

\$165,895,000*
PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY
SPECIAL TAX VARIABLE RATE REVENUE REFUNDING BONDS
(CITY OF PHILADELPHIA FUNDING PROGRAM)
SERIES OF 2003

June 5, 2003

PRELIMINARY BLUE SKY MEMORANDUM

Raymond James & Associates, Inc.,
as Representative of the Underwriters
880 Carillon Parkway
St. Petersburg, FL 33716

Ladies and Gentlemen:

We have prepared the attached Preliminary Blue Sky Memorandum setting forth in summary form certain information relating to the Blue Sky or securities statutes of certain jurisdictions of the United States with respect to the Special Tax Variable Rate Revenue Refunding Bonds (City of Philadelphia Funding Program), Series of 2003 (the "Bonds") which will be purchased by you as underwriters pursuant to a Bond Purchase Agreement, dated as of June __, 2003, between the Authority and you.

We have examined the latest standard compilation available to us of the statutes and the published rules and regulations, if any, of the states and other jurisdictions that relate to the sale of securities therein. These statutes, rules and regulations were examined as they appeared in an unofficial compilation upon which memoranda of this type are customarily based. We are members of the Bar of the Commonwealth of Pennsylvania and do not purport to be experts in the law of any other state or jurisdiction. We have not consulted with local counsel in any other jurisdiction. We have not researched court decisions in the various jurisdictions discussed herein nor obtained special rulings of the securities commissions or other administrative bodies or officials charged with administration of the respective securities statutes or Blue Sky laws.

*Estimated; subject to change

This Memorandum is furnished only for the general information of the underwriters of the Bonds and is not intended to be relied upon as an opinion of counsel. The statements made in this Memorandum are subject to the existence of broad discretionary powers in the authorities administering the Blue Sky or securities statutes of many of the states and other jurisdictions, authorizing them, among other things, to withdraw the exempt status accorded by statute to particular classes of, and transactions in, securities, to impose special or additional requirements with respect to any offering of securities, to deny, withdraw, revoke or suspend exemption, permits or registrations and to issue stop orders.

In preparing this Memorandum, we have relied on the accuracy of information set forth in the Authority's Preliminary Official Statement with respect to the Bonds dated June 5, 2003 and on information furnished to us by representatives of the Authority relating to the Bonds. In all instances in which we have indicated that persons licensed or registered as dealers or brokers may sell the Bonds we have assumed compliance by such persons with all dealer or broker requirements in connection with the sale thereof and with all statutes, rules and regulations with respect to registration and licensing.

This Memorandum does not purport to cover any restrictions on the publication and use of advertising materials, or the filings which must be made prior to any advertising or publication. The advice of counsel should be sought as to any such restrictions in the various jurisdictions.

Although this Memorandum is entitled "Preliminary Blue Sky Memorandum," the views herein expressed shall constitute our final Blue Sky Memorandum as of the date of the Official Statement of the Authority with respect to the Bonds, unless we have notified you to the contrary at or before such date.

This Memorandum does not cover the requirements or restrictions, if any, with respect to the registration or licensing of dealers, brokers or salespersons in any of the states and other jurisdictions (except as specifically set forth herein) and with respect to advertising material (other than the Preliminary Official Statement relating to the Bonds) published or distributed in any of the states and other jurisdictions, nor does it deal with the eligibility of the Bonds under legal investment statutes for purchase by any institution or person referred to therein.

Very truly yours,

OBERMAYER REBMANN MAXWELL & HIPPEL LLP

BLUE SKY MEMORANDUM

NO OFFER OR SALE OF THE BONDS SHOULD BE MADE
IN ANY JURISDICTION EXCEPT IN ACCORDANCE WITH
THE FOLLOWING MEMORANDUM OF THE BLUE SKY LAWS

PART I

SALES TO THE PUBLIC BY REGISTERED
OR LICENSED DEALERS OR BROKERS

A. FILING NOT REQUIRED. It is believed that the Bonds may be offered for sale or sold to the public in the following jurisdictions without registration of the Bonds or any filings being made, by reason of available exemptions or otherwise, subject to the specific requirements that the sellers, unless otherwise noted below, must be registered or licensed as dealers or brokers therein:

