcomp, a division of Thomson Financial Municipals Group, Inc.
BIDCOMP Competitive Bidding System and Parity Electronic Bid Submission System ("Parity")
395 Hudson Street
New York, NY 10014
Phone: (212) 806-8304
Fax: (212) 989-9281
Internet address: <http://www.tm3.com>

If any provision of this Invitation conflicts with information provided by Parity, this Invitation shall control. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with (including any charges by) Parity and that Parity is not acting as agent of the Authority. Instructions for submitting electronic bids must be obtained from Parity, and the Authority does not assume any responsibility for ensuring or verifying bidder compliance with Parity's procedures. The Authority shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder. Acceptance of electronic bids shall be subject to the limitations set forth in "**WARNINGS REGARDING ELECTRONIC BIDS**" below.

Warnings Regarding Electronic Bids

THE AUTHORITY, THE SYSTEM, THE FINANCIAL ADVISOR AND CO-BOND COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED OR RECEIVED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE AUTHORITY AT THE PLACE OF BID RECEIPT, AND THE AUTHORITY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED.

THE AUTHORITY WILL ACCEPT BIDS ONLY IN ELECTRONIC FORM AND ONLY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE AUTHORITY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE AUTHORITY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE AUTHORITY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

TERMS OF SALE

The Series AY Bonds will be awarded (or all bids will be rejected) within five (5) hours of the opening of the bids at 11:00 a.m., prevailing Harrisburg, Pennsylvania Time, on September 24, 2020, to the bidder for such Series submitting a proposal conforming to the terms of this Invitation and which produces the lowest true interest cost to the Authority for such Series, determined as set forth below (such bidder or, where appropriate, the representative thereof if such bidder is a syndicate, shall be sometimes referred to herein as the "successful bidder"). The proposal of such successful bidder will be accepted by the Authority and the System, as described below under "**ACCEPTANCE OF PROPOSALS**", and signed by an Authorized Officer of the Authority and an Authorized Officer of the System, subject to the individual and joint rights of the Authority and the System in their discretion to reject any and all proposals. **The true interest cost for the Series AY Bonds shall mean twice that semiannual interest rate at which the sum of the present values of scheduled principal and interest payments on such Series, as of their dated date, shall equal the amount bid for such Series, exclusive of accrued interest, if any, to the date of delivery.** For the purpose of determining the interval of time from the dated date of the Series AY Bonds and any payment date, the 30-day month, 360-day year convention shall be used. For the information of the Authority only, and not as part of its proposal, each bidder shall set forth in its proposal the true interest cost, expressed as a percentage, of its proposal for the Series AY Bonds. If two or more conforming bids are found to be the best bids, the Authority may, with the consent of such bidders, award the Series AY Bonds to them jointly or, absent such consent, may award such Series to any one of such bidders selected in any manner it deems appropriate.

ACCEPTANCE OF PROPOSALS

The Authority and the System shall accept the proposal of the successful bidder of the Series AY Bonds as follows: Upon determining to accept the successful bidder's proposal, the Authority and the System shall contact the successful bidder by telephone and promptly thereafter shall deliver to the successful bidder, by facsimile, written notice that they accept such proposal subject to the terms and conditions of this Invitation. Following such acceptance, the successful bidder shall execute and deliver by facsimile, to the Authority and the System, of the following:

- (1) A certificate in the form attached to such written notice, executed on behalf of the successful bidder, confirming the bid submitted by such successful bidder (as set forth on the attachment described in clause (2) below). The certificate also shall identify each member of the syndicate if the successful bidder is a syndicate, **and identify the Minority, Veteran or Female Business Enterprise that is a co-manager of such syndicate;** and
- (2) A printed copy of the winning bid electronically submitted by the successful bidder, which shall be provided by the Authority and the System to the successful bidder along with the written notice described above and shall be attached to and incorporated by reference in the certificate described in clause (1).

BIDDERS SHOULD BE AWARE THAT ANY AND ALL BIDS, ONCE SUBMITTED ELECTRONICALLY THROUGH PARITY, SHALL BE DEEMED BINDING ON SUCH BIDDER FOR ALL PURPOSES. THE CERTIFICATE DESCRIBED IN THE PREVIOUS PARAGRAPH IS ONLY A CONFIRMATION OF THE BIDDER'S BINDING ELECTRONICALLY SUBMITTED PROPOSAL.

BLUE SKY LAWS AND LIMITATIONS ON BIDDERS

By submission of its bid, the successful bidder represents that the sale of the Series AY Bonds will be made only in accordance with all applicable laws, rules and regulations (including rules and regulations

promulgated by the Municipal Securities Rulemaking Board, the Securities and Exchange Commission and the Financial Industry Regulatory Authority), and only pursuant to exemptions from registration or, where necessary, registration of such Series by the successful bidder in accordance with the securities laws of the jurisdictions in which such Series are offered or sold. Except as indicated in the Blue Sky Memorandum described below, the Authority and the System agree to cooperate with the successful bidder at the successful bidder's written request and expense, in registering such Series or beneficial interests therein or obtaining an exemption from the registration in any jurisdiction where such action is necessary. The Authority and the System shall not be required to qualify as a foreign corporation in, or submit to jurisdiction of, any other state.

Co-Bond Counsel has prepared a Blue Sky Memorandum that indicates the states and other jurisdictions of the United States in which the Series AY Bonds may be offered and sold to the public under applicable laws of such states and other jurisdictions as of the date of the Preliminary Official Statement. The Blue Sky Memorandum contains certain qualifications and assumptions set forth therein. Any potential purchaser desiring a more definitive opinion concerning the laws of any state or other jurisdiction applicable to the offering and sale of the Series AY Bonds therein should consult its own advisors. As noted in the preceding paragraph, compliance with the laws of any jurisdiction as a condition to the sale of the Series AY Bonds in such jurisdiction shall be the responsibility of the successful bidder. Neither the System nor the Authority will have taken any action necessary to fulfill any such condition prior to the official award of the Series AY Bonds, nor will either take any such action thereafter except as noted in the preceding paragraph. Bidders should be aware that neither the Authority nor the System will undertake to cause the Blue Sky Memorandum to be revised to reflect any potential changes in applicable law after the date thereof.

OFFICIAL STATEMENT - COMPLIANCE WITH SEC RULE 15c2-12

The Authority, solely with respect to the statements under the section captioned "The Authority", and the System have prepared a preliminary official statement relating to the Series AY Bonds (the "Preliminary Official Statement") that has been deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") as of its date, subject to completion, revision and amendment in a final official statement as hereafter defined in accordance with the Rule.

The Authority and the System shall deliver, without charge, not more than seven (7) business days (and in any event prior to closing on the Series AY Bonds) after the award of the Series AY Bonds, not more than 50 copies of a "final official statement," as that term is defined in the Rule, with respect to the Series AY Bonds (the "Official Statement") to the senior managing underwriter of the account to which the Series AY Bonds is awarded (the "Account Manager"). The Authority and the System shall, by awarding the Series AY Bonds, designate the Account Manager as their agent for purposes of distributing copies of the Official Statement to each "Participating Underwriter" (as that term is defined in the Rule) of such Series. Any person executing and delivering a Form of Proposal with respect to the Series AY Bonds agrees thereby that, if it is the successful bidder, (i) it shall accept such designation, and (ii) it shall enter into a contractual relationship with all Participating Underwriters for the purpose of distributing copies of the Official Statement pursuant to the provisions of the Rule.

The Authority, as to statements concerning the Authority under the caption "The Authority", and the System agree to advise the Account Manager, by written notice and to the best of their knowledge, of any developments affecting the accuracy and completeness of the material representations contained in the Official Statement that occur during the period beginning on the date that the Official Statement becomes available and ending on the earlier of (i) ninety (90) days from the end of the underwriting period (as defined in the Rule) or (ii) the time when the Official Statement is available to any person through EMMA (as defined below), but in no case less than twenty-five days following the end of the underwriting period.

CONTINUING DISCLOSURE

To satisfy the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the System and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (in such capacity, the "Dissemination Agent"), will enter into a Continuing Disclosure Agreement for the benefit of owners of the Series AY Bonds (the "Continuing Disclosure Agreement"). Pursuant to such agreement, the System will covenant to provide, through a dissemination agent, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board (the "MSRB"), certain annual financial information and operating data, of the nature included in the following sections of Appendix I to the Official Statement: Accreditation; Degrees Awarded; Enrollment; Application and Admissions; Tuition, Student Fees and Competition; Freshman Enrollment Composition; Student Financial Aid; Commonwealth Appropriations; Unrestricted Net Position; Faculty and Staff; and Outstanding Indebtedness. Audited financial statements of the System also will be provided to EMMA when available. The System will covenant to provide such information for a fiscal year within 150 days following the end of such fiscal year. The System will covenant to provide notice in a timely manner to EMMA of a failure of the System to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

During the last five years, the System failed to file with EMMA, in a timely manner, certain Annual Financial Information in accordance with the Rule and as required under its previous continuing disclosure undertakings as follows. For the fiscal years ended June 30, 2016 and 2015, Annual Financial Information otherwise timely filed was not properly associated with certain CUSIPs associated with four series' of the System's prior bonds. The required filings were corrected on EMMA on or before September 1, 2017.

