

Applicants' Conditions

Applicants agree that the following conditions may be imposed in any order granting the requested relief:

1. Each class of shares of a Fund will represent interests in the same portfolio of investments, and be identical in all respects, except as set forth below. The only differences between the classes of shares of a Fund will relate solely to one or more of the following: (a) Expenses assessed to a class pursuant to a Plan, if any, with respect to such class; (b) the impact of Class Expenses, which will be limited to any or all of the following: (i) Transfer agent fees identified as being attributable to a specific class of shares, (ii) stationery, printing, postage, and delivery expenses related to preparing and distributing materials such as shareholder reports, prospectuses, and proxy statements to current shareholders of a specific class, (iii) Blue Sky registration fees incurred by a class of shares, (iv) SEC registration fees incurred by a class of shares, (v) expenses of administrative personnel and services as required to support the shareholders of a specific class, (vi) directors/trustees' fees or expenses incurred as a result of issues relating to one class of shares, (vii) accounting expenses relating solely to one class of shares, (viii) auditors fees, litigation expenses, and legal fees and expenses relating to a class of shares, (ix) expenses incurred in connection with shareholders' meetings as a result of issues relating to one class of shares, and (x) any other incremental expenses subsequently identified which should be properly allocated to a particular class of shares and which, as such, are approved by the SEC pursuant to an amended order; (c) the fact that the classes will vote separately with respect to matters relating to a Fund's Distribution Plan, if any, or any other matters appropriately limited to such class(es), except as provided in condition 15 below; (d) the different exchange privileges of the classes of shares, if any; (e) the designation of each class of shares of a Fund; and (f) certain conversion features offered by some of the classes.

2. Each Company's board of directors/trustees ("Trustees"), including a majority of the Trustees who are not interested persons of the Company ("Independent Trustees"), will have approved the Multiple Class System with respect to a particular Fund prior to the implementation of the system by that Fund. The minutes of the meetings of the Trustees regarding the deliberations of the Trustees with respect to the approvals necessary to

implement the Multiple Class System will reflect in detail the reasons for the determination by the Trustees that the proposed Multiple Class System is in the best interests of each Fund and its 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, 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 shall provide to the Trustees, and the Trustees shall review, at least quarterly, a written report of the amounts so expended and the purposes for which such expenditures were made.

4. If any class will be subject to a Shareholder Services Plan, the 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 will not enjoy the voting rights specified in rule 12b-1.

5. On an ongoing basis, the Trustees, pursuant to their fiduciary responsibilities under the Act and otherwise, will monitor each Fund, as applicable, for the existence of any material conflicts among the interests of the classes of its shares, if there is more than one class. The Trustees, including a majority of the Independent Trustees, shall take such action as is reasonably necessary to eliminate any such conflicts that may develop. Each Fund's investment manager and/or Distributor will be responsible for reporting any potential or existing conflicts to the Trustees. If such a conflict arises, the Fund's investment manager and/or Distributor, at their own expense, will take such actions as are necessary to remedy such conflict, including establishing a new registered management investment company, if necessary.

6. The Trustees will receive quarterly and annual statements concerning the amounts expended under the Plans complying with paragraph (b)(3)(ii) of rule 12b-1, as it may be amended from time to time. In the statements, only expenditures properly attributable to the sale or servicing of a particular class of shares will be used to justify any fee for services charged to that class. Expenditures not related to the sale or servicing of a particular class will not be presented to the Trustees to justify any fee attributable to that class. 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 and other distributions paid by a Fund with respect to each class of its shares, to the extent any dividends and other distributions are paid, will be declared and paid on the same day and at the same time, and will be determined in the same manner and will be in the same amount, except that the amount of the dividends declared and paid by a particular class may be different from that of another class because Plan Payments made by a class under a 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 Applicants, which has been provided to the SEC, stating that such methodology and procedures are adequate to ensure that such calculations and allocations would 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 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 Expert with respect to such reports, following request by the Funds which the Funds agree to make, will be available for inspection by the Commission staff upon written request to the Funds for such work papers by a senior member of the 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 or Assistant Administrators. The initial report of the Expert is a report on the "Design of a System," including policies and procedures related thereto to be placed into operation, as defined and described in Statement of Auditing Standards ("SAS") No. 70 of the American Institute of Certified Public Accountants ("AICPA") and the ongoing reports will be "Reports on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness" as defined and described in SAS No. 70 of the AICPA, as it may be amended from time to time, or in similar auditing