Alabama	Illinois	Montana	Rhode Island
Alaska	Indiana	Nebraska	South Carolina
Arizona	Iowa (1)	Nevada	South Dakota
Arkansas	Kansas	New Hampshire	Tennessee
California	Kentucky	New Jersey	Texas
Colorado	Louisiana	New Mexico	Utah
Connecticut	Maine	New York	Vermont
Delaware	Maryland	North Carolina	Virginia
District of Columbia	Massachusetts	North Dakota	Washington
Florida	Michigan	Ohio (2)	West Virginia
Georgia	Minnesota	Oklahoma (3)	Wisconsin (4)
Guam	Mississippi	Oregon	Wyoming
Hawaii	Missouri	Pennsylvania	
Idaho		Puerto Rico	

(1) Does not include any revenue obligation made for the benefit of a non-governmental industrial or commercial enterprise, unless the securities are guaranteed by a person whose securities are exempt from registration.

(2) Provided that at the time of the first sale in Ohio, there is no default on the payment of interest or principal of the security, and there are no adjudications or pending suits adversely affecting its validity.

(3) Subject to the Oklahoma Bond Oversight and Reforms Act.

(4) Provided the issuer's financial statements are prepared according to generally accepted accounting principles or guidelines which the Wisconsin Commissioner designated by rule.

B. FILINGS REQUIRED. The Bonds may be sold to the public in the following jurisdictions only if the appropriate action, as indicated below, has been taken to qualify the Bonds for sale:

None.

PART II

EXEMPT TRANSACTIONS

In the following jurisdictions, the Bonds may be offered and sold to the persons or institutions noted below without registration or other filings therein relating to the Bonds and without any requirement that the sellers thereof be registered or licensed as dealers or brokers therein, except as otherwise indicated:

Alabama

To any bank, savings institution, credit union, trust company, insurance company or investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Alabama, is a bank, savings institution, savings and loan association, credit union, or has no place of business in Alabama and effects transactions in Alabama exclusively with or through the issuers of the securities involved in the transactions or other dealers.

Alaska

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Alaska, is a bank, savings institution, or trust company or has no place of business in Alaska and either (1) effects transactions in Alaska exclusively with or through (i) such persons or institutions, whether acting for themselves or as trustees, (ii) the issuer, or (iii) other broker-dealers; or (2) during any period of twelve (12) consecutive months does not effect more than fifteen (15) offers to sell or buy into Alaska in any manner to persons other than those specified above, whether or not the offeror or offeree is then present in Alaska.

Arizona

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer or dealer, whether the purchaser is acting for itself or in a fiduciary capacity; provided the person making the sale, if not a dealer registered in Arizona, (1) is a bank or savings institution the business of which is supervised and regulated by an agency of Arizona or the United States; (2) has no place of business within Arizona and sells or offers to sell securities exclusively to dealers registered in Arizona; or (3) is a person who buys or sells securities for his own account, either individually or in a fiduciary capacity, but not as part of a regular business.

Arkansas

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Arkansas, (1) is a bank, savings institution, savings and loan association, or trust company; or has no place of business in Arkansas and either (2) effects transactions in Arkansas exclusively with or through either (a) such persons or institutions, or (b) the issuer, or (c) other broker-dealers; or (3) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Arkansas in any manner to persons other than those specified above, whether or not the offeror or offeree is then present in Arkansas.