In the Continuing Disclosure Agreement, the System will also covenant to provide, in a timely manner, to EMMA notice of the occurrence of any of the following events with respect to the Series AY Bonds: (1) principal and interest payment delinquencies, (2) non-payment related defaults, if material, (3) unscheduled draws on debt service reserves reflecting financial difficulties, (4) unscheduled draws on credit enhancements reflecting financial difficulties, (5) substitution of credit or liquidity providers, or their failure to perform, (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series AY Bonds, or other material events affecting the tax status of the Series AY Bonds, (7) modifications to rights of holders of the Series AY Bonds, if material, (8) Bond calls, if material, and tender offers, (9) defeasances, (10) release, substitution or sale of property securing repayment of the Bonds, if material, (11) rating changes, (12) bankruptcy, insolvency, receivership or similar event of the System, (13) the consummation of a merger, consolidation, or acquisition involving the System or the sale of all or substantially all of the assets of the System other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material, (14) appointment of a successor or additional trustee or the change of name of a trustee, if material, and (15) the incurrence of a Financial Obligation (as defined in the Rule) of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation (as defined in the Rule) of the obligated person, any of which affect securities holders, if material; (16) A Default (as defined in the Rule), event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties, and (17) failure to provide annual information as required.

The System and the Dissemination Agent may amend the Continuing Disclosure Agreement, including amendments deemed necessary or appropriate in the judgment of the System (whether to reflect changes in the availability of information or in accounting standards or otherwise), and any provision of the Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied: (a) if the amendment or waiver relates to the undertakings of the System to provide annual financial information and notices, such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the System or the type of business or operations conducted by the System; (b) the undertakings contained in the Continuing Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series AY Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment either (i) is approved by the Holders of the Series AY Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series AY Bonds or the Dissemination Agent. The System's obligation to provide the foregoing annual financial information and notices of the specified events will terminate when the Series AY Bonds have been fully paid or legally defeased or at such other times as such information and notices (or any portion thereof) are no longer required to be provided by the Rule as it applies to the Series AY Bonds. Notice of such amendment will be provided to EMMA.

Under the Continuing Disclosure Agreement, the sole remedy for a breach or default by the System of its covenants to provide annual financial information and notices will be an action to compel specific performance. No action may be brought for monetary damages or otherwise under any circumstances. A breach or default under the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture or the Loan Agreement.

DELIVERY OF SERIES AY BONDS

Delivery of the Series AY Bonds in definitive form will be made to DTC in New York, New York, against payment by the successful bidder of such Series, in immediately available funds on or about October 1, 2020 (the "Closing Date"), at such time as may be fixed by the Authority, upon five days' written notice to the successful bidder and at such place as shall be agreed upon with the successful bidder. CUSIP (Committee on Uniform Security Identification Procedures) identification numbers will be imprinted on the Series AY Bonds, but neither the failure to print such numbers on any Series AY Bond or any error with respect thereto shall constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the Series AY Bonds in accordance with the terms hereof and pursuant to such successful bidder's proposal. All expenses in relation to the printing of CUSIP numbers on the Series AY Bonds will be paid for by the Authority; however, the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

GOOD FAITH

A Good Faith Deposit (the "Deposit") in the amount of \$100,000 is required only from the successful bidder of any series of the Series AY Bonds. The Deposit shall be payable for deposit with the Trustee in the form of a wire transfer in federal funds as instructed by the Financial Advisor no later than 5:00 p.m., Prevailing Local Time, on September 24, 2020. As an alternative to wiring funds, a bidder for the Series AY Bonds may deposit with the Trustee a financial surety bond issued by Assured Guaranty Municipal Corp. (a "Financial Surety Bond") in the amount of \$100,000, payable to the order of the Authority, with its bid. If used, the Financial Surety Bond must be submitted to the Authority prior to the deadline for the submission of bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. In the event the Purchaser fails to honor its accepted bid, the Financial Surety

bond will be drawn upon by the Authority and such funds will be retained by the Authority. Failure of the policy to be issued shall not relieve the successful bidder of its obligation to purchase the Series AY Bonds.

LEGAL OPINION

The Authority will deliver to the successful bidder, without charge, the approving legal opinion of Ballard Spahr LLP and Turner Law, P.C., Co-Bond Counsel, in substantially the form included in the Official Statement as Appendix "IV" thereto, addressing, inter alia, the enforceability of, and federal and state tax exemptions applicable to, the Series AY Bonds. The opinion of Co-Bond Counsel will be attached to each of the Series AY Bonds.

RATINGS OF THE SYSTEM

Moody's Investors Service and Fitch Ratings are expected to issue underlying credit ratings of the System of "Aa3" (stable outlook) and "A+" (stable outlook), respectively.

CLOSING DOCUMENTS

At or prior to delivery of the Series AY Bonds to the successful bidder (the "Closing"), the Authority will furnish the successful bidder with the following:

(1) The opinion of Barley Snyder LLP, Lancaster, Pennsylvania, Counsel to the Authority, addressed to the Authority and the successful bidder, dated the date of Closing, to the effect that (i) based solely upon review of the records of the Prothonotary of the Commonwealth Court of Pennsylvania and the Certificate of the Authority, no litigation is pending or threatened (a) to restrain or enjoin the issuance or delivery of any of the Series AY Bonds or the collection of revenues pledged under the Indenture, (b) in any way contesting the existence of the Authority or the power or the authority of the Authority to issue the Series AY Bonds or the validity of the Series AY Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), (ii) to their knowledge, no event affecting the Authority has occurred since the date of the Official Statement that is necessary to be disclosed therein in order to make the statements therein with respect to the Authority under the captions "The Authority" and "Absence of Litigation" not misleading in any material respect, (iii) the Authority is a body corporate and politic constituting a public corporation and a public instrumentality of the Commonwealth created by and existing under the provisions of the Act, pursuant to which the Authority has full legal right, power and authority to execute and deliver the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), and to issue the Series AY Bonds and utilize the proceeds of the Series AY Bonds pursuant to the Indenture, (iv) the Authority has duly authorized, executed and delivered the Forty-Seventh Supplemental Indenture, and the Forty-Seventh Supplemental Loan Agreement (including the assignment thereof to the Trustee), and assuming due authorization, execution, and delivery by the other parties thereto, each constitutes the legal, valid, and binding obligation of the Authority enforceable in accordance with its respective terms (subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer, preferential transfer and other similar laws affecting the rights of creditors generally, heretofore or hereafter enacted, to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases), (v) to their knowledge, the execution and delivery of, consummation of the transactions contemplated by, and the fulfillment and compliance with the terms of, the Series AY Bonds, the Indenture, and the Loan Agreement, under the circumstances contemplated thereby, do not and will not constitute on the part of the Authority a material breach of or default under the Act, the Authority's By-Laws, any existing law or regulation to which the Authority is subject to or any administrative or court order or decree which specifically names and is directed to the Authority or any indenture, mortgage, deed of trust or other instrument to which the Authority is a party or by which it may be bound of which such Counsel is aware, all as currently in effect, (vi) the Official Statement has been duly authorized, solely as to and for purposes

of distribution, executed and delivered by the Authority, and (vii) to their knowledge, the information contained in the Official Statement relating to the Authority under the captions "The Authority" and "Absence of Litigation" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect;

(2) A certificate, dated the date of Closing, executed on behalf of the Authority by the Executive Director or other Authorized Officer of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained in the Loan Agreement and the Indenture are true and correct in all material respects on and as of the date of the Closing, (ii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing, (iii) the information in the Official Statement under the captions "The Authority" and "Absence of Litigation" insofar as it relates to the Authority does not, and the Preliminary Official Statement dated as of June 25, 2020, did not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading; and (iv) there is no action, suit or proceeding, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series AY Bonds or the revenues or assets of the Authority pledged or to be pledged to pay the principal of, redemption premium, if any, and interest on the Series AY Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series AY Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee), or contesting in any way the completeness or accuracy of the Preliminary Official Statement, or the Official Statement, or contesting the power or authority of the Authority to issue the Series AY Bonds or to execute and deliver the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee); nor, to the knowledge of the Authority, is there any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series AY Bonds, the Indenture, and the Loan Agreement (including the assignment thereof to the Trustee).

(3) The opinion of Andrew C. Lehman, Chief Legal Counsel to the System, dated the date of Closing and addressed to the Authority and the successful bidder to the effect that: (i) the System is a body corporate and politic and a public instrumentality of the Commonwealth, created and existing under the provisions of Act 188 of 1982, as amended, pursuant to which the System has the full legal right and power and authority to execute and deliver the Loan Agreement (including the assignment thereof to the Trustee), and the Continuing Disclosure Agreement, (ii) the System is a public instrumentality of the Commonwealth of Pennsylvania within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 3(a)(29) of the Securities Exchange Act of 1934, as amended, (iii) pursuant to due authorization, the System has authorized the distribution of the Preliminary Official Statement and the Official Statement, (iv) the Loan Agreement, and the Continuing Disclosure Agreement have each been duly authorized, executed and delivered by the System and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid, and binding agreements of the System enforceable against the System in accordance with their terms except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), (v) except as set forth in the Official Statement, to the best of his knowledge after reasonable investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, against or affecting the System, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Official Statement or the validity of the Loan Agreement, and the Continuing Disclosure Agreement, (vi) the execution of the Loan Agreement, and the Continuing Disclosure Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the System

a breach of or default under any agreement or other instrument to which the System is a party or any existing law, ordinance, administrative regulation, court order or consent decree to which the System is subject, (vii) the assignment by the Authority of all of its right, title and interest in the Loan Agreement and the pledge of all moneys due thereunder to the Trustee will not affect the obligations of the System under the Loan Agreement, and the Continuing Disclosure Agreement, and (viii) without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, matters described in the Official Statement under the caption "The Project" and Appendix I: "Certain Information Concerning the State System of Higher Education", nothing has come to his attention that causes him to believe that such sections contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that, in rendering such opinion, such Counsel shall be expressing no opinion with respect to statistical data, technical and financial statements, operating statistics and other financial data in such captioned sections;

