should be properly allocated to one or more classes of shares that shall be approved by the Commission pursuant to an amended order; (e) each class of shares would have different exchange privileges; and (f) each class of shares might have different rights of conversion into other classes.

The trustees of the Company, including a majority of the independent trustees, will have approved the multiclass distribution system prior to the implementation of the multi-class distribution system by a particular Fund. The minutes of the meetings of the trustees of the Company regarding the deliberations of the trustees with respect to the approvals necessary to implement the multi-class distribution system will reflect in detail the reasons for determining that the proposed multiclass distribution system is in the best interests of both the Funds and their respective shareholders.

3. The initial determination of the Class Expenses that will be allocated to a particular class and any subsequent changes thereto will be reviewed and approved by a vote of the trustees of the Company, including a majority of the independent trustees. Any person authorized to direct the allocation and disposition of monies paid or payable by a Fund to meet Class Expenses will provide to the trustees, and the trustees will review, at least quarterly, a written report of the amounts so expended and the purpose for which the expenditures were made.

On an ongoing basis, the trustees of the Company, pursuant to their fiduciary responsibilities under the Act and otherwise, will monitor each Fund for the existence of any material conflicts among the interests of the various classes of shares. The trustees, including a majority of the independent trustees, will take such action as is reasonably necessary to eliminate any conflicts that may develop. The Adviser and the Distributor will be responsible for reporting any potential or existing conflicts to the trustees. If a conflict arises, the Adviser and the Distributor at their own expense will remedy the conflict up to and including establishing a new registered management investment company

5. If any class will be subject to a Service Plan, the Service Plan will be adopted and operated in accordance with the procedures set forth in rule 12b–1(b) through (f) as if the expenditures made thereunder were subject to rule 12b–1, except that shareholders need not enjoy the voting rights specified in rule 12b–1.

6. The trustees of the Company will receive quarterly and annual statements

concerning distribution and shareholder servicing expenditures complying with paragraph (b)(3)(ii) of rule 12b-1, as it may be amended from time to time. In the statements, only distribution or shareholder servicing expenditures properly attributable to the sale or servicing of one class of shares will be used to support any distribution or shareholder servicing fee charged to shareholders of that class of shares. Expenditures not related to the sale or servicing of a specific class of shares will not be presented to the trustees to support any fees charged to shareholders of that class of shares. The statements, including the allocations upon which they are based, will be subject to the review and approval of the independent trustees in the exercise of their fiduciary duties.

7. Dividends paid by a Fund with respect to each class of shares, to the extent any dividends are paid, will be calculated in the same manner, at the same time, on the same day, and will be in the same amount, except that payments for services described in condition 1 above that are rendered to a particular class of shares will be borne

exclusively by that class.

8. The methodology and procedures for calculating the net asset value, dividends, and distributions of the various classes and the proper allocation of expenses among the various classes have been reviewed by the Independent Examiner. The Independent Examiner has rendered a report to applicants, which has been provided to the staff of the SEC, stating that the methodology and procedures are adequate to ensure that the calculations and allocations will be made in an appropriate manner. On an ongoing basis, the Independent Examiner, or an appropriate substitute Independent Examiner, will monitor the manner in which the calculations and allocations are being made and, based upon this review, will render at least annually a report to the Company that the calculations and allocations are being made properly. The reports of the Independent Examiner will be filed as part of the periodic reports filed with the SEC pursuant to sections 30(a) and 30(b)(1) of the Act. The work papers of the Independent Examiner with respect to these reports, following request by the Company, which the Company agrees to provide, will be available for inspection by the SEC staff upon the written request to a Fund for these work papers by a senior member of the Division of Investment Management, limited to the Director, an Associate Director, the Chief Accountant, the Chief Financial Analyst, an Assistant

Director, and any Regional Administrators or Associate and Assistant Administrators. The initial report of the Independent Examiner is a "report on policies and procedures placed in operation," and the ongoing reports will be "reports on policies and procedures placed in operation and tests of operating effectiveness," as defined and described in Statement of Auditing Standards ("SAS") No. 70 of the American Institute of Certified Public Accountants ("AICPA"), as it may be amended from time to time, or in similar auditing standards as may be adopted by the AICPA from time to time.

9. Applicants have adequate facilities in place to ensure implementation of the methodology and procedures for calculating the net asset value, dividends, and distributions of the various classes of shares and the proper allocation of expenses among the classes of shares, and this representation has been concurred with by the Independent Examiner in the initial report referred to in condition 8 above and will be concurred with by the Independent Examiner, or an appropriate substitute Independent Examiner, on an ongoing basis at least annually in the ongoing reports referred to in condition 8 above. Applicants will take immediate corrective measures if this representation is not concurred in by the Independent Examiner or appropriate substitute Independent Examiner.

10. The prospectus of each Fund, if such is the case, will contain a statement to the effect that a salesperson and any other entity entitled to receive any compensation for selling or servicing Fund shares may receive different compensation with respect to one particular class of shares over another class in the Fund.

11. The Distributor will adopt compliance standards as to when shares of a particular class may appropriately be sold to particular investors. Applicants will require all persons selling shares of the Funds to agree to conform to these standards.

12. The conditions pursuant to which the exemptive order is granted and the duties and responsibilities of the trustees of the company with respect to the multi-class distribution system will be set forth in guidelines that will be furnished to the trustees.

13. Each Fund will disclose in its prospectus the respective expenses, performance data, distribution arrangements, services, fees, sales loads, deferred sales loads, and exchange privileges applicable to each class of shares in every prospectus, regardless of