→ ‼ → └ 5LR└ *UDQGH☼ └ 6XLWH└ ┴ ‼ ‼ └
$XWLQ☼ └ 7;└ → ← → ‼ ¶ └
3KRQH └ ♂ ↑ ¶ ┴ □ └ ├ ┬ → ┼ ┤ → ← └
ZZZ◄ HQYLURQPHQWDOLQWHJULW\◄└RUJ

└

└

1RYHPEHU└ ┤ ☼ └ ┴ ‼ ¶ ├ └

0V◄ └ %JLGJHW└ &◄ └ %RKDF└ └ └ └ └ └ └ └
&KLHI└ &CHUN☼ └ 0&┼ ¶ ‼ ↑ └
7H[DV└ &RPPLVVLRQ└ RQ└ (QYLURQPHQWDO└ 4XDOLW\└
3◄ 2◄ └ %R[└ ¶ ┬ ‼ ← → └
$XWLQ☼ └ 7H[DV└ → ← → ¶ ¶ ┼ ┬ ‼ ← → └
KWWSV ↕ ↕ ZZZ◄ WFHT◄ WH[DV◄ JRY↕ DERXW↕└FRPPHQWV◄ KWP9LD└ (CHFWURQLF└)LOLQJ└
└

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5H └ 3XEOLF└ &RPPHQWV└ RQ└ 'UDIW└ 5HQHZDO└ 7LWOH└ 9└ 3HUPLW└ 1R◄ └ 2¶ ↑ └ $XWKRUL]LQJ└
RI└ WKH└ +DUULQJWRQ└ 6WDWLRQ└ 3RZHU└ 3CDQW└

'HDU└ 0V◄ └ %RKDF └

(QYLURQPHQWDO└ ,QWHJULW\└ 3URMHFW└ DQG└ 6LHUUD&RPPHQWHUV¥□└ DSSUHFLDWH└ WKLV└
RSSRUWXQLW\└ WR└ VXEPLW└ FRPPHQWV└ UHJDUGLQJ└ WKH└ 7H[DV└ &RPPLVVLRQ└ RQ└ (QYLURQPHQWDO└ 4
♂ ≥7&(4¥└ RU└ ≥&RPPLVVLRQ¥□└ 'UDIW└ 7LWOH└ 9└ 3HUPLW└ 1R◄ └ 2¶ ↑ └ ♂ ≥'UDIW└ 3HUPLW¥
RI└ WKH└ +DUULQJWRQ└ 6WDWLRQ└ 3RZHU└ 3CDQW☼ └ CRFDWHG└ QHDU└ $PDULOOR☼ └ LQ└ 3RWWHU└ &RXQW

7KH└ +DUULQJWRQ└ 6WDWLRQ└ SRZHU└ SCDQW└ LV└ D└ URXJKO\└ ¶ ☼ ‼ ↑ ‼ └ PHJDZDWW└ FRDO┼
FRPSULVHG└ RI└ WKUHH└ PDLQ└ FRDO┼ ILUHG└ WWHDP└ ERLCHUV└ ♂ GHVLJQDWHG└ DV└ 8QLWV└ ¶ ☼ └ ┴
HCHFWULF└ JHQHUDWLQJ└ HTXLSPHQW◄ └ └ $FFRUGLQJ└ WR└ WKH└ 'UDIW└ 5HQHZDO└ 7LWOH└ 9└ 3HUPLW└
RI└ DLU└ SROOXWDQWV└ IURP└ WKH└ +DUULQJWRQ└ SCDQW└ DUH└ DXWKRUL]HG└ E\└ WZR└ PDMRU└ 3UHYHQ
'HWHULRUDWLRQ└ ♂ ≥36'¥□└ DLU└ SHUPLWV└ ♂ 3HUPLW└ 1R◄ └ 36'7;├ ┬ ¶ 0¶ ↕ ¶ ┬ ← ← ☼ └
DVVRFLDWHG└ ZLWK└ 8QLW└ ¶ ☼ └ DQG└ 3HUPLW└ 1R◄ └ 36'7;‼ ¶ → 0┴ ↕ ↑ ¶ ┴ ☼ └ DXWKRUL]LQJ└
ZLWK└ 8QLWV└ ┴ └ DQG└ ┬ □ ◄ └ └ $FFRUGLQJ└ WR└ WKH└ 'UDIW└ 3HUPLW☼ └ HPLVVLRQV└ DUH└ DOVR└
DGGLWLRQDO└ PLQRU└ QHZ└ VRXUFH└ UHYLHZ└ SHUPLWV☼ └ DV└ ZHOO└ DV└ WKURXJK└ ¶ ┬ └ FODLPH
♂ ≥3%5¥□◄ └ 6HH☼ └ 1HZ└ 6RXUFH└ 5HYLHZ└ $XWKRUL]DWLRQ└ 5HIHUHQFHV└ WDECH☼ └ 5HQHZDO┼ └

7KH└ 'UDIW└ 3HUPLW└ LV└ GHILFLHQW└ EHFDXVH └

$◄└,W└ 2PLWV☼ └ (OLPLQDWHV☼ └ RU└ :HDNHQV└ $SSOLFDECH└ 5HTXLUHPHQWV☼ └ └
%◄└,QFRUSRUDWLRQ└ E\└ 5HIHUHQFH└ RI└ $SSOLFDECH└ 5HTXLUHPHQWV└)DLOV└ WR└ $VVXUH└ &R
DQG└
&◄└,W└)DLOV└ 7R└ $VVXUH└ &RPSOLDQFH└ :LWK└ $SSOLFDECH└ 5HTXLUHPHQWV└
└

└

&RQVLWWHQW ZLWK 7LWOH 9 RI WKH &OHDQ $LU $FW WKH ZH UHVSHFWIXOO\ DVN WKH
'LUHFWRU WR FRUUHFW WKHVH GHILFLHQFLHV DQG UHVSRQG WR RXU FRPPHQWV EHIRUH ILQDO
WKH 'UDIW 3HUPLW

,◀ /(*$/ %&&.*5281' ◀

&RQJUHVV FUHDWHG WKH &OHDQ $LU $FW∂V 7LWOH 9 RSHUDWLQJ SURJUDP WR ≥HQDE
6WDWHV (3$ DQG WKH SXEOLF WR XQGHUWDQG EHWWHU WKH UHTXLUHPHQWV WR ZKLFK ◀
DQG ZKHWKHU WKH VRXUFH LV PHHWLQJ WKRVH2SHUDWLQJ3HUPLW3UR*UDP →)HG◀ 5HJ◀
⊥ ⊥ ↑ !! ⊥ ⊥ ↑ ¶ ♂ -XO\ ⊥ ¶ ⊥ ¶ ⊥ ◀ %HIRUH WKH 7LWOH 9 SHUPLW
,PSOHPHQWDWLRQ 3DQDV ♂ ≥6,3V ¥ SURYLGHG WKH SULPDU\ EDVLV IRU HQIRUFHPHQW RI
6,3 UHTXLUHPHQWV DUH RIWHQ WDWHG LQ JHQHUDO WHUPV ◀ LW LV QRW DOZD\V FOHDU K
DSSO\ WR SDUWLFXODU VRXUFHV◀ $GGLWLRQDOO\ LW LV RIWHQ GLIILFXOW WR GHWHUPLQ
DSSO\ WR D SDUWLFXODU VRXUFH EHFDXVH DSSOLFDEOH UHTXLUHPHQWV DUH VSUHDG DFURVV
UXOHV DQG SUHFRQWXUXFWLRQ SHUPLWV◀

7KH 7LWOH 9 SURJUDP ZDV PHDQW WR FRXQWHUDFW WKLV SURECHP E\ FRPSLOLQJ
GRFXPHQW DOO WKH DSSOLFDEOH UHTXLUHPHQWV IRU HDFK PDMRU VRXUFH◀ ┤ ⊥ 8◀ 6◀
&RPPRQZHDOWK RI 9LUJLQLD Y◀ %URZ&HJ G ← ├ ← → ┬ ♂ ┤ WK &LU◀ ¶ ├ □
WR LPSOHPHQWDWLRQ RI WKH $FW LW FRQWDLQV LQ D VLQJOH FRPSUHHQVLYH VHW R
UHTXLUHPHQWV UHOHYDQW WR WKH SDUWLFXODU VRXUFH◀ ¥ □ ◀ :KHUH DSSOLFDEOH UHTXLUHP
JHQHUDO WHUPV 7LWOH 9 SHUPLWV PXOWL\XBBRUHRXDUHPHQWV DSSO\ WR D SDUWLFXODU VRX
↑ →)HG◀ 5HJ◀ ┬ ⊥ ⊥ ↑ ¶ ◀