California

To any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit sharing trust of the issuer, a self-employed individual retirement plan or individual retirement account), or such other institutional investor or governmental agency or instrumentality as the Commissioner of Corporations may designate by rule, whether the purchaser is acting for itself or as trustee, including any organization described in Section 501(c)(3) of the Internal Revenue Code, as amended December 29, 1981, which has total assets (including endowment, annuity and life income funds) of not less than \$5,000,000 according to

its most recent audited financial statement, any corporation which has a net worth on a consolidated basis according to its most recent audited financial statement of not less than \$14,000,000 or any wholly-owned subsidiary of such institutional investors, the federal government, any agency or instrumentality of the federal government, any corporation wholly-owned by the federal government, any state, any city, city and county, or county, or any agency or instrumentality or state college, and any retirement system for the benefit of the employees of any of the foregoing, whether the purchaser is acting for itself or a trustee, provided the purchaser represents that it is effecting transactions in securities in California for its own account (or for the account of others) for investment and not with a view to or sale in connection with any distribution of the security and further provided that the person making the sale, if not licensed in California, is a bank, trust company, or savings and loan organization, buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as part of a regular business, or has no place of business in California, is licensed as a broker or dealer by the Real Estate Commissioner of California or is registered under the Securities Exchange Act of 1934, and has not previously had any certificate denied or revoked under the Corporate Securities Laws of 1968 or any predecessor statute, does not direct offers to sell or buy into California in any manner to persons other than broker-dealers, the foregoing institutional investors, governmental agencies or instrumentalities designated by rule of the Commissioner of Corporations or more than 15 other customers (whether or not self-employed individual retirement plans) having an existing account with such broker-dealer prior to any offer made to them in California during any period of 12 consecutive months, whether or not the offeror or any of the offerees is then present in California.

Colorado

To any financial or institutional investor including: (i) a depository institution including (a) a person that is organized or chartered, or is doing business or holds an authorization certificate, under the laws of a state of the United States which authorize the person to receive deposits, including deposits in savings, share, certificate, or other deposit accounts, and that is supervised and examined for the protection of depositors by an official or agency of a state or the United States; and (b) a trust company or other institution

that is authorized by federal or state law to exercise fiduciary powers of the type a national bank is permitted to exercise under the authority of the Comptroller of the Currency and is supervised and examined by an official or agency of a state or the United States other than an insurance company or other organization primarily engaged in the insurance business); (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company registered under the Investment Company Act of 1940; (v) a business development company as defined in the Investment Company Act of 1940; (vi) any private business development company as defined in the Investment Advisers Act of 1940; (vii) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars (\$5,000,000) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; (viii) an entity, but not an individual, a substantial part of whose business activities consist of investing, purchasing, selling or trading in securities of more than one issuer and not of its own issue and that has total assets in excess of five million dollars (\$5,000,000) as of the end of its latest fiscal year; (ix) a small business investment company licensed by the federal Small Business Administration under the Small Business Investment Act of 1958; and (x) any other institutional buyer; or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Colorado, is a bank, a broker-dealer registered under the Securities Exchange Act of 1934 and has no place of business in Colorado and whose business transacted in Colorado as a broker-dealer is exclusively with (1) issuers in transactions involving their own securities, (2) other broker-dealers licensed or exempt from licensing (except when the broker-dealer is acting as a clearing broker-dealer for such other broker-dealers), (3) financial or institutional investors, (4) individuals who are existing customers of the broker-dealer and whose principal places of residence are not in Colorado, or (5) not more than five (5) persons in Colorado during any twelve (12) consecutive months, excluding persons described in (1) through (4).

Connecticut

To any state bank and trust company, national banking association, savings bank, savings and loan association, federal savings and loan association, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as amended, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Connecticut, (1) is a bank, as defined in section 3(a)(6) of the Securities Act of 1933, or (2) has no place of business in Connecticut and effects transactions in Connecticut exclusively with or through (i) such persons or institutions, whether acting for themselves or as trustees, (ii) issuers, or (iii) other broker-dealers.

Delaware

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Delaware, (1) is a bank, savings institution, or trust company, to the extent that these entities are exempt or excluded from broker-dealer registration requirements under federal securities law; or (2) has no place of business in Delaware and effects transactions in Delaware exclusively with or through (i) such persons or institutions, whether acting for themselves or as trustees, (ii) issuers, or (iii) other broker-dealers.