(4) A certificate, dated the date of Closing, signed by a principal financial or accounting officer of the System in which such officer states that to the best of his knowledge after reasonable investigation, (i) the Official Statement insofar as it relates to the System does not, and the Preliminary Official Statement dated as of its date, did not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading, (ii) there has been no material adverse change in the financial position or results of operation of the System subsequent to the date of the Official Statement except as set forth therein or contemplated thereby, (iii) no litigation is pending or, to his knowledge, threatened (a) to restrain or enjoin the collection of revenues sufficient to enable the System to perform its obligations under the Loan Agreement or the Continuing Disclosure Agreement, (b) in any way contesting or affecting any authority for execution and delivery of the Series AY Bonds or the validity of the Series AY Bonds, the Loan Agreement, or the Continuing Disclosure Agreement, or (c) in any way contesting the corporate existence, tax-exempt status or powers of the System, and (iv) no event has occurred that would constitute a material default (including, but not limited to, any event that would permit acceleration) on the part of the System in any agreement relating to indebtedness of the System, if any, or that causes the System to believe it will default in any material way with respect to its obligations under any such agreement;

(5) A counterpart of the Forty-Seventh Supplemental Indenture and the Forty-Seventh Supplemental Loan Agreement executed by the parties thereto;

(6) A letter from Moody's Investors Services, Inc. ("Moody's") rating the Series AY Bonds as described under "Ratings" in the Official Statement;

(7) A letter from Fitch Ratings ("Fitch") rating the Series AY Bonds as described under "Ratings" in the Official Statement;

(8) One copy each of the Act and Act 188 of 1982, as amended, the by-laws of the System, as amended, and the resolutions of the Board of Governors of the System authorizing the execution and delivery of the Loan Agreement and all transactions contemplated by the Official Statement, all certified by its Secretary;

(9) An executed copy of the Continuing Disclosure Agreement;

(10) Such additional legal opinions, certificates, proceedings, instruments, and other documents as each successful bidder or Co-Bond Counsel may reasonably request to evidence compliance by the Authority and the System with the terms of this Invitation and the accepted proposal of each successful bidder, together with all other legal requirements, and the performance or satisfaction by the Authority and

the System at or prior to the Closing of all agreements then to have been performed and all conditions then to have been satisfied by the Authority and the System.

The Authority and the System will furnish each successful bidder with such conformed copies of such opinions, certificates, letters and documents as such successful bidder may reasonably request.

Prior to settlement, the purchaser will be required to deliver to the Authority and Co-Bond Counsel the certificate referred to under "Reoffering and Sale of Series AY Bonds to Public" herein.

[Signature Page Follows]

EXHIBIT A

BID CONFIRMATION CERTIFICATE

\$78,885,000*

**PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
Refunding Revenue Bonds
STATE SYSTEM OF HIGHER EDUCATION, SERIES AY
(Federally Taxable)**

BID CONFIRMATION CERTIFICATE

The undersigned hereby certifies to the Pennsylvania Higher Educational Facilities Authority (the "Authority") and the State System of Higher Education (the "System"), in connection with the proposal to purchase the above-referenced Bonds submitted by the undersigned on the date hereof, as follows:

1. Attached hereto is a true and accurate copy of the purchase proposal which was electronically submitted to the Authority and the System by the undersigned in accordance with the Invitation for Proposals dated September 14, 2020 (the "Invitation"). The undersigned, on behalf of itself and the other underwriting group members listed below, acknowledges that it has received, read and reviewed a copy of the Invitation and the Preliminary Official Statement dated September 14, 2020, prepared in respect of the above referenced Bonds and agrees to comply with the terms thereof which are applicable to them.

2. The Minority, Veteran or Female Business Enterprise which will serve as co-manager of the underwriting group is set forth below:

3. The members of the underwriting group represented by the undersigned and on behalf of which the undersigned submitted the attached proposal are set forth below (attach additional sheet if necessary):

[Representative/Underwriter]

By: _____

Name: _____

Title: _____

Date: September __, 2020

*Preliminary, subject to change.

EXHIBIT A-2

Due to the importance which the Pennsylvania Higher Educational Facilities Authority and the State System of Higher Education attach to the requirement that each underwriting group submitting a bid on their bond issues has as a co-manager at least one Minority Business Enterprise, each potential bidder is requested to submit the following form prior to the deadline for the submission of bids to the attention of Michael R. Baird at telecopy number (866) 898-3791.

Identification of Minority Business Enterprise Co-Manager

The undersigned intends to submit a bid to purchase the Pennsylvania Higher Education Facilities Authority Refunding Revenue Bonds, State System of Higher Education, Series AY and consequently wishes to identify the following Minority Business Enterprise(s) which will serve as co-manager(s) of the underwriting group if a bid in fact is made:

Name of Minority Business Enterprise Co-Manager	Address
_____	_____
_____	_____
_____	_____

Any questions concerning this identification can be addressed to the undersigned at the telephone number listed below the signer's name.

Name of Bidder

Date: _____
Name: _____
Title: _____
Telephone No.: _____

By: _____

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\$78,885,000*
**PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY
(Commonwealth of Pennsylvania)
Refunding Revenue Bonds
STATE SYSTEM OF HIGHER EDUCATION, SERIES AY
(Federally Taxable)**

September 14, 2020

PRELIMINARY
BLUE SKY MEMORANDUM

To the Prospective Purchasers of the above captioned bonds:

We have prepared the attached Preliminary Blue Sky Memorandum setting forth in summary form certain information relating to the Blue Sky or securities statutes of certain jurisdictions of the United States with respect to the issuance by the Pennsylvania Higher Educational Facilities Authority (the “Issuer”) of the above-referenced bonds (the “Bonds”). The Bonds are being offered using the Preliminary Official Statement dated September 14, 2020 (the “Preliminary Official Statement”). Capitalized terms used but not defined herein shall have the meanings set forth in the Preliminary Official Statement.

The Bonds are being issued to provide funds to the Pennsylvania State System of Higher Education (the “System”) to finance: (i) the advanced refunding on a taxable basis of all or a portion of Pennsylvania Higher Educational Facilities Authority’s State System of Higher Education Revenue Bonds, Series AM of 2011; and (ii) contingencies and payment of costs and expenses incident to the issuance of the Bonds.

Our memorandum is based on the fact that under a loan agreement between the Issuer and the System, the System pledges its full faith and credit to the timely payment of the amounts payable and to the performance of the acts required of it thereunder. The loan agreement constitutes a general obligation of the System.

This Memorandum is based upon an examination of Section 18 of the Securities Act of 1933, as amended (the “1933 Act”), statements contained in the Preliminary Official Statement, and the securities laws of the several jurisdictions and the rules and regulations, where published, of the authorities administering such laws. It is noted, however, that the securities laws of certain jurisdictions provide that the burden of claiming an exemption is upon the person claiming the exemption and that informal interpretive advice and “no-action” letters are not necessarily binding upon a court of law.

Since the Bonds are “covered securities” within the meaning of Section 18 of the 1933 Act, and as further amended by the Capital Markets Efficiency Act of 1996 (enacted as part of the National

* Preliminary, subject to change.

September 14, 2020

Page 2

Securities Market Improvement Act of 1996), the Bonds are not subject to registration or qualification in any state within the United States, or the District of Columbia. We note, however, that the Bonds are not “covered securities” with respect to the securities or “blue sky” laws of the Commonwealth of Pennsylvania, however, the Bonds are exempt from registration and are not subject to any notice filing requirements under Pennsylvania “blue sky” laws.

This Memorandum does not purport to cover the requirements under any of the laws of the jurisdictions enumerated herein with respect to the registration or licensing of dealers, brokers, salesmen, the form or substance of advertising, the legality of investments in the Bonds by any institutional investor which is subject to statutory or other restrictions as to its investments or any resale of the Bonds by any person who may purchase them in the present offering. In those jurisdictions where persons selling the Bonds are required to be licensed or registered as brokers or dealers, it is assumed that such persons have complied with applicable statutes and regulations concerning brokers and dealers and concerning the registration or licensing of salesmen.

We are attorneys admitted to practice in the Commonwealth of Pennsylvania and we have obtained neither opinions of counsel in other jurisdictions nor formal rulings from state regulatory commissions, departments or other administrative bodies or officials with respect to the information herein contained. Statements made or conclusions expressed in this Memorandum are subject to change upon exercise of broad discretionary powers vested in administrative authorities authorizing them, among other things, to withdraw exemptions, to impose additional requirements, to refuse registrations or to issue stop orders. In view of the foregoing limitations, this Memorandum is furnished only for the general information of the underwriters and is not to be relied upon as an opinion of counsel.

Very truly yours,

Turner Law, P.C.

PRELIMINARY
BLUE SKY MEMORANDUM

NO OFFER OR SALE OF THE BONDS SHOULD BE MADE
IN ANY JURISDICTION EXCEPT IN ACCORDANCE WITH
THE FOLLOWING MEMORANDUM OF THE BLUE SKY LAWS

PART I

SALES TO THE PUBLIC BY REGISTERED
OR LICENSED DEALERS OR BROKERS

A. FILING NOT REQUIRED. It is believed that the Bonds may be offered for sale or sold to the public in the following jurisdictions without registration of the Bonds or any filings being made, by reason of available exemptions or otherwise, subject to the specific requirements that the sellers, unless otherwise noted below, must be registered or licensed as dealers or brokers therein:

Alabama	Illinois	Montana	Rhode Island
Alaska	Indiana	Nebraska	South Carolina
Arizona	Iowa	Nevada	South Dakota
Arkansas	Kansas	New Hampshire	Tennessee
California	Kentucky	New Jersey	Texas
Colorado	Louisiana	New Mexico	Utah
Connecticut	Maine	New York	Vermont
Delaware	Maryland	North Carolina	Virginia
District of Columbia	Massachusetts	North Dakota	Washington
Florida	Michigan	Ohio	West Virginia
Georgia	Minnesota	Oklahoma	Wisconsin
Hawaii	Mississippi	Oregon	Wyoming
Idaho	Missouri	Pennsylvania	