7LWOH 9 SHUPLWV PXWW DOVR LQFOXGH PRQLWRULQJ UHFRUGNHHSLQJ DQG UHSR
VXIILFLHQW WR DVVXUH RQJRLQJ FRPSOLDQFH ZLWK HDFK DSSOLFDEOH UHTXLUHPHQW DQG PD
ULJKW RI UHJXODWRUV RU WKH SXEOLF WR UHO RQ DQ FUHGLEOH HYLGHQFH WR GHPRQW
ZLWK DSSOLFDEOH UHTXLUHPHQWV &OXE Y◀ (3$ ├)◀ G ├ → ┬ ├ → ┤ ┼ → ↑ ♂ '◀ &
7LWOH 9 GLG PRUH WKDQ UHTXLUH WKH FRPSLODWLRQ RI H[WWLQ
OLPLWW ◀ ◀ ◀ ◀ ,W DOVR PDQGDWHG WKDW HDFK SHUPLW ◀ ◀ ◀ VKDOO VHW IR
FRPSOLDQFH ZLWK WKH SHUPLW WHUPV DQG 2EEHGLW"RQQWLQXU LQ 3DUW DQG 'HQ\LQJ LQ 3DU
3HWLWLRQ IRU 2EMHFWLRQ WR ,QLWLDO 0DWHU RI 6RXWKZHXWHUQ (CHFWULF 3RZHU &RPSDQ\ ∂
3RZHU 3DQW ◀ 2UGHU RQ 3HWLWLRQ 1R ◀ 9,┤ ⊥ !! ¶ ┤ ┤ !! ¶ DW ¶ ┬ ♂)HEUXDU\ ┬
♂ ≥&RQVLWWHQW ZLWK WKH &$$ WKH (3$ WWDWHV DQG FLWL]HQV FDQ XVH DQ FUHG
FRPSOLDQFH DQG QRQ┤ FRPSOLDQFH ZLWK WKH &$$ LQFOXGLQJ FRPSOLDQFH DQG QRQ┤ FRPSO
WLWOH 9 SHUPLWW ¥ □

7KXV 7LWOH 9 SHUPLWW PXWW DSSOXGHEH UHTXLUHPHQWV LQFOXGLQJ EXW QRW
WR 6WDWH ,PSOHPHQWDWLRQ 3DQ UHTXLUHPHQW ◀ $WWH WKH 7LWOH 9 SHUPLWWLQJ SUR
≥6,3>V@ UHPDLQ>HG@ WKH EDVLV IRU GHPRQWUDWLQJ DQG HQXUULQJ DWWDLQPHQW DQG PD
QDWLRQDO DLU TXDOLW\ WDQGDUGV ¥ EXW 7LWOH 9 SHUPLW EHFDPH WKH SULPDU\
FRPSOLDQFH ZLWK UHTXLUHPHQW LQ WKH 6,3 IRU PDMRU VRXUFHV◀ ↑ →)HG◀ 5HJ◀

PXVW LQFOXGH DQG DVVXUH FRPSOLDQFH ZLWK PDMRU DQG PLQRU QHZ VRXUFH UHYLHZ SHUP
EXW QRW OLPLWHG WR 36' SHUPLWV☼ DQG HQVXUH WKDW WKH %HVW $YDLODEOH &RQWURO 7
DQG RWKHU UHTXLUHPHQWV HVWDEOLVKHG E\ WKHVH SHUPLWV DUH HQIRUFHDEOH◄ ┤ ‼ &◄
,Q WKH 0DWWHU RI 6RXWKZHVWHUQ (OHFWULF 3RZHU &RPSDQ\☼ +◄ :◄ 2UGHU\RQ3RZHU 3
3HWLWLRQ 1R◄ 9,┼ ┴ ‼ ¶ ┤ ┼ ‼ ¶ ♂)HEUXDU\ ┬ ☼ ┴ ‼ ¶ ├ □ DW ← ♂ ≥ :KHWKHU WKH
WKH %$&7 OLPLWV LQ D 36' SHUPLW DUH DSSOLFDEOH UHTXLUHPHQWV DQG☼ WKHUHIRUH☼
IRU LQ D 7LWOH 9 SHUPLW◄ ¥ □ ◄

,,◄ '(),&,(1&,(6↕ 2%-(&7,216↕ 5(48(676)25 &/$5,),&$7,21

$◄ 7KH 'UDIW 3HUPLW 2PLWV☼ (OLPLQDWHV☼ RU :HDNHQV &HUWDLQ $SSOLFDEOH 5HTXLUH

(DFK 7LWOH 9 SHUPLW LVVXHG E\ WKH 7&(4 PXVW LQFOXGH DQG DVVXUH FRPSOLD
DSSOLFDEOH UHTXLUHPHQWV◄ ┤ ┴ 8◄ 6◄ &◄ Ü → ├ ├ ¶ F♂ D□ ◄ 2PLWWLQJ DSSOLFDEO
WKDW D FRXUW FRXOG PLVWDNHQO\ FRQFOXGH WKDW WKLV RPLVVLRQ UHQGHUV 6WKHVH OLPLWV
8QLWHG 6WDWHV Y◄ (0(+RPHU &LW\☼ *HQHUDWLRQ)◄ ┬ G ┴ → ┤ ☼ ┬ ‼ ‼ ♂ ┬ G &LU◄ ┴
WKH &RXUW ODFNV MXULVGLFWLRQ WR HQIRUFH D UHTXLUHPHQW RPLWWHG IURP D 7LWOH 9

7KH 'UDIW 3HUPLW LV GHILFLHQW EHFDXVH LW IDLOV WR LQFOXGH DSSOLFDEOH 6WDW
3ODQ ♂ ≥6,3¥ □ UHTXLUHPHQWV DQG UHTXLUHPHQWV WKDW DUH SDUW RI WKH +DUULQJWRQ
6LJQLILFDQW 'HWHULRUDWLRQ ♂ ≥36'¥ □ SHUPLWV◄ ,Q DGGLWLRQ☼ WKH 'UDIW 3HUPLW
IDLOV WR LGHQWLI\ RU LQFRUSRUDWH E\ UHIHUHQFH DSSOLFDEOH UHTXLUHPHQWV LQ IHGHUDO
QHZ VRXUFH UHYLHZ SHUPLWV LQFOXGLQJ OLPLWV DQG RSHUDWLQJ FRQGLWLRQV LQ +DUULQJWR
UHJLVWUDWLRQV◄

¶ ◄7KH 'UDIW 3HUPLW ,PSHUPLVVLEO\ ([HPSWV WKH +DUULQJWRQ 3ODQW IURP
$SSOLFDEOH 5HTXLUHPHQWV IRU 3DUWLFXODWH 0DWWHU)RXQG DW ┬ ‼ 7$& Ü ¶ ¶
DQG 2SDFLW\ IRXQG DW ┬ ‼ 7$& Ü ¶ ¶ ¶ ◄ ¶ ¶ ¶ ♂ D□

&RDO┼ ILUHG JHQHUDWRUV LQ 7H[DV PD\ QRW HPLW SDUWLFXODWH PDWWHU ♂ ILOWHUDEO
LQ FRQFHQWUDWLRQV JUHDWHU WKDQ ‼ ◄ ┬ SRXQGV SHU PLOOLRQ %ULWLVK WKHUPDO XQLWV
RYHU D WZR┼ KRXU SHULRG◄ ┬ ‼ 7$& Ü ¶ ¶ ¶ ◄ ¶ ↑ ┬ ♂ E□ ◄ 7KLV OLPLW DSS
LQFRUSRUDWHG LQWR WKH 7H[DV 6WDWH ,PSOHPHQWDWLRQ 3ODQ☼ PDNLQJ LW DQ DSSOLFDEOH
7LWOH 9 SXUSRVHV◄ ┤ ‼ &◄)◄ 5◄ Ü ↑ ┴ ◄ ┴ ┴ → ‼ ♂ F□ DQG → ┤)HG◄ 5HJ◄
→ ├ ├ ¶ F♂ D□ DQG ♂ F□ DQGRI&RPEEOQGDWKY◄ %URZQLQJ☼ ┬ G ← ├ ☼ ← → ┬ ♂ ┤ WK
♂ ≥7KH SHUPLW ´ FRQWDLQV ´DOO &$$ UHTXLUHPHQWV UHOHYDQW WR WKH SDUWLFXODU VRXU

7KH 7H[DV 6,3 DOVR SURKLELWV FRDO┼ ILUHG JHQHUDWRUV IURP H[FHHGLQJ DQ RSDF
┴ ‼ SHUFHQW RU ┬ ‼ SHUFHQW☼ GHSHQGLQJ RQ WKH XQLW∂V GDWH RI FRQVWUXFWLRQ☼
VL[┼ PLQXWH H[FHSWLRQ SHU KRXU RU VL[KRXUV ZLWKLQ D ¶ ‼ GD\ SHULRG