District of Columbia

To any financial institution or institutional buyer, or to any registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in the District of Columbia, (1) is a bank, defined under Section 3(a)(4)(B) and (C) of the Securities Exchange Act of 1934; (2) has no place of business in the District of Columbia and effects transactions in the District of Columbia exclusively with or through either such persons or institutions, whether acting for themselves or as trustees; or (3) the person is licensed under the securities law of the state in which the person maintains a place of business and the person offers and sells in the District of

Columbia to a person who is an existing customer of the person.

Florida

To any bank or trust company, savings institution, insurance company, dealer, investment company, as defined in the Investment Company Act of 1940, or pension or profit-sharing trust, or qualified institutional buyer as defined by rule of the Florida Department of Banking and Finance in accordance with Securities and Exchange Commission Rule 144A, whether any such entity is acting in its individual or fiduciary capacity, provided that such offer or sale of securities is not for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of the Florida Securities and Investor Protection Act; further provided the person making the sale, if not registered in Florida, is a bank (excluding non-bank subsidiaries), a trust company, any wholesaler selling exclusively to dealers, or any person buying or selling for his own account exclusively through a registered dealer.

Georgia

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust, other financial institution, or any registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

Guam

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Guam, is a bank, savings institution, or trust company; or has no place of business in Guam and either (1) effects transactions in Guam exclusively with or through such persons or institutions; or (2) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or to buy into Guam in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Guam.

Hawaii

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Hawaii, has no place of business in Hawaii and either (1) effects transactions in Hawaii exclusively with or through such persons or institutions, whether acting for themselves or as trustees; or (2) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or to buy into Hawaii in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Hawaii.

Idaho

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Idaho, is a bank, savings institution, trust company, credit union or insurance company; or has no place of business in Idaho and either (1) effects transactions in Idaho exclusively with or through such persons or institutions, whether acting for themselves or as trustees; or (2) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Idaho in any manner to persons or institutions other than those specified above.

Illinois

To any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, dealer, pension fund or pension trust, employees' profit-sharing trust, or to any financial institution or institutional investor including: (i) any investment company, university, and other organization whose primary purpose is to invest its own assets or those held in trust by it for others, (ii) trust accounts and individual or group retirement accounts in which a bank, trust company, insurance company or savings and loan institution acts in a fiduciary capacity, (iii) foundations and endowment funds exempt from taxation under the Internal Revenue Code, a principal business function of which is to invest funds to

produce income in order to carry out the purpose of the foundation or fund, (iv) a manager of investment accounts on behalf of other than natural persons who, with affiliates, exercises sole investment discretion with respect to such accounts, and provided such accounts exceed 10 in number and have a fair market value of not less than \$10,000,000 at the end of the calendar month preceding the month during which the transaction occurred; or to any government or political subdivision or instrumentality thereof, whether the purchaser is acting for itself or in some fiduciary capacity; or to any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities; or to any trust in respect of which a bank or trust company is trustee or co-trustee; or to any entity in which at least ninety percent (90%) of the equity is owned by persons described in Subsection C, H or S of Section 4 of the Illinois Securities Law of 1953; or to any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 if: (i) the investment decision is made by a plan fiduciary as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974 and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment adviser or any investment adviser registered under the Investment Advisers Act of 1940, or (ii) the plan has total assets in excess of \$5,000,000, or (iii) in the case of a self-directed plan, investment decisions are made solely by persons that are described under Subsection C, D, H or S of Section 4 of the Illinois Securities Law of 1953; or to any plan established and maintained by and for the benefit of the employees of, any state or political subdivision or agency or instrumentality thereof if such plan has total assets in excess of \$5,000,000 or to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, any Massachusetts or similar business trust, or any partnership, if such organization, trust or partnership has total assets in excess of \$5,000,000.

Indiana

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, including (i) an unaffiliated investment company registered under the Investment Company Act of 1940, (ii) an unaffiliated business development company as defined in Section

2(a)(48) of the Investment Company Act of 1940, and (iii) a private business development company as defined in Section 202(a)22 of the Investment Advisors Act of 1940, or a comparable business entity which is engaged, as a substantial part of its business, in the purchase and sale of securities and which owes less than 20% of the Issuer's securities outstanding at the completion of the proposed public offering, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Indiana, (1) is a bank, savings institution or trust company; or (2) has no place of business in Indiana and effects transactions in Indiana exclusively with such persons or institutions.

