

c. Following the making of the determinations referred to in (a) and (b), InvestAmerica will distribute written information concerning all eligible investments to the Investing Company's non-interested directors. Such information will include the name of each Managed Affiliate that proposes to make the investment and the amount of each proposed investment.

d. Information regarding InvestAmerica's preliminary determinations will be reviewed by the Investing Company's non-interested directors. The Investing Company will only make a joint investment with a Managed Affiliate if a required majority (as defined in section 57(o) of the Investment Company Act) ("Required Majority") of the Investing Company's non-interested directors conclude, prior to the acquisition of the investment, that:

i. the terms of the transaction, including the consideration to be paid, are reasonable and fair to the shareholders of Private Equities and do not involve overreaching of the Investing Company or such shareholders on the part of any person concerned;

ii. the transaction is consistent with the interests of the shareholders of Private Equities and is consistent with the Investing Company's investment objectives and policies as recited in filings made by the Investing Company under the Securities Act of 1933, as amended, its registration statement and reports filed under the Exchange Act, as amended, and its reports to shareholders;

iii. the investments by the Managed Affiliates would not disadvantage the Investing Company and that participation by the Investing Company would not be on a basis different from or less advantageous than that of Managed Affiliates; and

iv. the proposed investment by the Investing Company will not benefit InvestAmerica or any affiliated entity, other than the Managed Affiliates making the proposed joint investment, except to the extent permitted pursuant to sections 17(e) and 57(k) of the Investment Company Act.

e. An Investing Company may decline to participate in the co-investment, or may purchase less than its full allocation.

2. The Investing Company will not make an investment for its portfolio if a Managed Affiliate or InvestAmerica or a person controlling, controlled by, or under common control with InvestAmerica is an existing investor in such company; with the exception of

the five present co-investments of MorAmerica Capital and the Iowa Fund.

3. All purchases of securities by the Investing Company effected with a Managed Affiliate as a joint participant shall consist of the same class of securities, including the same registration rights (if any), and other rights related thereto, at the same price and on the same terms and conditions, and the settlement dates will be the same.

4. If one or more Managed Affiliates elect to sell, exchange, or otherwise dispose of a security that is also held by the Investing Company, InvestAmerica will notify the Investing Company of the proposed disposition at the earliest practical time and the Investing Company will be given the opportunity to participate in such sale on a proportionate basis, at the same price and on the same terms and conditions as those applicable to Managed Affiliates. InvestAmerica will formulate a recommendation as to participation by the Investing Company in such a disposition, and provide a written recommendation to the Investing Company's non-interested directors. The Investing Company will participate in such disposition to the extent that a Required Majority of its non-interested directors determine that it is in the Investing Company's best interest. The Investing Company and each Managed Affiliate will bear its own expenses associated with the disposition of a portfolio security.

5. If a Managed Affiliate desires to make a "follow-on" investment (*i.e.*, an additional investment in the same entity) in a particular portfolio company whose securities are held by the Investing Company or to exercise warrants or other rights to purchase securities of such an issuer, InvestAmerica will notify the Investing Company of the proposed transaction at the earliest practical time. InvestAmerica will formulate a recommendation as to the proposed participation by the Investing Company in a follow-on investment, and provide the recommendation to the Investing Company's non-interested directors along with notice of the total amount of the follow-on investment. The Investing Company's non-interested directors will make their own determination with respect to follow-on investments. To the extent that the amount of a follow-on investment available to a Managed Affiliate and the Investing Company is not based on the amount of their initial investment, the relative amount of investment by each Managed Affiliate participating in a follow-on investment and the Investing Company will be

based on a ratio derived by comparing the remaining funds available for investment by the Investing Company and each such Managed Affiliate with the total amount of the follow-on investment. The Investing Company will participate in such investment to the extent that a Required Majority of its non-interested directors determine that it is in the Investing Company's best interest. The acquisition of follow-on investments as permitted by this condition will be subject to the other conditions set forth in the application.

6. The Investing Company's non-interested directors will review quarterly all information concerning co-investments made by the Investing Company, including co-investments in which one or more Managed Affiliates declined to participate, so that they may determine whether all investments made during the preceding quarter, including those investments they declined, complied with the conditions set forth above.

7. The Investing Company will maintain the records required by section 57(f)(3) of the Investment Company Act as if each of the transactions permitted under these conditions were approved by the Investing Company's non-interested directors under section 57(f).

8. No non-interested director of the Investing Companies will be a non-interested director of a Managed Affiliate with which the Investing Company co-invests.

Consolidated Reporting Conditions

1. Private Equities will (a) file with the SEC on behalf of itself and MorAmerica Capital, all information and reports required to be filed with the SEC under the Exchange Act and other federal securities laws, including financial statements prepared solely on a consolidated basis as to Private Equities and MorAmerica Capital, such information and reports to be in satisfaction of the separate filing obligations of MorAmerica Capital; and (b) provide to its shareholders such information and reports required to be disseminated to Private Equities' shareholders, including financial statements prepared solely on a consolidated basis as to Private Equities and MorAmerica Capital, such reports to be in satisfaction of the separate filing obligations of Private Equities. Notwithstanding anything in this condition, Private Equities will not be relieved of any of its reporting obligations including, but not limited to, any consolidating statement setting forth the individual statement of MorAmerica Capital required by rule 6-03(c) of Regulation S-X.