¶ ¶ ¶ ◄ ¶ ¶ ¶ ♂ D□ ♂ ¶ □ ♂ $□ ☼ ♂ %□ ☼ ♂ (□ ◄ └ └ &RQWLQXRXV└ RSDFLW\└ PRQLWRUV└ DUH└ XVHG
VWDQGDUG☼ DQG└ JHQHUDWRUV└ DUH└ UHTXLUHG└ WR└ WDNH└ SURPSW└ DFWLRQ└ WR└ EULQJ└ RSDFLW\└ OH
WKH└ VWDQGDUG└ LV└ H[FHHGHG◄ └ └ 7KLV└ VWDQGDUG└ ZDV└ DSSURYHG└ E\└ (3$└ LQWR└ WKH└ 7H[DV└
3ODQ└ LQ└ ¶┤ └‼ ├ &◄└)◄ 5◄ └ Ü └ ↑ ┴ ◄ ┴ ┴ → ‼ ♂ F□ └ ├ ¶ └)HG◄ ╙ 5HJ◄ └ ┴ ‼ ☼ → ┬ ┴ ☼

2QFH└ DSSURYHG☼ └ D└ 6WDWH└ ,PSOHPHQWDWLRQ└ 3ODQ└ EHFRPHV└ IHGHUDO└ ODZ☼ └ HQIRUFHDE
(3$☼ └ DQG└ FLWL]HQV◄ :KLOH└ WKH└ &OHDQ└ $LU└ $FW└ UHFRJQL]HV└ WKDW└ VWDWHV└ ZLOO└ RIWHQ└ QH
6,3V☼ └ VXFK└ UHYLVLRQV└ PD\└ QRW└ EH└ HIIHFWHG└ ZLWKRXW└ (3$∂V└ DSSURYDO◄

2Q└ 1RYHPEHU└ ¶ ‼ ☼ └ ┴ ‼ ¶ ‼ ☼ └ (3$└ SDUWLDOO\└ DSSURYHG└ WKH└ VWDWH∂V└ SURS
PLQLPL]LQJ└ HPLVVLRQV└ GXULQJ└ VR┼ FDOOHG└ SODQQHG└ PDLQWHQDQFH☼ └ VWDUWXS☼ DQG└ VKXWGRZ
DQG└ 3URPXOJDWLRQ└ RI└ ,PSOHPHQWDWLRQ└ 3ODQV └ 7H[DV └ ([FHVV└ (PLVVLRQV└ 'XULQJ└ 6WDUWXS
PDLQWHQDQFH☼ └ DQG└ 0DOIXQFWLRQ└ $FWLYLWLHV → ↑ └)HG◄ └ 5HJ◄ └ ├ ← %XW└ LQ└ GRLQJ└ ◄ └ ¶ ‼
VR☼ └ WKH└ $JHQF\└ VWDWHG└ FOHDUO\└ WKDW└ 7&(4└ FRXOG└ QRW└ UHPRYH└ RU└ ZHDNHQ└ HPLVVLRQ
LQ└ WKH└ 6WDWH└ ,PSOHPHQWDWLRQ└ 3ODQ└ ♂ ZKLFK└ GHILQHV└ LPSRUWDQW└ IHGHUDO└ &OHDQ└ $LU└ $F
DSSO\└ LQ└ 7H[DV□ └ ZLWKRXW└ WKH└ UHYLHZ└ DQG└ DSSURYDO└ UHTXLUHG└ E\└ 6HFWLRQ└ ¶ ¶ ├

≥>:@H└ QRWH└ WKDW└ WKH└ 6WDWH└ FDQQRW└ LVVXH└ DQ\└ 165└ 6,3└ SHUPLW└ WKDW└ KDV└ D└
OLPLW└ WKDQ└ DOUHDG\└ LV└ FRQWDLQHG└ LQ└ WKH└ DSSURYHG└ 6,3◄ └)RU└ H[DPSOH☼ └ WKH└
165└ 6,3└ SHUPLW└ WKDW└ KDV└ OHVV└ VWULQJHQW└ 9RODWLOH└ 2UJDQLF└ &RPSRXQGV└ OLPLWV└
&KDSWHU└ ¶ ¶ ↑ └ DV└ DSSURYHG└ LQWR└ WKH└ 7H[DV└ 6,3☼ └ RU└ OHVV└ VWULQJHQW└ 2[LGHV└
OLPLWV└ LQ└ &KDSWHU└ ¶ ¶ → └ DV└ DSSURYHG└ LQWR└ WKH└ 7H[DV└ 6,3◄ └ └ └ 7KH└ 6WDWH└
SHUPLW└ WKDW└ PHHWV└ DOO└ DSSOLFDEOH└ UHTXLUHPHQWV└ RI└ WKH└ 7H[DV└ 6,3◄ └ └ └ ,I└ W
D└ 165└ 6,3└ SHUPLW└ WKDW└ GRHV└ QRW└ PHHW└ WKH└ DSSOLFDEOH└ UHTXLUHPHQWV└ RI└ WKH└
DQ\└ VXFK└ DOWHUQDWLYH└ OLPLWV└ ZRXOG└ QHHG└ WR└ EH└ VXEPLWWHG└ WR└ (3$└ IRU└ DSSURY
VSHFLILF└ UHYLVLRQ└ WR└ WKH└ 6,3☼ └ EHIRUH└ WKH\└ ZRXOG└ PRGLI\└ WKH└ IHGHUDOO\└ DSS
OLPLWV└ LQ└ WKH└ DSSURYHG└ 6,3◄ ¥└ └ └

¶└ ┬ ‼ └ 7$&└ Ü └ ¶ ¶ ¶ ◄ ¶ ¶ ¶ ♂ D□ ♂ ¶ □ ♂ &□ └
┴ 8QLRQ└ (OHF◄ └ &R◄ ☼ Y◄ ↑ └¶(3$└)◄ ┴ G└ ┴ ‼ ├ ☼ └ ┴ ¶ ¶ └ ♂ ← WK└ &LU◄ └ ¶ → ↑ □ └ ♂ ≥8
D└ VWDWH└ LPSOHPHQWDWLRQ└ SODQ☼ └ WKH└ UHTXLUHPHQWV└ WKHUHRI└ KDYH└ WKH└ IRUFH└ DQG└ HIIHF
PD\└ EH└ HQIRUFHG└ E\└ WKH└ $GPLQLVWUDWRU└ LQ└ IHGHUDO└ FRXUWV◄ ¥ □ ◄ └
┬└ ┤ ┴ └ 8◄ 6◄ &◄ └ Ü └ → ┤ ¶ ‼ ♂ O□ └ ♂ ≥(DFK└ UHYLVLRQ└ WR└ DQ└ LPSOHPHQWDWLRQ└ SODQ└ V
FKDSWHU└ VKDOO└ EH└ DGRSWHG└ E\└ VXFK└ 6WDWH└ DIWHU└ UHDVRQDEOH└ QRWLFH└ DQG└ SXEOLF└ KHDU
$GPLQLVWUDWRU└ VKDOO└ QRW└ DSSURYH└ D└ UHYLVLRQ└ RI└ D└ SODQ└ LI└ WKH└ UHYLVLRQ└ ZRXOG└ LQ
DSSOLFDEOH└ UHTXLUHPHQW└ FRQFHUQLQJ└ DWWDLQPHQW└ DQG└ UHDVRQDEOH└ IXUWKHU└ SURJUHVV└ ◄ └ ◄
DSSOLFDEOH└ UHTXLUHPHQW└ RI└ WKH└ FKDSWHU◄ □ └ ┤ ‼ └ &◄)◄ 5◄ └ Ü └ ↑ ¶ ◄ ¶ ‼ ↑ └ ♂ ≥5H
WKHUHRI☼ └ ZLOO└ QRW└ EH└ FRQVLGHUHG└ SDUW└ RI└ DQ└ DSSOLFDEOH└ SODQ└ XQWLO└ VXFK└ UHYLVLR
E\└ WKH└ $GPLQLVWUDWRU└ LQ└ DFFRUGDQFH└ ZLWK└ WKLV└ SDUW◄ ¥ □ ◄ └
┤└ ┤ ┴ └ 8◄ 6◄ &◄ └ Ü └ → ┤ ¶ ├ └ ♂ ≥ ´LI└ DQ└ HPLVVLRQ└ VWDQGDUG└ RU└ OLPLWDWLRQ└ LV└ LQ
LPSOHPHQWDWLRQ└ SODQ´☼ └ VXFK└ 6WDWH└ RU└ SROLWLFDO└ VXEGLYLVLRQ└ PD\└ QRW└ DGRSW└ RU└ HQ
HPLVVLRQ└ VWDQGDUG└ RU└ OLPLWDWLRQ└ ZKLFK└ LV└ OHVV└ VWULQJHQW└ WKDQ└ >WKH└ 6,3@◄ ¥ └

Id. at 68,[5] (emphasis added).

The Clean Air Act clearly forbids states from issuing permits, even pursu[...]
approved permitting programs, that modify or weaken SIP requirements with re[...]
stationary source without approval of [illegible] standards and limitations establis[...]
as part of a state's SIP remain federally enforceable until EPA approves revi[...]
Texas cannot simply alter SIP emission limits "unless and until the EPA appro[...]
Texas lacks the authority to unilaterally amend its SIP or weaken SIP limits[...]
would render the federal approval process largely meaningless.