Iowa

To any bank, savings and loan association, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in a fiduciary capacity; provided the person making the sale, if not registered in Iowa, is a bank when acting on its own account or when exercising trust or fiduciary powers permitted for banks under applicable Iowa law or Federal laws and regulations providing for the organization, operation, supervision, and examination of such banks; is an insurance company which effects transactions in its own accounts; has no place of business in Iowa and either (a) effects transactions in Iowa exclusively with such persons or institutions, or (b) during any period of twelve (12) consecutive months does not effect transactions in Iowa in any manner with more than three (3) persons other than those specified above, whether or not the offeror or any of the offerees are then present in Iowa, or the Commissioner of Insurance designates such person as exempt by rule or order from the registration requirement.

Kansas

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer or underwriter; provided the person, if not registered in Kansas, is a bank, savings institution, insurance company, or person who effects transactions in Kansas

exclusively with the issuer or with any person whom the sale is exempt under subsection (f) of Kansas Statutes Annotated 17-1262, and amendments thereto.

Kentucky

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, is not registered in Kentucky is (1) a bank, savings institution; or (2) is a person without a place of business in Kentucky and either (a) effects transactions in Kentucky exclusively with or through such persons or institutions, whether acting for themselves or as trustees, or (b) during any period of twelve (12) consecutive months he does not direct more than fifteen (15) offers to sell or to buy into Kentucky in any manner to persons, other than those specified above.

Louisiana

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust, other financial institution, or a registered dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

Maine

To any financial and institutional investor, including any depository institution or depository institution holding company, insurance company, separate account of an insurance company, investment company or business development company as defined in the Investment Company Act of 1940, any entity other than a natural person, a substantial part of whose business activities consists of investing, purchasing, selling or trading in securities of more than one issuer and not of its own issue and that has gross assets in excess of \$1,000,000 at the end of its latest fiscal year, any employee pension and profit-sharing or benefit plan (other than an employee pension and profit-sharing or benefit plan of the issuer, a self-employed individual retirement plan or individual retirement account) if the investment decision is made by a plan fiduciary as defined in the Employee Retirement Income Security Act of 1974, which is either a depository institution, insurance company

or registered investment adviser, or the plan has total assets in excess of \$5,000,000, any small business investment company licensed by the United States Small Business Administration under the Small Business Investment Act of 1958, Sections 301(c) or (d), any entity organized and operated not for private profit as described in Section 501(c)(3) of the Internal Revenue Code with total assets in excess of \$5,000,000, whether acting for itself or for others in a fiduciary capacity, or to a registered broker-dealer; provided the person making the sale, if not licensed in Maine, (1) is a depository institution when engaged in one or more activities described in 15 U.S.C. §78(c)(a)(4)(b), except for the activities described in 15 U.S.C. §78(c)(a)(4)(b) subsections (vii) and (xi); or (2) is registered as a broker-dealer under the Securities Exchange Act of 1934 and effects transactions in Maine exclusively with (a) the issuer of the securities involved in the transaction; (b) other broker-dealers, except when the broker-dealer is acting as a clearing broker-dealer; and financial and institutional investors acting for themselves or in a fiduciary capacity; (c) a registered broker-dealer under the Securities Exchange Act of 1934 and licensed under the securities act of the state in which the broker-dealer maintains its principal place of business, has no place of business in Maine and the broker-dealer sells in Maine to persons who are existing customers of broker-dealer and who represent that they have no principal place of residence in Maine.

Maryland

To any investment company as defined in the Investment Company Act of 1940, investment adviser with assets under management of not less than \$1,000,000, broker-dealer, bank, trust company, savings and loan association, insurance company, employee benefit plan with assets not less than \$1,000,000, governmental agency or instrumentality, whether acting for itself or as a trustee or a fiduciary with investment control, or other institutional investor as designated by rule or order of the Securities Commissioner of the Division of Securities; provided the person making the sale, if not registered in Maryland, is a bank, savings institution, trust company; or has no place of business in Maryland and either (1) effects transactions in Maryland exclusively with or through such persons or institutions; or (2) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Maryland in any manner, other than to the persons or

institutions specified above, whether or not the offeror or any offeree is then present in Maryland.