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PART II

EXEMPT TRANSACTIONS

In the following jurisdictions, the Bonds may be offered and sold to the persons or institutions noted below without registration or other filings therein relating to the Bonds and without any requirement that the sellers thereof be registered or licensed as dealers or brokers therein, except as otherwise indicated:

- Alabama To any bank, savings institution, credit union, trust company, insurance company or investment company as defined in the Investment Company Act of 1940 (the "**Investment Company Act**"), pension or profit sharing trust, or other financial institution or institutional buyer, or to any dealer, whether the purchaser is acting for itself or in some fiduciary capacity.
- Alaska To any bank, savings institution, trust company, credit union or similar institution that is organized or chartered under the laws of a state or the United States, authorized to receive deposits and supervised or examined by an official or an agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by state by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor authorized by federal law; a trust company organized or chartered by the laws of Alaska, or an international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940; (E) a broker-dealer registered under the Securities Exchange Act of 1934; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974 that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a legally designated public official or by a named fiduciary, as defined in Employee Retirement Income Security Act of 1974 that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company; (H) a trust if that trust has total assets in excess of \$10,000,000, the trustee of the trust is a depository institution, and the participants in the trust are exclusively plans of the types identified in (F) or (G) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization described in 26 U.S.C. 501(c)(3) (Internal Revenue Code), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (J) a small business investment company licensed by the United States Small Business Administration with total assets in excess of \$10,000,000; (K) a private business development company as defined in Investment Advisers Act of 1940 with total assets in excess of \$10,000,000; (L) a federal covered investment adviser acting for its own account; (M) a qualified institutional buyer, as defined in Securities Act of 1933; (N) a major United States institutional investor, as defined in the Securities Exchange Act of 1934; or (O) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading this chapter; **provided** that the person making such sale, if not registered in Alaska only effects transactions in Alaska with: (A) the issuer of the securities involved in the transactions; (B) a broker-dealer registered as a broker-dealer under this chapter or not required to be registered as a broker-dealer under this chapter; (C) an institutional investor; (D) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others under discretionary authority in a signed record; (E) a bona fide preexisting customer whose principal place of residence is not in this state if the person is registered as a broker-dealer under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) or not required to be registered under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) and is registered under the securities act of the state in which the customer maintains a principal place of residence; (F) a bona fide preexisting customer whose principal place of residence is in this state but who was not present in this state when the customer relationship was established if (i) the broker-dealer is registered under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) or not required to be registered under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) and is registered under the securities act of the state in which the customer relationship was established and where the customer had maintained a principal place of residence; and (ii) within 45 days after the customer's first transaction in this state, the person files an application for registration as a broker-dealer in this state and a further transaction is not effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the administrator notifies the person that the administrator has denied the application for registration or has stayed the pendency of the application for good cause; (G) not more than three customers in this state during the previous 12 months, in addition to those customers specified in (A) — (F) of this paragraph and under (H) of this paragraph if the broker-dealer is registered under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) or not required to be registered under 15 U.S.C. 78a — 78pp (Securities Exchange Act of 1934) and is registered under the securities act of the state in which the broker-dealer has its principal place of business; and (H) any other person exempted by a regulation adopted or order issued under this chapter
- Arizona To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit-sharing trust or other financial institution or institutional buyer or a dealer, whether the purchaser is acting for itself or in a fiduciary capacity.

Arkansas	To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; <u>provided</u> the person making the sale, if not registered in Arkansas, (1) is a bank, savings institution, savings and loan association, or trust company; or has no place of business in Arkansas and either (2) effects transactions in Arkansas exclusively with or through either (a) such persons or institutions, (b) insurance companies, investment companies as defined in the Investment Company Act, pension or profit-sharing trusts, (c) the Issuer, or (d) other broker-dealers; or (3) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Arkansas in any manner to persons other than those specified above, whether or not the offeror or offeree is then present in Arkansas.
California	To any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act, pension or profit sharing trust (other than a pension or profit sharing trust of the Issuer, a self-employed individual retirement plan or individual retirement account), or such other institutional investor or governmental agency or instrumentality as the Commissioner of Corporations may designate by rule, whether the purchaser is acting for itself or as trustee, including any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (a " <u>501(c)(3) Organization</u> "), which has total assets (including endowment, annuity and life income funds) of not less than \$5,000,000 according to its most recent audited financial statement, any corporation which has a net worth on a consolidated basis according to its most recent audited financial statement of not less than \$14,000,000 or any wholly-owned subsidiary of such institutional investors, the federal government, any agency or instrumentality of the federal government, any corporation wholly-owned by the federal government, any state, any city, city and county, or county, or any agency or instrumentality or state college, and any retirement system for the benefit of the employees of any of the foregoing, <u>provided</u> the purchaser represents that it is acting for its own account (or for such trust account) for investment and not with a view to or sale in connection with any distribution of the security) and <u>further provided</u> that the person making the sale, if not licensed in California, has no place of business in California, is registered as a broker or dealer under the Securities Exchange Act (the "Securities Exchange Act"), and has not previously had any certificate denied or revoked under the Corporate Securities Laws of 1968 or any predecessor statute, does not direct offers to sell or buy into California in any manner to persons other than broker-dealers, the foregoing institutional investors, governmental agencies or instrumentalities designated by rule of the Commissioner of Corporations or more than 15 other customers (whether or not self-employed individual retirement plans) having an existing account with such broker-dealer prior to any offer made to them in California during any period of 12 consecutive months, whether or not the offeror or any of the offerees is then present in California.
Colorado	To any financial or institutional investor including: (i) a depository institution including (a) a person that is organized or chartered, or is doing business or holds an authorization certificate, under the laws of a state of the United States which authorize the person to receive deposits, including deposits in savings, share, certificate, or other deposit accounts, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States; and (b) a trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the Comptroller of the Currency and is supervised and examined by an official or agency of a state or the United States other than an insurance company or other organization primarily engaged in the insurance business); (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company registered under the Investment Company Act; (v) a business development company as defined in the Investment Company Act; (vi) any private business development company (a " Private Business Development Company ") as defined in the Investment Advisers Act of 1940 (the " Investment Advisers Act "); (vii) an employee pension, profit sharing, or benefit plan if the plan has total assets in excess of \$5,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974 (" ERISA "), that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, a depository institution, or an insurance company; (viii) an entity, but not an individual, a substantial part of whose business activities consist of investing, purchasing, selling or trading in securities of more than one Issuer and not of its own issue and that has total assets in excess of \$5,000,000 as of the end of its latest fiscal year; (ix) a small business investment company (a " Small Business Investment Company ") licensed by the federal Small Business Administration under the Small Business Investment Act of 1958; and (x) any other institutional buyer; or to any registered broker or dealer, whether the purchaser is acting for itself or in some fiduciary capacity; <u>provided</u> the person making the sale, if not registered in Colorado, is a broker or dealer registered under the Securities Exchange Act and has no place of business in Colorado and whose business transacted in Colorado as a broker-dealer is exclusively with (1) issuers in transactions involving their own securities, (2) other broker-dealers licensed or exempt from licensing (except when the broker-dealer is acting as a clearing broker-dealer for such other broker-dealers), (3) financial or institutional investors, (4) individuals who are existing customers of the broker-dealer and whose principal places of residence are not in Colorado, or (5) not more than five (5) persons in Colorado during any twelve (12) consecutive months, excluding persons described in (1) through (4).
Connecticut	To any bank and trust company, national banking association, savings bank, savings and loan association, federal savings and loan association, federal savings bank, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act, as amended, pension or profit sharing trust, or other financial institution or institutional buyer, to any accredited investor within the meaning of 17 C.F.R. §230.501(a) (an " Accredited Investor "), or to a registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; <u>provided</u> the person making the sale, if not registered in Connecticut, (1) is a bank, as defined in Section 3(a)(6) of the Securities Exchange Act, when conducting activities that would exempt it from the definitions of "broker" or "dealer" under Sections 3(a)(4) or 3(a)(5) of the Securities Exchange Act, or (2) has no place of business in Connecticut and effects transactions in Connecticut exclusively with or through such persons or institutions here-above mentioned.
Delaware	To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, including an Accredited Investor, any "qualified institutional buyer" as that term is defined in SEC Rule 144A(a)(1) (a " Qualified Institutional

Buyer"), a corporation, partnership, trust, estate, or other entity (excluding individuals) having a net worth of not less than \$5 million or a wholly-owned subsidiary of such entity, as long as the entity was not formed for the purpose of acquiring the specific securities, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Delaware, (1) is a bank, savings institution, or trust company, to the extent that these entities are exempt or excluded from broker-dealer registration requirements under federal securities law; or (2) has no place of business in Delaware and effects transactions in Delaware exclusively with or through such persons or institutions as here-above mentioned.

District of Columbia To any (1) financial institution or institutional investor, defined as any depository institution, insurance company, separate account of an insurance company, investment company registered under the Investment Company Act, business development company as defined in the Investment Company Act, employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$5 million or its investment decisions are made by a named fiduciary, as defined in ERISA, that is either a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, a depository institution, or an insurance company, Qualified Institutional Buyer, Accredited Investor, limited liability company with net assets of at least \$500,000; or other financial institution or institutional buyer, or to (2) any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in the District of Columbia, is a depository institution to the extent that the depository institution is a bank under section 3(a)(4)(B) and (C) of the Securities Exchange Act; or (a) has no place of business in the District of Columbia and (b) effects transactions in the District of Columbia exclusively with or through either the Issuer or such persons or institutions as here-above mentioned, whether acting for themselves or as trustees and the person is licensed under the securities law of the state in which the person maintains a place of business and the person offers and sells in the District of Columbia to a person who is an existing customer and whose residence is not in the District of Columbia.

Florida To any bank or trust company, savings institution, insurance company, dealer, investment company, as defined in the Investment Company Act or pension or profit sharing trust, or Qualified Institutional Buyer as defined in accordance with Securities and Exchange Commission Rule 144A, whether any of such entities is acting in its individual or fiduciary capacity, provided that such offer or sale of securities is not for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of the Florida Securities and Investor Protection Act.