But, TCEQ did just that when it added so-called "Planned Maintenance[...]
Shutdown" provisions to the Harrington power plant's two major new source rev[...]
now, with this Draft Permit, TCEQ is attempting to incorporate those illegal [...]
Harrington plant's Title V permit. Doing so would violate the federal Clean[...]
eliminating existing SIP limits during periods of startup, shutdown, and main[...]
accomplished as a source-specific SIP revision that requires EPA approval.

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5 42 U.S.C. § 7410(i) ("Except for a primary nonferrous smelter order u[...]
title, a suspension under subsection (f) or (g) of this section (relating[...]
an exemption under section 7418 of this title (relating to certain Federal[...]
under section 7413(d) of this title (relating to compliance orders), a [...]
subsection (c) of this section, or a plan revision under subsection (a)(3[...]
suspension, plan revision, or other action modifying any requirement of an ap[...]
implementation plan may be taken with respect to any stationary source by the S[...]
Administrator."); Approval and Promulgation of Implementation Plans; Excess Emissions[...]
During Startup, Shutdown, Maintenance, and Malfunction Activities, [illegible]68,[illegible]8, [...]
(November 10, 2010) ("However, we note that the State cannot issue [...]
has a less stringent emission limit than already is contained in the approved[...]

6 See General Motors Corp. v. U.S., [illegible] U.S. 530, 540 (1990) (citing [...]
("There can be little or no doubt that the existing SIP remains the 'applic[...]
plan' even after the State has submitted a proposed revision." [illegible] C.F.[...]

7 Safe Air for Everyone v. EPA, [illegible] F.3d 1088, 10[illegible]7 (9th Cir. 2007).

8 United States v. Murphy Oil [illegible] F. Supp. 2d 1054, [illegible] Sierra [illegible] (W.D. [...]
Club v. Tenn. Valley Auth., F.3d 1337, [illegible] (11th Cir. 2[...]

9 See, e.g., U.S. v. Ford Motor Co., F.2d 10[illegible], [illegible] (6th Cir. 18[...]
Order reflects limits that are different than those in the currently approved[...]
order must be submitted to EPA as a revision [illegible] F.2d at 1[...]
47 ("The 20% de minimis rule [which] provided a safe harbor from 20% [...]
emissions do not exceed 20% of source's quarterly operating hours] effectivel[...]
limitation contained in the SIP—a revision by any other name is still a revi[...]
unapproved revision of any part of a SIP is invalid under § [illegible] (i) of [...]
States v. General Dynamics Corp., F. Supp. 720, [illegible] (N.D. Tex[...]
effect of the agreed board order is to raise the emissions limitations set by[...]

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7KH 'UDIW 3HUPLW LV 'HILFLHQW LQ WKDW LW H[HPSWW 8QLWW ¶ ☼ ⊥ ☼ DQG ⊤
WKH 30 DQG RSDFLW\ OLPLWW GHVFULEHG DERYH☼ LQ FCHDU YLRCDWLRQ RI WKH 7LWCH 9
DCC DSSOLFDECH UHTXLUHPHQWW DQG WR DWXUH FRPSOLDCFH ZLWK WKRVH OLPLWW◀

D◀ ,QFRUSRUDWLQJ WKH ≥6ADWXS☼ 6KXWGRZQ☼ DQG 0DLQWHQDCFH¥ SURYLVLRQW
+DUULQJWRQ 3CDQW∂V WZR 36' SHUPLW LQWR WKH 7LWCH 9 3HUPLW :RXG ,PSH
(OLPLQDWH WKH 6,3 2SDFLW\ DQG 3DUWLFXCDWH 0DWWHU /LPLWW 'XULQJ 7KHVH 3H

6,3 OLPLWW PD\ RQ\ EH FKDQJHG WKURXJK WKH 6,3 SURFHWW☼ ZKLFK UHTXLUHW
(3$ UHYLHZ DQG DSSURYDO◀

&RPPHQWHUV DFNQRZCHGJH☼ DQG DSSUHFLDWH☼ WKDW RWKHU DSSOLFDECH UHTXLUHPHQW
HPLWWLRQW DQG RSDFLW\ KDYH EHHQ LQFRUSRUDWHG LQWR WKH 'UDIW 3HUPLW◀ %XW LQFR
UHTXLUHPHQWW GRHW QRW UHDLHYH WKH 6ADWH IURP LQFOXGLQJ WKH RWKHU DSSOLFDECH UHT
H[DPSCH ZH DSSUHFLDWH WKDW WKH 'UDIW 3HUPLW LQFRUSRUDWHW WKH 8QLW ¶ ☼ ⊥ DQG
PDWWHU OLPLWW FRQWDLQHG LQ WKH 0D[LPXP $OORZDECH (PLWWLRQ 5DWH 7DECHW LQ WKH U
SHUPLWW◀ 7KHVH OLPLWW URXJKO\ FRUUHVSRQG WR DQ HPLWWLRQ UDWH RI !! ◀ ¶
PD[LPXP CRDG◀ 7KH 'UDIW 3HUPLW IDLOW WR LQFOXGH PRQLWRULQJ VXII ILFLHQW WR DW
WKH 30 KRXUD\ ♂ 0$(57 OLPLW☼ GLVFXWHG LQ PRUH GHWDLO EHCRZ◀ 7KH 6,3 30
RI 30 SHU 00%WX LQFOXGHW WRWDO SDUWLFXCDWH PDWWHU ♂ ILQWHUDECHW DQG FRQGHQWLECHW
DW CRZ CRDGW◀ 7KH 6,3 30 OLPLW LV☼ WKHUHIRUH☼ QRW\ DQ LQGHSHQGHQW DS
DCWR PRUH WWULQJHQW WKDQ RWKHU 30 OLPLWW LQ VRPH ZD\V◀ :KHWKHU RU QRW WKH
DJUHHW ZLWK &RPPHQWHUV WKDW WKH 6,3 30 OLPLW LV PRUH WWULQJHQW LQ VRPH ZD\V
UHTXLUHPHQWW LV LUUHCHYDQW☼ DV WKH CDZ UHTXLUHW 7LWCH DO9 DSSDEEWXCH WR LQFO
UHTXLUHPHQWW◀

)RU +DUULQJWRQ 8QLW ¶ ☼ 3HUPLW ¶ ⊤ ← ← ↕ 36'7; ⊢ ⊤ ¶ 0¶ ☼ 6SHFLDO
LPSHUPLWWLEO\ H[HPSWW WKH 8QLW IURP FRPSO\LQJ ZLWK ERWK WKH 30 DQG RSDFLW\ OLP
FRQWDLQHG LQ WKH 7H[DW 6,3◀ 7KHVH FKDQJHW ZHUH DSSURYHG E\ 7&(4 LQWR WK
SHUPLWW☼ EXW WKH\ ZHUH QHYHU VXEPLWWHG WR (3$ IRU UHYLHZ DQG DSSURYDO DW UHT
+DUULQJWRQ 8QLW ⊥ DQG ⊤ ☼ 3HUPLW 36'7;!! ¶ → 0 ↕ ↑ ¶ ⊥ ☼ WKRXJK VLCHQW RQ W

RUGHU UHTXLUHW DSSURYDO E\ ◀ ◀ ◀ >(3$@ WR EH HIIHFWLYH◀ 8QCHW DQG XQ
GHIHQGDQW PXWW DELGH E\ WKH OLPLWDWLRQW RI WKH 7H[DW 6,3◀ ¥ ◀

¶ ⊥ 8◀ 6◀ &◀ Ü Ü → 6H♦ ♂ ≥ ´DQ\ VXFK DOWHUQDWLYH OLPLW ZRXOG QHHG WR EH VXEPLWWHG WR (3$ IRU DSS
VSHFLILF UHYLVLRQ WR WKH 6,3☼ EHIRUH WKH\ ZRXOG PRGLI\ WKH IHGHUDOO\ DSSOLFDEC
WKH DSSURYHG 6,3◀ ¥ ◀

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OLPLWW└ KDV└ WKH└ VDPH└ HIIHFW└ RI└ HOLPLQDWLQJ└ WKHVH└ OLPLWW└ E\└ DXWKRUL]LQJ└ WKH└ DP
RSDFLW└ DQG└ 30└ HPLVVLRQ└ VSLNHV└ ZLWKRXW└ UHJDUG└ WR└ WKH└ 6,3└ SURFHVV◀ └ └ 6HH└ 6SH
DQG└ ¶ ┤ ┼ ¶ → ◀ └ └ └ └ └
└