Massachusetts

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, including: (i) a small business investment company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958, as amended, (ii) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended, (iii) a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940, as amended, (iv) an entity with total assets in excess of \$5,000,000 which is either: (a) a company (whether a corporation, a Massachusetts or similar business trust or a partnership) not formed for the specific purpose of acquiring the securities offered; a substantial part of whose business activities consists of investing, purchasing, selling or trading in securities issued by others and whose investment decisions are made by persons who are reasonably believed by the seller to have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment; or (b) an organization described in Section 501(c)(3) of the Internal Revenue Code; and (v) a Qualified Institutional Buyer as defined in 17 CFR 230.144A (a); or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Massachusetts, (1) is a bank, savings institution, trust company, or the Central Credit Union Fund, Inc.; or (2) has no place of business in Massachusetts and either (A) effects transactions in Massachusetts exclusively with or through such persons or institutions; or (B) during any period of twelve (12) consecutive months, does not direct more than fifteen (15) offers to sell or buy into Massachusetts in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Massachusetts.

Michigan

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation,

or the Government National Mortgage Association, pension or profit-sharing trust the assets of which are managed by an institutional manager, the treasurer of the State of Michigan, other financial institution, or a registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity, or a lender approved by the Federal Housing Administration and who has satisfied any additional requirement established by the Corporation and Securities Bureau of the Michigan Department of Commerce; provided the person making the sale, if not registered in Michigan, (1) is a bank, savings institution, or trust company; or (2) has no place of business in Michigan and either (a) effects transactions in Michigan exclusively with or through such persons or institutions; or (b) during any period of twelve (12) consecutive months, he does not direct more than fifteen (15) offers to sell or buy into Michigan in any manner, to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Michigan.

Minnesota

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, including a corporation with a class of equity securities registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended, any accredited investor within the meaning of SEC Rule 501(a) (17 CFR 230.501(a)), or to a licensed broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Minnesota, (1) is a trust company; (2) a bank, savings institution, savings and loan association or credit union, whether or not acting for its own account or in some fiduciary capacity; or (3) has no place of business in Minnesota and effects transactions in Minnesota exclusively with or through (i) such persons or institutions, whether or not the purchaser is acting for itself or in some fiduciary capacity, (ii) the Issuer, or (iii) other broker-dealers.

Mississippi

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for

itself or in some fiduciary capacity; provided the person making the sale, if not registered in Mississippi, is a bank, savings institution, or trust company; or has no place of business in Mississippi and either (1) effects transactions in Mississippi exclusively with or through such persons or institutions; or (2) during any period of twelve (12) consecutive months does not direct more than fifteen (15) offers to sell or buy into Mississippi in any manner to persons or institutions other than those specified above, whether or not the offeror or any of the offerees are then present in Mississippi.

Missouri

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, the assets of which are managed by a bank or trust company or other institutional manager, or other financial institution or institutional buyer, including an endowment or trust fund of a charitable organization specified in Internal Revenue Code Section 170(b)(1)(A), an issuer which has any class of securities registered under Section 12 of the Securities Exchange Act of 1934 and any wholly-owned subsidiary, and any corporation, partnership, or association which has been in existence for ten years or whose net assets exceeds \$500,000 and whose principal purpose is investing in securities, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Missouri, is a bank, savings institution, or trust company; or has no place of business in Missouri and either (1) effects transactions in Missouri exclusively with or through such persons or institutions; or (2) has fewer than five (5) clients in the state of Missouri.

Montana

To any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to any registered broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity; provided the person making the sale, if not registered in Montana, is a bank, savings institution, trust company, or insurance company; or has no place of business in Montana and effects transactions in Montana exclusively with or through such persons or institutions, whether acting for themselves or as trustees.