Georgia To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Georgia, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a "major U.S. institutional investor" as defined in rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act (a "Major U.S. Institutional Investor"); or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Georgia security laws; provided the person making the sale, if not registered in Georgia, (1) is a bank, trust company, credit union, or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(B)(i) through (vi) and (viii) through (x) of the Securities Exchange Act, subsection 3(a)(4)(B)(xi) of the Securities Exchange Act if limited to unsolicited transactions; or subsections 3(a)(5)(B) and 3(a)(5)(C) of the Securities Exchange Act, or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (2) effects transactions in Georgia exclusively with (A) a registered broker-dealer or person not required to be so registered, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Georgia; (E) a bona fide preexisting customer whose principal place of residence is in Georgia but who was not present in Georgia when the customer relationship was established, if within 45 days after the customer's first transaction in Georgia, the person files an application for registration as a broker-dealer in Georgia and no further transaction is effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the person is granted registration or denied the application for registration or the pendency of the application is stayed for good cause; in the case of (D) and (E) the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the customer maintains a principal place of residence or (G) not more than three customers in this Georgia during the previous 12 months, in addition to those customers specified in subparagraphs (A) through (F) above, if the broker-dealer is registered under the Securities Exchange Act or not required to be so and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Hawaii

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Hawaii, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Hawaii security laws; provided the person making the sale, if not registered in Hawaii, (1) is a depository institution or an international banking institution; or (2) has no place of business in Hawaii and effects transactions in Hawaii exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Hawaii; (E) a bona fide preexisting customer whose principal place of residence is in Hawaii but who was not present in Hawaii when the customer relationship was established, if within 45 days after the customer's first transaction in Hawaii, the person files an application for registration as a broker-dealer in Hawaii and no further transaction is effected until the license is effective; or (F) not more than 3 customers in Hawaii during the previous 12 months, in addition to those customers specified above; in the case of (D), (E), and (F), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Idaho

To (a) a depository institution, (b) a trust company organized or chartered under the laws of Idaho, (c) an international banking institution; an insurance company; or separate account of an insurance company, (d) an investment company as defined in the Investment Company Act, (e) a broker-dealer registered under the Securities Exchange Act, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in (f) or (g) above, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000, (j) a Small Business Investment Company with total assets in excess of \$10,000,000, (k) a Private Business Development Company, (m) a Qualified Institutional Buyer, (n) a Major U.S. Institutional Investor, or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Idaho securities laws; provided the person making the sale, if not registered in Idaho, (1) is a bank, a trust company organized or chartered under the laws of Idaho, or a savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(b)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act, or an international banking institution; or (2) has no place of business in Idaho and effects transactions in Idaho exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a bona fide preexisting customer whose principal place of residence is not in Idaho; or (D) a bona fide preexisting customer whose principal place of residence is in Idaho but who was not present in Idaho when the customer relationship was established, if: within 45 days after the customer's first transaction in Idaho, the person files an application for registration as a broker-dealer in Idaho and a further transaction is not effected more than 75 days after the date on which the application is filed, or (E) not more than 3 customers in Idaho during the previous 12 months, in addition to those customers specified above, if, in the case of (C) through (E), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Illinois

To any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, dealer, pension fund or pension trust, employees' profit sharing trust, or to any financial

institution or institutional investor including: (i) any investment company, university, and other organization whose primary purpose is to invest its own assets or those held in trust by it for others, (ii) trust accounts and individual or group retirement accounts in which a bank, trust company, insurance company or savings and loan institution acts in a fiduciary capacity, (iii) foundations and endowment funds exempt from taxation under the Internal Revenue Code, a principal business function of which is to invest funds to produce income in order to carry out the purpose of the foundation or fund, (iv) a manager of investment accounts on behalf of other than natural persons, who with affiliates, exercises sole investment discretion with respect to such accounts, and provided such accounts exceed 10 in number and have a fair market value of not less than \$10,000,000 at the end of the calendar month preceding the month during which the transaction occurred; or to any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in some fiduciary capacity; or to any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities; or to any trust in respect of which a bank or trust company is trustee or co-trustee; or to any entity in which at least ninety percent (90%) of the equity is owned by persons described in Subsection C, H or S of Section 4 of the Illinois Securities Law of 1953, as amended; or to any employee benefit plan within the meaning of Title I of ERISA if: (i) the investment decision is made by a plan fiduciary as defined in Section 3(21) of ERISA and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment adviser or any investment adviser registered under the Investment Advisers Act, or (ii) the plan has total assets in excess of \$5,000,000, or (iii) in the case of a self-directed plan, investment decisions are made solely by persons that are described under Subsection C, D, H or S of Section 4 of the Illinois Securities Law of 1953, as amended; or to any plan established and maintained by and for the benefit of the employees of, any state or political subdivision or agency or instrumentality thereof if such plan has total assets in excess of \$5,000,000 or to any 501(c)(3) Organization, or any Massachusetts or similar business trust, any partnership, if such organization, trust or partnership has total assets in excess of \$5,000,000.

Indiana

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Indiana, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Indiana security laws provided the person making the sale, if not registered in Indiana, (1) is a bank or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(b)(i) through (vi) and (viii) through (x), 3(a)(5)(B) and 3(a)(5)(C) of the Securities Exchange Act or an international banking institution; or (2) has no place of business in Indiana and effects transactions in Indiana exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Indiana; (E) a bona fide preexisting customer whose principal place of residence is in Indiana but who was not present in Indiana when the customer relationship was established, if within 45 days after the customer's first transaction in Indiana, the person files an application for registration as a broker-dealer in Indiana and no further transaction is effected until the license is effective; or (F) not more than 3 customers in Indiana during the previous 12 months, in addition to those customers specified above; in the case of (D), (E), and (F), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Iowa

To any federal covered investment adviser or any institutional investor, defined as any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution or an international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act; (E) a broker-dealer registered under the Securities Exchange Act; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of five million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of five million dollars, its trustee is a

depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) a 501(c)(3) Organization, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of five million dollars; (J) a Small Business Investment Company with total assets in excess of five million dollars; (K) a Private Business Development Company with total assets in excess of five million dollars; (L) a federal covered investment adviser acting for its own account; (M) a Qualified Institutional Buyer, other than as defined under Rule 144A(a)(1)(H), adopted under the 1933 Act; (N) a Major U.S. Institutional Investor; or (O) any other person, other than an individual, of institutional character with total assets in excess of five million dollars not organized for the specific purpose of evading this act; provided the person making the sale, if not registered in Iowa, (i) has no place of business in Iowa and either (i) effects transactions in Iowa exclusively with or through such persons or institutions as mentioned in (A) through (O) above, (ii) is a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (iii) is a bona fide preexisting customer whose principal place of residence is not in Iowa; (iv) is a bona fide preexisting customer whose principal place of residence is in Iowa but who was not present in Iowa when the customer relationship was established, if within 45 days after the customer's first transaction in Iowa, the person files an application for registration as a broker-dealer in Iowa and no further transaction is effected until the license is effective; or (v) does not have not more than 3 customers in Iowa during the previous 12 months, in addition to those customers specified above if the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Kansas

To any federal covered investment adviser or any institutional investor, defined as any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution or an international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act; (E) a broker-dealer registered under the Securities Exchange Act; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) a 501(c)(3) Organization, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (J) a Small Business Investment Company with total assets in excess of ten million dollars; (K) a Private Business Development Company with total assets in excess of ten million dollars; (L) a federal covered investment adviser acting for its own account; (M) a Qualified Institutional Buyer, other than as defined in Rule 144A(a)(1)(H), adopted under the 1933 Act; (N) a Major U.S. Institutional Investor; or (O) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading this act; provided the person making the sale, if not registered in Kansas, (i) has no place of business in Kansas and either (i) effects transactions in Kansas exclusively with or through such persons or institutions as mentioned in (A) through (O) above, (ii) is a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (iii) is a bona fide preexisting customer whose principal place of residence is not in Kansas; (iv) is a bona fide preexisting customer whose principal place of residence is in Kansas but who was not present in Kansas when the customer relationship was established, if within 45 days after the customer's first transaction in Kansas, the person files an application for registration as a broker-dealer in Kansas and no further transaction is effected until the license is effective; or (v) does not have not more than 3 customers in Kansas during the previous 12 months, in addition to those customers specified above if the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Kentucky

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;

Louisiana

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, real estate investment trust, small business investment corporation, pension or profit sharing plan or trust, other financial institution, or a registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

Maine

To a federal covered security or an institutional investor defined as: (a) a depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated

public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Maine, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$5,000,000; (k) a Private Business Development Company with total assets in excess of \$5,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Maine security laws; provided the person making the sale, if not registered in Maine has no place of business in Maine and effects transactions in Maine exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Maine; or (E) a bona fide preexisting customer whose principal place of residence is in Maine but who was not present in Maine when the customer relationship was established, if: within 45 days after the customer's first transaction in Maine, the person files an application for registration as a broker-dealer in Maine and no further transaction is effected until the license is effective, if, in the case of (D) and (E), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Maryland

To any investment company as defined in the Investment Company Act, investment adviser with assets under management of not less than \$1,000,000, broker-dealer, bank, trust company, savings and loan association, insurance company, employee benefit plan with assets not less than \$1,000,000, governmental agency or instrumentality, whether acting for itself or as a trustee or a fiduciary with investment control, or other institutional investor as designated by rule or order of the Securities Commissioner of the Division of Securities, including a Qualified Institutional Buyer or an Accredited Investor; provided the person making the sale, if not registered in Maryland, (1) is a bank, savings institution, or trust company; or has no place of business in Maryland and either (2) effects transactions in Maryland exclusively with or through such persons or institutions; or (3) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Maryland in any manner, other than to the persons or institutions specified above, whether or not the offeror or any offeree is then present in Maryland.