7KH└ VXEWDQWLYH└ DQG└ SURFHGXUDO└ SUHUHTXLVLWHV└ IRU└ FKDQJLQJ└ 6,3└ RSDFLW└ OLPLW
LQ└ ┬ ‼ └ 7$&└ Ü└ ¶ ¶ ¶ ◀ ¶ ¶ ┬ ◀ └ └ 7KDW└ UXOH└ UHTXLUHV└ DQ└ ≥DGVXGLFDWLYH└ SXEOLF└ K
OLPLW└ IRXQG└ DW└ ┬ ‼ └ 7$&└ Ü└ ¶ ¶ ¶ ◀ ¶ ¶ ¶ ♂ D□└ FDQ└ EH└ DOWHUHG└ DQG└ DXWKRUL]HV
WKDW└ FRQWLQXH└ WR└ PHHW└ ≥ ´DOO└ DSSOLFDEOH└ FRQFHQWUDWLRQ└ DQG└ PDW└ EDVHG└ OLPLW´ ¥
SRODXWDQWW◀ ¥└ └ └ 7KLV└ SURYLVLRQ└ DOORZLQJ└ DQ└ DWWHUQDWH└ RSDFLW└ OLPLW└ WR└ EH└ HX
FLUFXPWDQFHV└ ZDV└ DSSURYHG└ E\└ (3$└ DV└ SDUW└ RI└ WKH└ 7H[DV└ 6,3└ LQ└ ¶ ┤◀ └ └
← └ ¶ ┤□◀ └ └ 7KXV└ ZKLCH└ WKH└ 6WDWH└ FDQ└ HXWDEOLVK└ DOWHUQDWH└ 6,3└ RSDFLW└
WKH└ DSSURYHG└ 6,3└ SURFHW◀ └ └ └

+HUH└ LQWHDG└ RI└ IROORZLQJ└ WKH└ 6,3└ SURFHW└ IRU└ LQFUHDVLQJ└ RSDFLW└
PDLQWHQDQFH└ WDUW└ XS└ DQG└ VKXWGRZQ└ HYHQW└ WKH└ 6,3└ RSDFLW└ OLPLW└ ZDV└ UHPRYHG└
36'└ SHUPLW└ ZLWKRXW└ DQ└ RSSRUWXQLW└ IRU└ DQ└ DGVXGLFDWLYH└ SXEOLF└ KHDULQJ└ UHTXLUHG└
¶ ¶ ¶ ◀ ¶ ¶ ┬ ◀ └ └ 6HH└ 'UDIW└ 3HUPLW└ DW└ SS◀ └ ¶ ↑ ┼ ¶ ├ └ ♂ WWDWLQJ└ WKDW└ 8QLW└ ¶
DOWHUQDWH└ RSDFLW└ OLPLW└ XQGHU└ ┬ ‼ └ 7$&└ Ü└ ¶ ¶ ┬ ◀ ¥□└

,QFRUSRUDWHG└ 3HUPLW└ 1R◀ └ ¶ ┬ ← ← └ 6SHFLDO└ &RQGLWLRQV└ ¶ ├ └ DQG└ ┴ ┴ └ H[HPSW└
IURP└ FRPSOLDQFH└ ZLWK└ WKH└ 6,3└ RSDFLW└ OLPLW└ IRU└ XS└ WR└ ┤ ← └ KRXUV└ GXULQJ└ QRUPDO
┬ ‼ ‼ └ KRXUV└ GXULQJ└ DQ└ H[WHQGHG└ WWDUWXS◀ └ ,W└ H[HPSW└ 8QLW└ ¶ └ IURP└ FRPSO\LQJ└ ZL
XS└ WR└ ┬ ├ └ KRXUV└ GXULQJ└ D└ VKXWGRZQ└ └ DQG└ XS└ WR└ ¶ ┤ ┤ └ KRXUV└ GXULQJ└ RQOLQH└ RU
8QLW└ ┴ └ DQG└ ┬ └ LQFRUSRUDWHG└ 3HUPLW└ ↑ ¶ ┴ └ WKRXJK└ VLCHQW└ RQ└ WKH└ 6,3└ 30└
VDPH└ LPSHUPLWWLECH└ HIIHFW └ LW└ H[HPSW└ WKH└ XQLW└ IURP└ DQ└ HPLVVLRQ└ OLPLW└ IRU└
KRXUV◀ └ └ 6HH└ 3HUPLW└ ↑ ¶ ┴ └ 6SHFLDO└ &RQGLWLRQV└ ¶ ↑ └ ♂ DOORZLQJ└ XQOLPLWHG└ HP
GXULQJ└ D└ ≥SODQQHG¥└ WWDUWXS└ DQG└ XS└ WR└ ├ ‼ ‼ └ KRXUV└ GXULQJ└ DQ└ ≥H[WHQGHG└ SOD

7KH└ WDECH└ EHORZ└ FRPSDUHV└ WKH└ WWULQJHQW└ 6,3└ UHTXLUHPHQW└ RI└ ┬ ‼ └ 7$&└ Ü└ ¶ ¶ ¶ ◀
0DLQWHQDQFH└ 6WDUWXS└ DQG└ 6KXWGRZQ└ ♂ ≥066¥□└ SURYLVLRQV└ LQ└ WKH└ +DUULQJWRQ└ 8QLW
SHUPLW└ ♂ ¶ ┬ ← ← ↕ 36'7;├ ┬ ¶ 0¶ └ DQG└ ↑ ¶ ┴ ↕ 36'7;‼ ¶ → 0┴ □└ WKDW└ DUH└ EHLQJ└ LQ
3HUPLW └ └

┬ ‼ └ 7$&└ Ü└ ¶ ¶ ¶ ◀ ¶ ¶ ┬ └	066└ 3HUPLW└ &RQGLWLRQV└
$XWKRUL]HV└ ≥DOWHUQDWH└ RSDFLW└ OLPLW¥&RPSOHWHOH└ HOLPLQDWH└ RSDFLW└ UHTXLUHPHQW└ RI└ RSDFLW└ UHTXLUHPHQW└ RI└ Ü└ ¶ ¶ ¶ ◀ ¶ ¶ ¶ ◀ ¶EDVHG└ GHQLQJ└ 066└ HYHQW◀ └ VSHFLILF└ FULWHULD◀ └	
5HTXLUHV└ ≥DGVXGLFDWLYH└ SXEOLF└ KHDULQJ└ SULRU└ WR└ DSSURYDO◀ └ KHDULQJ└ UHFRUG◀ └	
$QWHUQDWH└ RSDFLW└ OLPLW└ DSSURYHG└ RQ└ RPSOHWHO└ ≥DEOLPLQDWH└ 30└ FRQFHQWUDWLRQ└ EDVHG└ DSSOLFDEOH└ FRQFHQWUDWLRQ└ DQG└ PDW└ OLPLW└ DUH└ CE↕ 00%WX□└ DSSOLFDEOH└ WR└ DOO└ PHW◀ └	SODQW└ DW└ DOO└ WLPHV└ XQGHU└ Ü└ ¶ ¶ ¶ ◀ ¶ ↑ ┬ ◀ └

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7&(4└ PD\└ QRW└ LQFRUSRUDWH└ WKH└ SURYLVLRQV└ RI└ WKH└ +DUULQJWRQ└ SODQW∂V└ QHZ└ VR
SHUPLWW└ ¶ ┬ ← ← ↕ 36'7;├ ┬ ¶ 0¶ └ UHODWLQJ└ WR└ SODQQHG└ PDLQWHQDQFH└ WWDUWW└ XS└ DQG└
WKH\└ LPSHUPLWWLEO\└ H[HPSW└ +DUULQJWRQ└ IURP└ FRPSO\LQJ└ ZLWK└ 6,3└ 30└ DQG└ RSDFLW\└ OLP
IRU└ 8QLWW└ ┴ └ DQG└ ┬ └ 7&(4└ PD\└ QRW└ LQFRUSRUDWH└ LQWR└ WKH└ 7LWOH└ 9└ SHUPLW└ WKRVH
1R◄ └ 36'7;├ ┬ ¶ 0¶ ↕ ↑ ¶ ┴ └ WKDW└ ZRXOG└ KDYH└ WKH└ HI IHFW└ RI└ H[FXVLQJ└ FRPSOLDQFH└ .
6,3└ RSDFLW\└ DQG└ SDUWLFXODWH└ PDWWHU└ OLPLWW◄ └ └ └ └

E◄└ 7KH└ 'UDIW└ 3HUPLW└ 2PLWW└ WKH└ 7H[DV└ 6,3└ /LPLW└ IRU└ 3DUWLFXODWH└ 0DWWHU└)RXQ
7H[DV└ $GPLQ◄ └ &RGH└ Ü└ ¶ ¶ ¶ ◄ ¶ ↑ ┬ ♂ E□ └ IURP└ WKH└ $SSOLFDEOH└ 5HTXLUHPH
DQG└ WKH└ 8QLW└ 6XPPDU\└ 7DEOH└ DQG└)DLOW└ WR└ $WXUH└ &RPSOLDQFH└ ZLWK└ WKLV
└

