investment companies and institutional accounts for which BlackRock or an affiliate serves as the investment advisor also hold the same types of securities as the Plan Accounts, although in different combinations based on their particular investment objectives.

4. BlackRock proposes to take advantage of opportunities to eliminate unnecessary third-party dealer markups by cross-trading securities, whenever possible, directly between Plan Accounts or directly between Plan Accounts and other client accounts. BlackRock represents that comparable trades of such securities on the open market between unrelated parties often require dealer markups equal to between one-sixteenth to one percent of the price of the securities for each sale or purchase transaction. BlackRock proposes to execute cross-trade transactions on behalf of the Plan Accounts without charging any commissions or receiving any dealer markups.

5. BlackRock represents that by participating in the cross-trading program, the Plan Accounts will benefit by not incurring the cost, in terms of price, of dealing with a person or firm acting as ''market-maker'' for the particular security involved in the cross-trade transaction. This cost is generally measured by the spread between the bid and offer prices for the security which would be paid to the market-maker. The Plan Accounts will also benefit under the cross-trading program by avoiding false pricing differentials that result in transactions with a market-maker where the securities in question are traded in odd-lot sizes. For example, in the case of debt securities, BlackRock states that both buyer and seller will benefit by cross-trading because the securities involved will be priced either by reference to the last sale price for the securities on the date of the transaction or, if no transactions have occurred that day, by averaging the spread between the highest independent bid and lowest independent offer obtained from at least two independent dealers, in accordance with SEC Rule 17a–7(b) of the 1940 Act (see Paragraph 10 below). Thus, in situations where an average of the current bid/offer prices is used, the seller will receive a higher price than the dealers' bid price and the buyer will pay a lower price than the dealers' offer price, which would not, in all instances, be the case in an open market transaction or a transaction directly with a dealer. BlackRock states further that where trading of a particular debt or equity security is ''thin'' (i.e. limited number of securities available) or round lots are not available, participation in the cross- trading program may enable the Plan Accounts to obtain early opportunities to acquire or sell such securities at favorable prices. Therefore, by participating in the cross-trading program, BlackRock represents that the Plan Accounts will incur substantially lower expenses for the particular transactions and will be better able to effect purchase and sale transactions.

6. BlackRock makes decisions regarding which securities to purchase or sell for client accounts considering all of the relevant facts and circumstances, including the composition of the portfolios and the liquidity requirements of the accounts. BlackRock states that such decisions will not be influenced by the fact that an opportunity for a cross-trade may be available. In this regard, BlackRock represents that the matching of sale and purchase orders for its accounts on any particular day will be largely automatic.

With respect to the allocation of cross-trade opportunities among various accounts, including the Plan Accounts, BlackRock proposes to use a non-discretionary pro-rata allocation system. For example, if the number of units of a particular security that any accounts need to sell on a given day is less than the number of units of such security which other accounts need to buy on that date, the cross-trade opportunity would be allocated among the buying accounts on a pro-rata basis. The same procedure would apply where the number of units of a particular security to be sold by various accounts is more than the number of units of such security which other accounts need to buy on that date, so that in such instances the cross-trade opportunity would be allocated among the selling accounts on a pro-rata basis. Thus, all accounts participating in BlackRock's cross-trading program, including the Plan Accounts, will have opportunities to participate on a proportional basis in cross-trade transactions during the operation of the program. BlackRock represents that this aspect of the cross-trading program will be part of the information disclosed in writing to the fiduciaries of the Plan Accounts prior to their authorization for participation in the program (as discussed further below).

7. Under the requested exemption, only Plans with at least $25 million in total assets will be eligible to participate in the cross-trading program. A Plan fiduciary that is independent of BlackRock must provide written authorization allowing the Plan's participation in the program before any specific cross-trade transactions can be executed for such Plan. This authorization will be terminable at will upon written notice by the appropriate independent Plan fiduciary. BlackRock will receive no fee or other compensation (other than its agreed upon investment management fee) with respect to any cross-trade transaction. Thus, a Plan will not pay any separate fees to BlackRock for cross-trading services. No penalty or other charge will be made as a result of the termination of a Plan's participation in the cross-trading program. In addition, before any authorization is made by a Plan for participation in the cross-trading program, BlackRock must provide the authorizing Plan fiduciary with all materials necessary to permit an evaluation of the program. These materials will include a copy of the proposed exemption and final exemption, if granted, an explanation of how the authorization may be terminated, a description of BlackRock's cross-trading practices, and any other available information that the authorizing Plan fiduciary may reasonably request.

8. In addition to requiring a general authorization of a Plan's participation in BlackRock's cross-trading program, an independent fiduciary of each Plan must specifically authorize each cross-trade transaction. Any such authorization will be effective only for a period of three (3) business days and will be subject to certain pricing limitations (as discussed below in Paragraph 10). The authorization to proceed with the transaction may be either oral or written. If a cross-trade transaction is authorized orally by an independent fiduciary, BlackRock will provide a written confirmation of such authorization in a manner reasonably calculated to be received by the independent fiduciary within one (1) business day from the date of the authorization. The Plan fiduciary will be sent a written confirmation of the cross-trade, including the price at which it was executed, within ten (10) days of the completion of the transaction.

9. BlackRock will provide the authorizing Plan fiduciary with a report, at least once every three (3) months and not later than forty-five (45) days following the period to which it relates, that sets forth: (a) A list of all the cross-trade transactions conducted on behalf of the Plan Account during the previous period; and (b) with respect to each cross-trade transaction, the prices at which the subject securities were traded on the date of the transaction. Each Plan fiduciary will also be provided with a summary of the quarterly reports, at least once a year and not later than 45 days after the end of the period to which