Massachusetts

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, including: (i) a Small Business Investment Company, (ii) a Private Business Development Company, (iii) a business development company as defined in Section 2(a)(48) of the Investment Company Act, as amended, (iv) an entity with total assets in excess of \$5,000,000 which is either: (a) a company (whether a corporation, a Massachusetts or similar business trust or a partnership) not formed for the specific purpose of acquiring the securities offered; a substantial part of whose business activities consists of investing, purchasing, selling or trading in securities issued by others and whose investment decisions are made by persons who are reasonably believed by the seller to have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment; or (b) a 501(c)(3) Organization; and (v) a Qualified Institutional Buyer; or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Massachusetts, (1) is a bank, savings institution, trust company, or the Central Credit Union Fund, Inc.; or (2) has no place of business in Massachusetts and either (A) effects transactions in Massachusetts exclusively with or through such persons or institutions; or (B) during any period of twelve (12) consecutive months, does not direct more than fifteen (15) offers to sell or buy into Massachusetts in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Massachusetts.

Michigan

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$2,500,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$2,500,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Michigan, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$2,500,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$2,500,000; (j) a Small Business Investment Company with total assets in excess of \$2,500,000; (k) a Private Business Development Company with total assets in excess of \$2,500,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$2,500,000 not organized for the

specific purpose of evading the Michigan security laws; provided the person making the sale, if not registered in Michigan, (1) is a bank or savings institution if its activities as a broker-dealer are limited to those specified in section 3(a)(4) and 3(a)(5) of the Securities Exchange Act or a bank that satisfies the conditions described in section 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (2) has no place of business in Michigan and effects transactions in Michigan exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Michigan; (E) a bona fide preexisting customer whose principal place of residence is in Michigan but who was not present in Michigan when the customer relationship was established, if within 45 days after the customer's first transaction in Michigan, the person files an application for registration as a broker-dealer in Michigan and no further transaction is effected until the license is effective; or (F) not more than 3 customers in Michigan during the previous 12 months, in addition to those customers specified above; in the case of (D), (E), and (F), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Minnesota

To any federal covered investment adviser, any Accredited Investor or any institutional investor, defined as any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution or an international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act; (E) a broker-dealer registered under the Securities Exchange Act; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) a 501(c)(3) Organization, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (J) a Small Business Investment Company with total assets in excess of ten million dollars; (K) a Private Business Development Company with total assets in excess of ten million dollars; (L) a federal covered investment adviser acting for its own account; (M) a Qualified Institutional Buyer, other than as defined in Rule 144A(a)(1)(H), adopted under the 1933 Act; (N) a Major U.S. Institutional Investor; (O) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading this act; or (P) a corporation with a class of equity securities registered under section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended; provided the person making the sale, if not registered in Minnesota, (1) is a depository institution, as defined in the act, if its activities are covered by sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act; or a bank that satisfies the conditions described in section 3(a)(4)(E) of the Securities Exchange Act; (2) is an international banking institution; or (3) has no place of business in Minnesota and either (i) effects transactions in Minnesota exclusively with or through such persons or institutions as above mentioned or a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (ii) if the person is registered as a broker-dealer under the Securities Exchange Act of 1934 or not required to be registered under the Securities Exchange Act of 1934 and is registered under the securities act of the state in which the customer maintains a principal place of residence, effects transaction with a bona fide preexisting customer whose principal place of residence is not in Minnesota or whose principal place of residence is in Minnesota and within 45 days after the customer's first transaction in this state, the person files an application for registration as a broker-dealer in Minnesota and a further transaction is not effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the administrator notifies the person that the administrator has denied the application for registration or has stayed the pendency of the application for good cause; or (iii) if registered under the Securities Exchange Act or not required to be registered under the Securities Exchange Act and is registered under the securities act of the state in which the broker-dealer has its principal place of business, effects transactions with, in addition to those customers specified in (i) and (ii) above, not more than three customers in Minnesota during the previous 12 months.

Mississippi

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Mississippi, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a

trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Mississippi security laws; provided the person making the sale, if not registered in Mississippi, (1) is a bank or savings institution if its activities as a broker-dealer are limited to those specified in Subsections 3(a)(4)(B)(i) through (vi), (viii) through (x) and (xi), if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in section 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (2) has no place of business in Mississippi and effects transactions in Mississippi exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Mississippi; (E) a bona fide preexisting customer whose principal place of residence is in Mississippi but who was not present in Mississippi when the customer relationship was established, if within 45 days after the customer's first transaction in Mississippi, the person files an application for registration as a broker-dealer in Mississippi and no further transaction is effected until the license is effective; or (F) not more than 3 customers in Mississippi during the previous 12 months, in addition to those customers specified above; in the case of (D), (E), and (F), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Missouri

To any federal covered investment adviser or any institutional investor, defined as any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution, a trust company organized or chartered under the laws of this state, or an international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act; (E) a broker-dealer registered under the Securities Exchange Act; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) a 501(c)(3) Organization, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (J) a Small Business Investment Company with total assets in excess of ten million dollars; (K) a Private Business Development Company with total assets in excess of ten million dollars; (L) a federal covered investment adviser acting for its own account; (M) a Qualified Institutional Buyer, other than as defined under Rule 144A(a)(1)(H), adopted under the 1933 Act; (N) a Major U.S. Institutional Investor; or (O) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading this act; provided the person making the sale, if not registered in Missouri, (1) is a bank, a trust company organized or chartered under the laws of this state, or a savings institution, if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(B)(i) to (vi), (viii) to (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (2) has no place of business in Missouri and either (i) effects transactions in Missouri exclusively with or through such persons or institutions as here-above mentioned; or (ii) if registered under the Securities Exchange Act or not required to be registered under the Securities Exchange Act and is registered under the securities act of the state in which the broker-dealer has its principal place of business, effects transactions with not more than three customers in Missouri during the previous twelve months, in addition to those customers specified in (i) above.

Montana

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

Nebraska

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to an individual accredited investor (which means (a) any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer, (b) any manager of a limited liability company that is the issuer of the securities being offered or sold, (c) any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase, exceeds one million dollars, excluding the value of the primary residence of such person, or (d) any natural person who had an individual income in excess of two hundred thousand dollars in each of the two most recent years or joint income with that person's spouse in excess of three hundred thousand dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year), or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

Nevada	To any financial or institutional investor whether acting for itself or others in a fiduciary capacity other than as an agent, including a depository institution, insurance company, a separate account of an insurance company, investment company as defined in the Investment Company Act, employee pension, profit sharing or benefit plan if the plan has total assets in excess of \$5,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is either a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, a depository institution, or an insurance company, or any other institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or as a trustee; provided the person making the sale, if not registered in Nevada, is registered or is not required to be registered under the Securities Exchange Act, has no place of business in Nevada, and (1) effects transactions in Nevada exclusively with or through other broker-dealers registered or exempt from registration, or a depository institutions defined as (a) a person that is organized, chartered or holding an authorization certificate under the laws of a state or of the United States which authorizes the person to receive deposits, including a savings, share, certificate or deposit account, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States; or (b) a trust company or other institution that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the comptroller of the currency and is supervised and examined by an official or agency of a state or the United States.
New Hampshire	To (a) depository institution, trust company or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, a trust company or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of New Hampshire, a depository institution, a trust company or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution or a trust company and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$25,000,000 not organized for the specific purpose of evading the New Hampshire security laws; provided the person making the sale, if not registered in New Hampshire, (1) is a bank or international banking institution; or (2) has no place of business in New Hampshire and effects transactions in New Hampshire exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, or (C) a bona fide preexisting customer whose principal place of residence is not in New Hampshire and the person is registered as a broker-dealer under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the customer maintains a principal place of residence.
New Jersey	To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in New Jersey, (1) effects transactions in New Jersey exclusively with or through such persons or institutions identified above; or (2) effects transactions in New Jersey exclusively with respect to governmental securities as described in subdivisions (1) and (2) of section 3(a) of the Uniform Securities Law of 1967; or (3) is a bank, savings institution, or trust company.
New Mexico	To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of New Mexico, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with

total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the New Mexico security laws; provided the person making the sale, if not registered in New Mexico, (1) is a bank or savings institution if its activities as a broker-dealer are limited to those specified in Subsections 3(a)(4)(B)(i) through (vi), (viii) through (x) and (xi), if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in section 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (2) has no place of business in New Mexico and effects transactions in New Mexico exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in New Mexico; or (E) a bona fide preexisting customer whose principal place of residence is in New Mexico but who was not present in New Mexico when the customer relationship was established, if within 45 days after the customer's first transaction in New Mexico, the person files an application for registration as a broker-dealer in New Mexico and no further transaction is effected until the license is effective; in the case of (D) and (E), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

New York

To any bank, including a state or national bank, trust company or savings institution incorporated under the laws and subject to the examination, supervision and control of any state or of the United States or of any insular possession thereof, to any dealer or broker, any syndicate, corporation or group formed for the specific purpose of acquiring such securities for resale to the public directly or through other syndicates or groups, any corporation, insurance company, investment company, as defined in the Investment Company Act, any pension or profit sharing trust or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity, as part of a private placement; provided the person making the sale, if not registered in New York, effects transactions exclusively with or through such persons or institutions.

North Carolina

To any entity having a net worth in excess of \$1,000,000 as determined by generally accepted accounting principles, bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to any registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in North Carolina, (1) is a bank, savings institution, or trust company; or (2) has no place of business in North Carolina and effects transactions in North Carolina exclusively with such persons or institutions listed above; or (3) has no place of business in North Carolina and is registered as a dealer with the Securities and Exchange Commission under the Securities Exchange Act and in one or more states and during any period of twelve (12) consecutive months does not effect more than fifteen (15) purchases or sales in North Carolina in any manner with persons other than those specified above, whether or not the dealer or any of the purchasers or sellers are then present in North Carolina.