,Q└ WKH└ VHFWLRQ└ DERYH└ ZH└ H[SODLQHG└ WKDW└ WKH└ 'UDIW└ 3HUPLW└ LPSHUPLWWLEO
PDLQWHQDQFH└ WWDUWXS└ VKXWGRZQ└ H[HPSWLRQV└ WKDW└ ZHUH└ DGGHG└ WR└ WKH└ SODQW∂V└ 36'└
SHUPLW└ SURYLVLRQV└ KDYH└ WKH└ HI IHFW└ RI└ VXEWDQWLYHD\└ ZHDNHQLQJ└ DQG└ HOLPLQDWLQJ└ 6WD
3ODQ└ OLPLW└ RQ└ RSDFLW\└ DQG└ SDUWLFXODWH└ PDWWHU└ IRU└ XS└ WR└ KXQGUHGV└ RI└ KRXUV└ SHU
30└ OLPLW└ IRXQG└ DW└ ┬ !! └ 7$&└ ¶ ¶ ¶ ◄ ¶ ↑ ┬ ♂ E□ └ LV└ DOVR└ PLWWLQJ└ IURP└ ERWK└ WKH└
$SSOLFDEOH└ 5HTXLUHPHQW└ 6XPPDU\└ WDEOH└ LQ└ WKH└ 'UDIW└ 3HUPLW◄ └ └ 'UDIW└ 3HUPLW└ SS◄
:H└ DSSUHFLDWH└ WKH└ IDFW└ WKDW└ WKLV└ 30└ OLPLW└ LV└ LQFOXGHG└ LQ└ WKH└ WH[WXDO└ QDUUDWLY
6HH└ └ 'UDIW└ 3HUPLW└ &RQGLWLRQ└ ┬ ◄ '└ └ SS◄ └ ┤ ┼ ↑ ◄ └ └ └ +RZHYHU└ RPLWWLQJ└ WKH└
5HTXLUHPHQW└ 6XPPDU\└ DQG└ IURP└ WKH└ 8QLW└ 6XPPDU\└ WDEOH└ FRXOG└ EH└ HDVLO\└ PLVLQWHUS
FRXOG└ FDXVH└ FRQIXVLRQ└ ZKHQ└ LW└ FRPHV└ WR└ FRPSOLDQFH◄ └ └ 7R└ FRUUHFW└ WKLV└ RPLWWLRQ└
IRXQG└ DW└ ┬ !! └ 7$&└ Ü└ ¶ ¶ ¶ ◄ ¶ ↑ ┬ ♂ E□ └ VKRXOG└ EH└ DGGHG└ WR└ WKH└ 'UDIW└ 3HUPLW∂
FDULI\└ WKDW└ WKLV└ OLPLW└ LV└ DQ└ DSSOLFDEOH└ UHTXLUHPHQW◄ └
0RUH└ LPSRUWDQWO\└ WKH└ 'UDIW└ 3HUPLW└ QHHGV└ WR└ DWXUH└ FRPSOLDQFH└ ZLWK└ WKLV└ OLPLW└
LW└ DOVR└ IDLOV└ WR└ GR◄ └ └ 7KLV└ GHI LFLHQF\└ LV└ GLVFXWHG└ LQ└ 6XEVHFWLRQ└ &└ EHORZ◄ └

%◄└ 7KH└ 'UDIW└ 3HUPLW∂V└ ,QFRUSRUDWLRQ└ E\└ 5HIHUHQFH└ RI└ $SSOLFDEOH└ 5HTXLUHPHQW└)
$WXUH└ &RPSOLDQFH└

&HDQ└ $LU└ $FW└ 6HFWLRQ└ ↑ !! ┤ ♂ D□ └ SURYLGHV└ WKDW└ HDFK└ 7LWOH└ 9└ SHUPLW└ ≥VKD
HPLWWLRQ└ OLPLWDWLRQV└ DQG└ WDQGDUGV└ ◄ └ ◄ └ ◄ └ DQG└ RWKHU└ VXFK└ FRQGLWLRQV└ DV└ D
FRPSOLDQFH└ ZLWK└ DSSOLFDEOH└ UHTXLUHPHQW>◄ @¥└ └ ┤ ┴ └ 8◄ 6◄ &◄ └ Ü└ → ├ ├ ¶ F♂ D□ ◄ └
KDV└ DOORZHG└ WWDWH└ SHUPLWWLQJ└ DXWKRULWLHV└ WR└ VDWLVI\└ 6HFWLRQ└ ↑ !! ┤ ♂ D□ └ E\└ LQ
UHTXLUHPHQW└ LQWR└ 7LWOH└ 9└ SHUPLW└ E\└ UHIHUHQFH└ UDWKHU└ WKDQ└ UHSULQWLQJ└ WKH└ HQ
DSSOLFDEOH└ UXOH└ RU└ RUGHU└ RQ└ WKH└ IDFH└ RI└ D└ 7LWOH└ 9└ SHUPLW◄ └ └ 7R└ HQVXUH└ WKDW└
UHIHUHQFH└ ♂ ≥,%5¥□ └ ZLOO└ QRW└ WKZDUW└ 7LWOH└ 9∂V└ SROLF\└ REMHFWLYHV└ └ (3$└ HWWD
WKUHVKROG└ UHTXLUHPHQW└ IRU└ WKH└ DFFHSWDEOH└ XVH└ RI└ ,%5 └

$W└ D└ PLQLPXP└ └ D└ SHUPLW└ PXW└ H[SOLFLWO\└ WWDWH└ DOO└ HPLWWLRQ└ OLPLWDWL
RSHUDWLRQDO└ UHTXLUHPHQW└ IRU└ DOO└ DSSOLFDEOH└ HPLWWLRQ└ XQLW└ DW└ WKH└ IDFLOLW◄
DXWKRULWLHV└ PD\└ UHIHUHQFH└ WKH└ GHWDLOV└ RI└ WKRVH└ OLPLW└ DQG└ RWKHU└ UHTXLUHPH
WKDQ└ UHSULQWLQJ└ WKHP└ LQ└ SHUPLW└ SURYLGHG└ WKDW└ ♂ L□ └ DSSOLFDELOLW\└ LWXHV└ D

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REOLJDWLRQV└ DUH└ FOHDU└ DQG└ ♂ LL└ WKH└ SHUPLW└ FRQWDLQV└ DQ└ DGGLWLRQDO
FRQGLWLRQV└ QHFHVVDU└ WR└ DVVXUH└ FRPSOLDQFH└ ZLWK└ DOO└ DSSOLFDEOH└ UHTXLUHPHQWV◀
FDVHV└ UHIHUHQFHV└ VKRXOG└ EH└ GHWDLOHG└ HQRXJK└ WKDW└ WKH└ PDQQHU└ LQ└ ZKLFK└ WKH
PDWHULDO└ DSSOLHV└ WR└ WKH└ IDFLOLW└ LV└ FOHDU└ DQG└ LV└ QRW└ UHDVRQDEO└
PLVLQWHUSUHWDWLRQ◀ └ └ └

,Q└ WKH└ 0DWWHU└ RI└ 7HVRUR└ 5HILQLQJ└ DQG└ 2UDBHUH└ WRQJ└ 3HWUR└ 1R◀ └ ,;┼ ┴ ‼ ‼ ┤ ┼ ├ └ DW
♂ 0DUFK└ ¶ ↑ ☼ └ ┴ ‼ ‼ ↑ □ └ ♂ LQWHUQDO└ FLWDWLRQV└ RPLWWHG□ ◀ └
└

$V└ H[SODLQHG└ EHORZ☼ └ WKH└ 'UDIW└ 3HUPLW∂V└ LQFRUSRUDWLRQ└ E└ UHIHUHQFH└ RI└ YDU
UHTXLUHPHQW└ IDOOV└ VKRUW└ RI└ WKHVH└ UHTXLUHPHQW└ DQG└ IDLOV└ WR└ FRPSRUW└ ZLWK└ &CHDQ└
↑ ‼ ┤ ♂ D□ ◀ └

(3$└ KDV└ FDXVLRQHG└ 7&(4└ WKDW└ LQFRUSRUDWLRQ└ E└ UHIHUHQFH└ GRHV└ QRW└ FRPSO└ ZL
XQDHW└ WZR└ FRQGLWLRQV└ DUH└ PHW └ ♂ ¶ □ └ LQIRUPDWLRQ└ LQFRUSRUDW└ E└ UHIHUHQFH└ LQW
UHDGLO└ DYDLODEOH└ WR└ WKH└ SXEOLF└ DQG└ UHJXODWRUV └ DQG└ ♂ ┴ □ └ 7LWOH└ 9└ SHUPLW└ SU
FOHDUO└ DQG└ XQDPELJXRXVO└ H[SODLQV└ KRZ└ LQFRUSRUDW└ UHTXLUHPHQW└ DSSO└ WR└ HPLVVLR
VRXUFH◀&LWW└ 2UGHUDW└ ¶ ┴ ;Q└ WKH└ 0DWWHU└ RI└ 6KHOO└ &KHPLFDO└ /3└ DQG└ 6KHOO└ &R
3HWUWLRQ└ 1RV◀ └ 9,┼ ┴ ‼ ¶ ┤ ┼ ‼ ┤ └ DQG└ 9,┼ ┴ ‼ ¶ ┤ ┼ ‼ ↑ └ ♂ 6HSWHPEHU└ ¶ ‼ ‼ ¶ ¶ ◀ ¶ ↑
7KH└ 'UDIW└ 3HUPLW└ GRHV└ QRW└ PHHW└ WKHVH└ FRQGLWLRQV☼ └ EHFDXVH└ LW└ IDLOV└ WR└ SURYLGH└
MXGJHV└ DQG└ UHJXODWRUV└ FKDUJHG└ ZLWK└ HQIRUFLQJ└ WKH└ 'UDIW└ 3HUPLW≤ DQVZHUV└ WR└ WKH└ I
TXHVWLRQV└ DERXW└ KRZ└ LQFRUSRUDW└ PLQRU└ QHZ└ VRXUFH└ UHYLHZ└ DXWKRUL]DWLRQV☼ └ LQFOXGL
5XCH☼ └ DSSO└ WR└ HPLVVLRQ└ XQLW└ DW└ WKH└ +DUULQJWRQ└ 3RZHU└ 3CDQW └ ♂ D□ └ :KLFK└
UHIHUHU└ DUH└ VXEMHFW└ WR└ OLPLW└ LQ└ WKH└ FODLPHG└ DXWKRUL]DWLRQV"└ └ ♂ E□ └ :KLFK└ SRO
IURP└ HDFK└ XQLW└ XQGHU└ WKH└ FODLPHG└ DXWKRUL]DWLRQV"└ ♂ F□ └ +RZ└ PXFK└ SRODXWLRQ└ LV└ +
WR└ HPLW└ IURP└ HDFK└ XQLW└ XQGHU└ WKH└ FODLPHG└ DXWKRUL]DWLRQV"└
└

