

distributions declared and paid by a particular class may be different from that of another class because plan payments made by a class pursuant to a 12b-1 plan or shareholder services plan and other class expenses will be borne exclusively by that class.

8. The methodology and procedures for calculating the net asset value and dividends and other distributions of the classes and the proper allocation of expenses among the classes have been reviewed by an Expert (the "Expert"), who has rendered a report to the trustees of the Funds, which has been provided to the staff of the SEC, stating that such methodology and procedures are adequate to ensure that such calculations and allocations will be made in an appropriate manner. On an ongoing basis, the Expert, or an appropriate substitute Expert, will monitor the manner in which the calculations and allocations are being made, and based upon such review, will render at least annually a report to the Funds that the calculations and allocations are being made properly. The reports of the Expert shall 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 Expert with respect to such reports, following request by the Funds which the Funds agree to make, will be available for inspection by the SEC staff upon the written request to a Fund for such work papers by a senior member of the SEC's Division of Investment Management or of a Regional Office of the SEC, 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 Expert is a "Special Purpose" report on "policies and procedures placed in operation" in accordance with Statements on Auditing Standards ("SAS") No. 70, "Reports on the Processing of Transactions by Service Organizations," of the American Institute of Certified Public Accountants ("AICPA"). Ongoing reports will be reports on "policies and procedures placed in operation and tests of operating effectiveness" prepared in accordance with SAS No. 70 of the 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 and dividends and other distributions of the classes of shares and the proper

allocation of income and expenses among the classes of shares and this representation has been concurred with by the Expert in the initial report referred to in condition 8 above and has been concurred with by the Expert, or appropriate substitute Expert, on an ongoing basis at least annually in the ongoing reports referred to in condition 8 above. Applicants will take immediate corrective measures if the Expert, or appropriate substitute Expert, does not so concur in the ongoing reports.

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

11. Each Fund will disclose the respective expenses, performance data, distribution arrangement, services, fees, sales loads, CDSCs, and exchange privileges applicable to each class of shares in every prospectus, regardless of whether all classes of shares are offered through each prospectus. Each Fund will disclose the respective expenses and performance data applicable to all classes of shares in every shareholder report. The shareholder reports will contain, in the statement of assets and liabilities and statements of operations, information related to the Fund as a whole generally and not on a per class basis. Each Fund's per share data, however, will be prepared on a per class basis with respect to all classes of shares of such Fund. To the extent any advertisement or sales literature describes the expenses or performance data applicable to any class of shares, it will disclose the expense or performance data applicable to all classes of shares. The information provided by applicants for publication in any newspaper or similar listing of a Fund's net asset value or public offering price will present each class of shares separately.

12. The prospectus of each Fund will include a statement to the effect that a salesperson and any other person entitled to receive compensation for selling or servicing shares of a Fund may receive different levels of compensation with respect to one particular class of shares over another in a Fund.

13. Applicants acknowledge that the grant of the exemptive order requested by this application will not imply SEC approval, authorization, or acquiescence in any particular level of payments that a Fund may make pursuant to its 12b-1 plan or shareholder services plan in reliance on the exemptive order.

14. Any class of shares with a conversion feature will convert into

another class of shares on the basis of the relative net asset values of the two classes, without the imposition of any sales load, fee, or other charge. After conversion, the converted shares will be subject to an asset-based sales charge (as the term is defined in Article III, Section 26 of the NASA's Rules of Fair Practice), if any, that in the aggregate is lower than the asset-based sales charge and service fee to which they were subject prior to the conversion.

15. If a Fund implements any amendment to a 12b-1 plan (or, if presented to shareholders, adopts or implements any amendment to a shareholder services plan) that would increase materially the amount that may be borne by the Target Class shares under the plan, then existing Purchase Class shares will stop converting into the Target Class shares unless the holders of a majority of Purchase Class shares, voting separately as a class, approve the amendment. The trustees shall take such action as is necessary to ensure that existing Purchase class shares are exchanged or converted into a new class of shares ("New Target Class shares"), identical in all material respects to Target Class shares as they existed prior to implementation of the amendment, no later than the date such shares previously were scheduled to convert into Target Class shares. If deemed advisable by the trustees to implement the foregoing, such action may include the exchange of all existing Purchase Class shares for a new class of shares ("New Purchase Class shares"), identical to existing Purchase Class shares in all material respects except that the New Purchase Class shares will convert into New Target Class shares. The New Target Class shares and New Purchase Class shares may be formed without further exemptive relief. Exchanges or conversions described in this condition shall be effected in a manner that the trustees reasonably believe will not be subject to federal taxation. In accordance with condition 5, any additional cost associated with the creation, exchange, or conversion of the New Target Class shares or New Purchase Class shares will be borne solely by the Adviser and/or the Distributor. Purchase Class shares sold after the implementation of this proposed arrangement may convert into Target Class shares subject to the higher maximum payment, provided that the material features of the target Class plan and the relationship of such plan to the Purchase class shares are disclosed in an effective registration statement.

16. The Distributor will adopt compliance standards as to when each class of shares may appropriately be