North Dakota

To any bank, savings institution, trust company, credit union, or similar institution that is organized or chartered under the laws of a state or of the United States, authorized to receive deposits, and supervised and examined by an official or agency of a state or the United States if its deposits or share accounts are insured to the maximum amount authorized by statute by the federal deposit insurance corporation, the national credit union shares insurance fund, or a successor authorized by federal law, international banking institution, broker-dealer, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, qualified institutional buyer or other financial institution, an institutional investor, a federal covered investment advisor or to any dealer, or any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in a fiduciary capacity.

Ohio

To any dealer or institutional investor, , where "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (1) A bank or international banking institution; (2) An insurance company; (3) A separate account of an insurance company; (4) An investment company as defined in the "Investment Company Act of 1940," 15 U.S.C. 80a-3;(5) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended, or licensed by the division of securities as a dealer; (6) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the "Employee Retirement Income Security Act of 1974," 29 U.S.C. 1001, that is one of the following: (a) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended, (b) An investment adviser registered or exempt from registration under the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3, (c) An investment adviser registered under this chapter, a bank, or an insurance company; (7) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the "Employee Retirement Income Security Act of 1974," 29 U.S.C. 1001, that is one of the following: (a) A broker-dealer registered under the "Securities Exchange Act of 1934," 15 U.S.C. 78o, as amended, (b) An investment adviser registered or exempt from registration under the "Investment Advisers Act of 1940," 15 U.S.C. 80b-3; (c) An investment adviser registered under this chapter, a bank, or an insurance company; (8) A trust, if it has total assets in excess of ten million dollars, its trustee is a bank, and its participants are exclusively plans of the types identified in division (S)(6) or (7) of this section, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (9) An organization described in section 501(c)(3) of the "Internal Revenue Code of 1986," 26 U.S.C. 1, as amended, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; (10) A small business investment company licensed by the small business administration under section 301(c) of the "Small Business Investment Act of 1958," 15 U.S.C. 681(c), with total assets in excess of ten million dollars; (11) A private business development company as defined in section 202(a)(22) of the "Investment Advisers Act of 1940," 15 U.S.C. 80b - 2(a)(22), with total assets in excess of ten million dollars; (12) A federal covered investment adviser acting for its own

account; (13) A "qualified institutional buyer" as defined in 17 C.F.R. 230.144A(a)(1), other than 17 C.F.R. 230.144A(a)(1)(H); (14) A "major U.S. institutional investor" as defined in 17 C.F.R. 240.15 a- 6(b)(4)(i); or (15) Any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading this chapter.

Oklahoma

To any of the following, whether acting for itself or for others in a fiduciary capacity: a depository institution or international banking institution; an insurance company; a separate account of an insurance company; an investment company as defined in the Investment Company Act; a broker-dealer registered under the Securities Exchange Act; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this act, a depository institution, or an insurance company; a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified above, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; a 501(c)(3) Organization, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; Small Business Investment Company with total assets in excess of \$10,000,000; a Private Business Development Company with total assets in excess of \$10,000,000; a federal covered investment adviser; a Qualified Institutional Buyer, other than as defined under Rule 144A(a)(1)(i)(H), adopted under the 1933 Act; a Major U.S. Institutional Investor; any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the act; provided that the seller, if not registered in Oklahoma, is: (A) a bank or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(B)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act or an international banking institution; or (B) is a broker-dealer without a place of business in the state and its only transactions effected in the state are with: (i) a registered broker-dealer or a broker-dealer not required to be registered; (ii) any of the entities described above; (iii) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000; (iv) a bona fide preexisting customer whose principal place of residence is not in the state and the person is registered as a broker-dealer under the Securities Exchange Act or not required to be registered under the Securities Exchange Act and is registered under the securities act of the state in which the customer maintains a principal place of residence; (v) a bona fide preexisting customer whose principal place of residence is in this state but was not present in this state when the customer relationship was established, if: (a) the broker-dealer is registered under the Securities Exchange Act or the broker-dealer is not required to be registered under the Securities Exchange Act and is registered under the securities laws of the state in which the customer relationship was established and where the customer had maintained a principal place of residence, and (b) within 45 days after the customer's first transaction in this state, the person files an application for registration as a broker-dealer in this state and a further transaction is not effected more than seventy-five 75 days after the date on which the application is filed, or, if earlier, the date on which the Administrator notifies the person that the Administrator has denied the application for registration or has stayed the pendency of the application for cause, (vi) not more than three customers in the state during the previous 12 months, in addition to those specifically specified above, if the broker-dealer is registered under the Securities Exchange Act or not required to be registered under the Securities Exchange Act and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Oregon

To any bank, savings institution, trust company, insurance company, investment company, pension or profit sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, mortgage broker or mortgage banker, whether the purchaser is acting for itself or in a fiduciary capacity when the purchaser has discretionary authority to make investment decisions.

Pennsylvania

To any broker dealer or any institutional investor, meaning any bank, insurance company, pension or profit-sharing plan or trust (except a municipal pension plan or system), investment company, as defined in the Investment Company Act of 1940, or any person, other than an individual, which controls any of the foregoing, the Federal Government, state or any agency or political subdivision thereof, except public school districts of this State, or any other person so designated by regulation of the commission, and including (1) a corporation or business trust or a wholly-owned subsidiary of the person which has been in existence for 18 months and which has a tangible net worth on a consolidated basis, as reflected in its most recent audited financial statements, of \$10 million or more; (2) A college, university or other public or private institution which is a 501(c)(3) Organization and which has a total endowment or trust funds, including annuity and life income funds, of \$5 million or more according to its most recent audited financial statements; provided that the aggregate dollar amount of securities being sold to the person under the exemption contained in section 203(c) of the Act and this title may not exceed 5% of the endowment or trust funds; (3) A wholly-owned subsidiary of a bank as defined in section 102(d) of 70 P.S. § 1-102(d) and § 102.041; (4) A person, except an individual or an entity whose security holders consist entirely of one individual or group of individuals who are related, which is organized primarily for the purpose of purchasing, in non-public offerings, securities of corporations or issuers engaged in research and development activities in conjunction with a corporation and which complies with one of the following: (i) has purchased \$5 million or more of the securities excluding both of the following: (A) a purchase of securities of a corporation in which the person does not intent to provide direct management to the issuer, is not excluded.; (B) a dollar amount of a purchase of securities of a corporation which investment represents more than 20% of the person's net worth; (ii) is capitalized at \$2.5 million or more and is controlled by an individual controlling a person which meets the criteria contained

in subparagraph (i); (iii) is capitalized at \$10 million or more and has purchased \$500,000 or more of the securities, excluding a purchase of securities of a corporation in which the person directly or beneficially owns more than 50% of the corporation's voting securities; (iv) is capitalized at \$250,000 or more and is a side-by-side fund as defined in subsection (b)(4); (5) Small Business Investment Company which either: (i) has a total capital of \$1 million or more; (ii) is controlled by institutional investors as defined in section 102(k) or this section; (6) a Seed Capital Fund, as defined in section 2 and authorized in section 6 of the Small Business Incubators Act (73 P.S. § 395.2 and 395.6); (7) a Business Development Credit Corporation, as authorized by the Business Development Credit Corporation Law (15 P.S. 2701-2716); (8) a person whose securityholders consist solely of institutional investors or broker-dealers; (9) a person as to which the issuer reasonably believed qualified as an institutional investor under this section at the time of the offer or sale of the securities on the basis of written representations made to the issuer by the purchaser; (10) a Qualified Institutional Buyer, provided that an institutional investor which purchased securities for the benefit of another person shall be empowered under applicable state or federal law to act as a corporate fiduciary and is acting as trustee, guardian, conservator, executor or administrator other than for the purpose of evading the registration requirements of the act; and further provided that the seller, if not registered in Pennsylvania, (1) is a bank which meets the exceptions from the definition of "broker" under section 3(a)(4)(B) or (E) or the definition of "dealer" under section 3(a)(5)(B) or (C) of the Securities Exchange Act; (2) is an executor, administrator, guardian, conservator or pledgee; or (3) has no place of business in Pennsylvania and effects transactions in Pennsylvania exclusively with or through broker-dealers or institutional investors; (4) is licensed as a real estate broker or agent under the Real Estate Brokers License Act of 1929, as amended, and whose transactions in securities are isolated transactions incidental to that business; (5) is registered as a broker-dealer under the Securities Exchange Act, has never previously had a certificate denied or revoked under the securities laws of Pennsylvania, has no place of business in Pennsylvania and during any period of twelve (12) consecutive months directs offers to sell or buy into Pennsylvania exclusively to broker-dealers, institutional investors, or governmental agencies, or to no more than five (5) other customers in Pennsylvania whether or not the offeror or any offeree is then present in Pennsylvania.

Rhode Island

To a broker-dealer or any financial or institutional investor whether acting for itself or another in a fiduciary capacity, including a depository institution; an insurance company; a separate account of an insurance company; an investment company as defined in the Investment Company Act; an employee pension, profit sharing or benefit plan if the plan has total assets in excess of five million dollars (\$5,000,000), or if the investment decisions are made by a plan fiduciary, as defined in ERISA, which is either a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, a depository institution or insurance company; a Qualified Institutional Buyer; any other institutional buyer; provided, that the person making the sale, if not registered in Rhode Island (1) has no place of business in Rhode Island and is not required to be registered under the Securities Exchange Act and (2) effects transactions exclusively with or through (a) other exempt or licensed broker-dealers, or (b) financial or institutional investors; except that broker-dealers who deal exclusively in governmental securities and are not registered under the Securities Exchange Act must be subject to supervision as a dealer in government securities by the Federal Reserve Board; or (3) is licensed under the securities laws of a state in which the broker-dealer maintains a place of business and the broker-dealer offers and sells in Rhode Island to an existing customer of the broker-dealer whose principal place of business is not in Rhode Island.