¶ ◀7KH└ 'UDIW└ 3HUPLW└)DLOV└ WR└ ([SODLQ└ +RZ└ $SSOLFDEOH└ 5HTXLUHPHQW└ LQ└ /LW└ 1HZ└ 6RXUFH└ 5HYLHZ└ 3HUPLW└ $SSO└ WR└ WKH└ +DUULQJWRQ└ 3CDQW└

7KH└ 'UDIW└ 3HUPLW└ OLWW└ PDQ└ DSSOLFDEOH└ UHTXLUHPHQW└ DQG└ WKH└ VSHFLILF└ HPLW
ZKLFK└ WKH└ DSSO└ LQ└ WKH└ $SSOLFDEOH└ 5HTXLUHPHQW└ 6XPPDU└ 7DEOH◀ └ └ 'UDIW└ 3HUPLW└
'UDIW└ 3HUPLW└ LQFOXGHV└ D└ KHOSIXO└ ≥0DVRU└ 1HZ└ 6RXUFH└ 5HYLHZ└ 6XPPDU└ 7DEOH¥└ ZKLFK
UHDGHU└ WR└ FURW┼ UHIHUHQFH└ DQG└ ORFDWH└ WKH└ +DUULQJWRQ└ SODQW∂V└ 36'└ SHUPLW└ OLPLW└
DWWDFKHG└ WR└ WKH└ 'UDIW└ 3HUPLW□ ◀ └ └ %XW☼ └ WKH└ LQFRUSRUDW└ PLQRU└ QHZ└ VRXUFH└ UHYL
$XWKRUL]DWLRQ└ 1RV◀ └ ¶ ‼ ← ‼ ┴ ┬ ☼ └ ¶ ‼ ← ‼ ┴ ┤ ☼ └ ¶ ¶ ┬ ┤ ↑ ☼ └ ¶ ¶ ┤ ‼ ┴ ☼ └ DQG└
3HUPLW└ QRU└ UHIHUHQFHG└ LQ└ WKH└ 1HZ└ 6RXUFH└ 5HYLHZ└ $XWKRUL]DWLRQ└ 5HIHUHQFHV└ E└ (PLV
WDECH◀ └ 6HH☼ └ 'UDIW└ 3HUPLW└ SS◀ └ → ├ ┼ → → ◀ └ └ 7KHUHIRUH☼ └ LW└ LV└ LPSRVVLECH└ IRU└
XQLW└ WKHVH└ DXWKRUL]DWLRQV└ DSSO└ WR◀ └ └

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7R DGGUHVV WKLV RPLVVLRQ WKH 'UDIW 3HUPLW VKRXOG LQFOXGH D WDEOH OLVWLQ
E\ DOO RI WKH OLVWHG QHZ VRXUFH UHYLHZ DXWKRULWDWLRQV LQFOXGLQJ WKH PLQRU
DXWKRULWDWLRQV 6HH 'UDIW 3HUPLW S WKH WDEOH VKRXOG LQFOXGH WKH D
XQLW V WR ZKLFK LW DSSOLHV DQG DQ\ UHOHYDQW PRQLWRULQJ DQG UHSRUWLQJ UHTXL

WKH 7KH 'UDIW 3HUPLW)DLOV WR ([SODLQ +RZ 5HTXLUHPHQWV LQ 3HUPLWV E\ 5XOH
WR 8QLWV DW WKH +DUULQJWRQ 3RZHU 3ODQW

D 7KH 'UDIW 3HUPLW)DLOV WR ,GHQWLI\ (PLVVLRQ 8QLWV $XWKRULW]HG E\ 0
/LXWHG 3HUPLWV E\ 5XOH

7KH 'UDIW 3HUPLW ∂V ≥1HZ 6RXUFH 5HYLHZ $XWKRULW]DWLRQ 5HIHUHQFHV WDEOH
¶ ┬ 3%5V FODLPHG E\ WKH +DUULQJWRQ SODQW WKH +RZHYHU RQO\ WZR RI WKH ¶ ┬
WKH ≥1HZ 6RXUFH 5HYLHZ $XWKRULW]DWLRQ 5HIHUHQFHV E\ (PLVVLRQV 8QLW ¥ 7DEOH RQ S
7KXV WKH H[FHSWLRQ RI WKH WZR 3%5V OLWHG LQ ERWK WDEOHV ♂ 3%5 ¶ ‼ ├
LW LV LPSRVVLEOH WR WHOO ZKLFK XQLW DUH FRYHUHG E\ DOO RI WKH UHPDLQLQJ
LQFOXGH

x 3%5 1RV ¶ ┤ ↑ ¶ ↑ ┬ → ‼ DQG ← ┤ DOO GDWHG ¶ ¶ ↕ ↑ ↕
x 3%5 1R ↑ ¶ GDWHG ↑ ↕ ┤ ↕ ¶ ┤
x 3%5 1R ← GDWHG ├ ↕ → ↕ ¶ ├
x 3%5 ¶ ‼ ├ ┴ ├ ¶ DQG ¶ ‼ ├ ┴ ├ ┴ ERWK GDWHG ¶ ¶ ↕ ¶ ↕ ┴ ‼ ‼ ┬
x 3%5 ¶ ‼ ├ ┤ ↑ ┤ GDWHG ¶ ¶ ↕ ¶ ↕ ┴ ‼ ‼ ¶ DQG
x 3%5 ¶ ‼ ├ ┤ → ┴ GDWHG ↕ ┤ ↕ ┴ ‼ ‼ ‼

'UDIW 3HUPLW DW S ↑

1RQH RI WKHVH DERYH OLVWHG 3%5V DSSHDU DQ\ZKHUH LQ WKH WDEOH EHJLQQLQJ R
SDJH → ├ HQWLWOHG ≥1HZ 6RXUFH 5HYLHZ $XWKRULW]DWLRQ 5HIHUHQFHV E\ (PLVVLRQ 8Q
DGGHG ↑ 7KHUHIRUH LW LV LPSRVVLEOH WR WHOO ZKLFK XQLW ♂ LI DQ\ WKH
%HFDXVH WKH 'UDIW 3HUPLW IDLOV WR LGHQWLI\ WKH HPLVVLRQ XQLW DXWKRULW]HG E\
UHTXLUHPHQW RI WKHVH UXOHV LW LV LPSRVVLEOH WR WHOO KRZ WKH 3%5V DSSO\ WR
+DUULQJWRQ SRZHU SODQW WKXV XQGHUPLQLQJ WKH HQIRUFHDELOLW\ RI WKHVH UXOHV
7LWOH 9 3HUPLW 1R 2 ¶ ├ ┤ &KHYURQ 3KLOOLSV &KHPLFDO &RSSDQ\ 3KLQW[SODQ
DW à → ♂ 'UDIW SHUPLW IDLOHG WR PHHW ┤ ‼ &) 5 Ü → ‼ ├ ♂ D ♂ ¶ D
XQLW DXWKRULW]HG XQGHU VSHFLILHG 3%5V

$GGLWLRQDOOO\ 3%5 ¶ ‼ ├ ┴ ├ ¶ DQG ¶ ‼ ├ ┴ ├ ┴ PD\ QRW EH LQFOXGHG DV
2Q WKHLU IDFH WKHVH WZR UXOHV YLRODWH RQH RI (3$ ∂V PRWW EDVLF UHTXLUHPHQW
3HUPLW E\ 5XOH EHFDXVH WKHVH 3%5V DUH QRW WDLORUHG WR DQ\ VSHFLILF WVSH RI
UHSHDWHGO\ IRXQG WKDW WR EH SUDFWLFDEO\ HQIRUFHDEOH PLQRU VRXUFH SHUPLW PXW
FOHDUO\ GHILQHG FDWHJRU\ RI VRXUFHV WKDW LV QDUURZ HQRXJK WR DOORZ VSHFLILF OL