South Carolina

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of South Carolina, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the South Carolina security laws; provided the person making the sale, if not registered in South Carolina, (1) is a bank or savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(b) and 3(a)(5)(B), and, if a bank, 3(a)(5)(C) of the Securities Exchange Act, or an international banking institution; or (2) has no place of business in South Carolina and effects transactions in South Carolina exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in South Carolina; or (E) a bona fide preexisting customer whose principal place of residence is in South Carolina but who was not present in South Carolina when the customer relationship was established, if: within 45 days after the customer's first transaction in South Carolina, the person files an application for registration as a broker-dealer in South Carolina and a further transaction is not effected more than 75 days after the date on which the application is filed, or (E) not more than 3 customers in South Carolina

during the previous 12 months, in addition to those customers specified above, if, in the case of (D) and (E), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

South Dakota

To (a) a depository institution, (b) a trust company organized or chartered under the laws of South Dakota, (c) an international banking institution; an insurance company; or separate account of an insurance company, (d) an investment company as defined in the Investment Company Act, (e) a broker-dealer registered under the Securities Exchange Act, (f) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in (f) or (g) above, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000, (j) a Small Business Investment Company with total assets in excess of \$10,000,000, (k) a Private Business Development Company with total assets in excess of \$10,000,000, (l) A federal covered investment adviser, (m) a Qualified Institutional Buyer, other than as defined in rule 144A(a)(1)(i)(H), adopted under the Securities Act, (n) a Major U.S. Institutional Investor, or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the South Dakota securities laws; provided the person making the sale, if not registered in South Dakota, (1) is a bank, a trust company organized or chartered under the laws of South Dakota, or a savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(b)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act, or an international banking institution; or (2) has no place of business in South Dakota and effects transactions in South Dakota exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a bona fide preexisting customer whose principal place of residence is not in South Dakota; or (D) a bona fide preexisting customer whose principal place of residence is in South Dakota but who was not present in South Dakota when the customer relationship was established, if: within 45 days after the customer's first transaction in South Dakota, the person files an application for registration as a broker-dealer in South Dakota and a further transaction is not effected more than 75 days after the date on which the application is filed, or (E) not more than 3 customers in South Dakota during the previous 12 months, in addition to those customers specified above, if, in the case of (C) through (E), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.

Tennessee

To any institutional investor, including any bank (unless the bank is acting as a broker-dealer), trust company, insurance company, investment company registered under the Investment Company Act, as amended, a holding company which controls any of the foregoing, a trust or fund over which any of the foregoing has or shares investment discretion, a pension or profit sharing plan, an institutional buyer, or any other person (except a broker-dealer) engaged as a substantial part of its business in investing in securities, in each case having a net worth in excess of \$1,000,000, or to any registered broker-dealer; provided the person making the sale, if not registered in Tennessee, (1) is an institutional investor; or has no place of business in Tennessee and is (2) registered as a broker-dealer with the Securities and Exchange Commission or the National Association of Securities Dealers and effects transactions in Tennessee exclusively with or through (a) such persons or institutions; or (b) the Issuer; or (c) other broker-dealers; or (3) during any period of twelve (12) consecutive months does not effect more than fifteen (15) transactions in securities from, in, or into Tennessee other than to persons or institutions specified here-above.

Texas

To any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution (including any state or federally chartered credit union, savings and loan association, or federal savings bank and any credit union or savings and loan association chartered under the laws of any state of the United States), investment company as defined in the Investment Company Act, Small Business Investment Company as defined in the Small Business Investment Act of 1958, as amended, or to any registered dealer actually engaged in buying and selling securities; provided such financial institution or institutional investor is not acting only as agent for another purchaser that is not a financial institution or other institutional investor specified above and is otherwise acting for its own account or as a bona fide trustee of a trust organized and existing other than for the purpose of acquiring the specific securities for which the seller is claiming an exemption.

Utah

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, or to any broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Utah, (1) is a bank, savings institution, or trust company; or has no place of business in Utah and either (a) effects transactions in Utah exclusively with or through the Issuer, other broker-dealers, or such persons or institutions here-above mentioned; or (b) during any period of twelve (12) consecutive months he does not direct more than fifteen (15) offers to sell or buy into Utah in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Utah.

Vermont	<p>To (a) a depository institution or international banking institution, (b) an insurance company; (c) a separate account of an insurance company, (d) an investment company as defined in the Investment Company Act, (e) a broker-dealer registered under the Securities Exchange Act, (f) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution, or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in (f) or (g) above, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company, or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000, (j) a Small Business Investment Company with total assets in excess of \$10,000,000, (k) a Private Business Development Company with total assets in excess of \$10,000,000, (l) a federal covered investment adviser, (m) a Qualified Institutional Buyer, other than as defined in rule 144A(a)(1)(i)(H), adopted under the Securities Act, (n) a Major U.S. Institutional Investor, or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Vermont securities laws; <u>provided</u> the person making the sale, if not registered in Vermont, (1) is a bank, a trust company organized or chartered under the laws of Vermont, or a savings institution if its activities as a broker-dealer are limited to those specified in subsections 3(a)(4)(b)(i) through (vi), (viii) through (x), and (xi) if limited to unsolicited transactions; 3(a)(5)(B); and 3(a)(5)(C) of the Securities Exchange Act or a bank that satisfies the conditions described in subsection 3(a)(4)(E) of the Securities Exchange Act, or an international banking institution; or (2) has no place of business in Vermont and effects transactions in Vermont exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record (D) a bona fide preexisting customer whose principal place of residence is not in Vermont; or (E) a bona fide preexisting customer whose principal place of residence is in Vermont but who was not present in Vermont when the customer relationship was established, if: within 45 days after the customer's first transaction in Vermont, the person files an application for registration as a broker-dealer in Vermont and a further transaction is not effected more than 75 days after the date on which the application is filed, or (F) not more than 3 customers in Vermont during the previous 12 months, in addition to those customers specified above, if, in the case of (D) through (F), the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the broker-dealer has its principal place of business.</p>
Virginia	<p>To any corporation, investment company, pension or profit sharing trust or to any registered broker-dealer.</p>
Washington	<p>To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer, including (i) a corporation, business trust, or partnership or wholly owned subsidiary of such an entity, which has been operating for at least 12 months and which has a net worth on a consolidated basis of at least \$10 million as determined by the entity's most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption, (ii) any 501(c)(3) Organization which has a total endowment or trust funds of \$5 million or more according to its most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption or (iii) any wholly owned subsidiary of a bank, savings institution, insurance company, or investment company as defined in the Investment Company Act, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity..</p>
West Virginia	<p>To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act, pension or profit sharing trust, or other financial institution or institutional buyer (as defined in the Policy Statement of the West Virginia Securities Commission dated 9-3-2008), or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; <u>provided</u> the person making the sale, if not registered in West Virginia, (1) is a bank, savings institution or trust company; or (2) has no place of business in West Virginia and (a) effects transactions in West Virginia exclusively with or through either (i) such persons or institutions listed above, or (ii) other broker-dealers; or (b) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into West Virginia in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in West Virginia.</p>
Wisconsin	<p>To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Wisconsin, a depository institution or an</p>

insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Wisconsin security laws; provided the person making the sale, if not registered in Wisconsin, effects transactions in Wisconsin exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Wisconsin; or (E) a bona fide preexisting customer whose principal place of residence is in Wisconsin but who was not present in Wisconsin when the customer relationship was established, if within 45 days after the customer's first transaction in Wisconsin, the person files an application for registration as a broker-dealer in Wisconsin and no further transaction is effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the person is granted registration or denied the application for registration or the pendency of the application is stayed for good cause; in the case of (D) and (E) the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the customer maintains a principal place of residence.

Wyoming

To (a) depository institution or international banking institution; (b) an insurance company; (c) a separate account of an insurance company; (d) an investment company as defined in the Investment Company Act; (e) a broker-dealer registered under the Securities Exchange Act; (f) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under this chapter, a depository institution or an insurance company; (g) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in ERISA, that is a broker-dealer registered under the Securities Exchange Act, an investment adviser registered or exempt from registration under the Investment Advisers Act, an investment adviser registered under the laws of Wyoming, a depository institution or an insurance company; (h) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in paragraph (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (i) a 501(c)(3) Organization, a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (j) a Small Business Investment Company with total assets in excess of \$10,000,000; (k) a Private Business Development Company with total assets in excess of \$10,000,000; (l) a federal covered investment adviser acting for its own account; (m) a Qualified Institutional Buyer, except as defined in 17 C.F.R. 230.144A(a)(1)(i)(H); (n) a Major U.S. Institutional Investor; or (o) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading the Wyoming security laws; provided the person making the sale, if not registered in Wyoming, effects transactions in Wyoming exclusively with (A) a registered broker-dealer, (B) any of the persons described in (a) through (o) above, (C) a nonaffiliated federal covered investment adviser with investments under management in excess of \$100,000,000 acting for the account of others pursuant to discretionary authority in a signed record; (D) a bona fide preexisting customer whose principal place of residence is not in Wyoming; or (E) a bona fide preexisting customer whose principal place of residence is in Wyoming but who was not present in Wyoming when the customer relationship was established, if within 45 days after the customer's first transaction in Wyoming, the person files an application for registration as a broker-dealer in Wyoming and no further transaction is effected more than 75 days after the date on which the application is filed, or, if earlier, the date on which the person is granted registration or denied the application for registration or the pendency of the application is stayed for good cause; in the case of (D) and (E) the broker-dealer is registered under the Securities Exchange Act or not required to be so registered and is registered under the securities act of the state in which the customer maintains a principal place of residence.