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PRQLWRULQJ└ WR└ EH└ LGHQWLILHG└ DQG└ DFKLHYHG└ E\└ DOO└ VRXUFHV└ LQ└ WKH└ FDWHJRU\☼ └ ♂ ┴
DFFXUDWH└ OLPLWV└ SURYLGLQJ└ DVVXUDQFH└ WKDW└ HPLVVLRQV└ ZLOO└ QRW└ H[FHHG└ IHGHUDO└ WKUHV
D└ FRPSOLDQFH└ WLPHIUDPH└ ♂ KRXUO\↕ GDLO\☼ └ HWF◄ □☼ └ DQG└ ♂┤ □└ LQFOXGH└ D└ VSHFLILF└
PHWKRG└ VXIILFLHQW└ WR└ SURWHFW└ WKH└ WWDQGDUG└ LQYROYHG◄ └ 6HH☼ └ *XLGDQFH└ RQ└ (QIRUFHDE
IRU└ /LPLWLQJ└ 3RWHQWLDO└ WR└ (PLW└ WKURXJK└ 6,3└ DQG└ 6HFWLRQ└ ¶ ¶ ┴ └ 5XOHV└ DQG└ *HQHUD
¶ ↑ □ └ 6HH└ DOVR☼ └ ├ ¶ └)5└ ↑ ┬ ├ ┬ ┬ ☼ └ ↑ ┬ ├ ┬ ↑ └ ♂ 2FW◄ └ ¶ ↑ ☼ └ ¶ ├ □
6LPLODU\☼ └ WKH└ 7H[DV└ +HDOWK└ DQG└ 6DIHW└ &RGH└ UHTXLUHV└ WKDW└ 3⁄5V└ DSSO└ RQ└ WR└
WKDW└ ZLOO└ QRW└ VLJQLILFDQWO└ FRQWULEXWH└ DLU└ FRQWDPLQDQW└ WR└ WKH└ DWPRVSKHUH¥└ DQG└
IDFLOLWLHV◄ └ 7H[◄ └ +HDOWK└ └ 6DIHW└ &RGH└ Ü┬ ← ┴ ◄ ‼ ↑ ¶ ♂ E□ ♂┤ □◄ └ └ ,Q└ FKDU└
3⁄5└ EH└ WDLORUHG└ IRU└ D└ VSHFLILF└ W\SH└ RI└ VRXUFH☼ └ 3⁄5V└ ¶ ‼ ├ ◄ ┴ ├ ¶ └ DQG└ ¶ ‼ ├
RI└ LQGXVWULDO└ VRXUFHV☼ └ LQFOXGLQJ└ UHILQHULHV☼ └ FKHPLFDO└ SODQW☼ └ RLO└ DQG└ JDV└ IDF
SRZHU└ SODQW◄ └ └ 7KHUHIRUH☼ └ ER└ WK└ 3⁄5└ ¶ ‼ ├ ◄ ┴ ├ ¶ └ DQG└ ¶ ‼ ├ ◄ ┴ ├ ┴ ☼ └ E\└ YLUWX
PD\└ QRW└ EH└ LQFRUSRUDWHG└ LQWR└ D└ 7LWOH└ 9└ SHUPLW└ DV└ DSSOLFDEOH└ UHTXLUHPHQW◄ └ └ └
└

/DVWO\☼ └ PDVRU└ VRXUFHV└ VXFK└ DV└ WKH└ +DUULQJWRQ└ SRZHU└ SODQW└ DUH└ SURKLELWHG└
WR└ DXWKRUL]H└ HPLVVLRQV◄ └ └ (3$└ WWDWHG└ WKDW└ LW└ ZDV└ DSSURYLQJ└ WKH└ XVH└ RI└ 3⁄5V└ L
WWDWHV□ └ RQ└ IRU└ QRQ┤ PDVRU└ IDFLOLWLHV◄ └ └ ├ ← └)5└ ├ ┤ ↑ ┤ ┬ ☼ └ ├ ┤ ↑ ┤ ┤ └ ♂ 1RY
HYHQ└ DSSURDFKLQJ└ WKH└ PDVRU└ VRXUFH└ WKUHVKROG└ PXW└ DXWKRUL]H└ HPLVVLRQV└ WKURXJK└ D└
UHYLHZ└ RI└ DQ└ LQGLYLGXDO└ SHUPLW◄ └ 6HH☼ └ 3RWHQWLDO└ WR└ (PLW└ *XLGDQFH└ IRU└ 6SHFLILF└
♂ (3$└ *XLGDQFH□ └ ♂ $SULO└ ¶┤ ☼ └ ¶ ← □└ S◄ └ ┴ ◄ └ ♂ &DVH┤ E\┤ FDVH└ UHYLHZV└ DUH└
ZDUUDQWLQJ└ FORVH└ VFUXWLQ└ └ ◄ └ ◄ └ ◄ └ DQG└ VRXUFHV└ WKDW└ OLPLW└ WKHLU└ HPLVVLRQV└ WR└
7H[DV└ +HDOWK└ DQG└ 6DIHW└ &RGH└ OLNHZLVH└ SURKLELW└ WKH└ XVH└ RI└ 3⁄5V└ E\└ ≥PDVRU¥└
└ 6DIHW└ &RGH└ Ü┬ ← ┴ ◄ ‼ ↑ ¶ ├ ♂ D□ ◄ └ └ └
└

,I└ WKH└ ([HFXWLYH└ 'LUHFWRU└ FRQWHQGV└ WKDW└ WKH└ 'UDIW└ 3HUPLW∂V└ PHWKRG└ RI└ LQF
E\└ UHIHUHQFH└ DVVXUHV└ FRPSOLDQFH└ ZLWK└ DSSOLFDEOH└ 3⁄5└ UHTXLUHPHQW☼ └ &RPPHQWHUV└ U
UHTXHW└ WKDW└ KH└ LGHQWLI└ WKH└ LQIRUPDWLRQ└ LQ└ WKH└ 'UDIW└ 3HUPLW☼ └ WKH└ 6WDWHPHQW└ R
WKH└ LQFRUSRUDWHG└ 3⁄5V└ LQGLFDWLQJ└ ZKLFK└ HPLVVLRQ└ XQLW└ DUH└ DXWKRUL]HG└ E\└ DQG└ VXE
└

x└ 3⁄5└ 1RV◄ └ ¶┤ ☼ └ ↑ ¶ ☼ └ ↑ ┬ ☼ └ → ‼ ☼ └ DQG└ ← ┤ ☼ └ DOO└ GDWHG└ ¶ ¶ ↕ ↑ ↕
x└ 3⁄5└ 1R◄ └ ↑ ¶ └ GDWHG└ ↑ ↕ ┤ ↕ ¶ ┤ └ └ └
x└ 3⁄5└ 1R◄ └ ← └ GDWHG└ ├ ↕ → ↕ ¶ ├ └
x└ 3⁄5└ ¶ ‼ ├ ◄ ┴ ├ ¶ └ DQG└ ¶ ‼ ├ ◄ ┴ ├ ┴ ☼ └ ER└ WK└ GDWHG└ ¶ ¶ ↕ ¶ ↕ ┴ ‼ ‼ ┬ └
x└ 3⁄5└ ¶ ‼ ├ ◄ ┤ ↑ ┤ └ GDWHG└ ¶ ¶ ↕ ¶ ↕ ┴ ‼ ‼ ¶ └ DQG└ └
x└ 3⁄5└ ¶ ‼ ├ ◄ ┤ → ┴ └ GDWHG└ ↕ ┤ ↕ ┴ ‼ ‼ ‼ └ └
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E◀ :KLFK 3ROOXWDQWV 0D\ WKH +DUULQJWRQ 3CDQW (PLW IURP (DFK 8QLW 8QG
&CDLPHG 3HUPLWW E\ 5XCH"

3%5V PD\ EH XVHG WR DXWKRUL]H HBRQ\WRBXQDPEQDQW RWKHU WKDQ ZDWHU QLWURJHQ
HWKDQH K\GURJHQ R[\JHQ DQG JUHHQKRXVH JDVVHV 7H[$GPLQ &RG
+RZHYHU FODLPLQJ D 3%5 IRU D SURVHFW FDQQRW DXWRPDWLFDOO\ DXWBRBUL]H WKH
SROOXWDQWV XS WR WKH OLPLW LGHQWLIHG LQ 73<&2 73<&2 73<&2 92
73<62 73<30 73<6HDG 73<7HW
FDVHDFK FODLPHG 3%5 ZRXOG DXWKRUL]H DOORZDECH HPLVVLRQ LQFUHDVHV H[FHHGLQJ DSSOL
VRXUFH DQG PDVRU PRGLILFDWLRQ WKUHVKROGV RQ HBRQ\WRBXQDPEQDQW RU SXEOLF
SDWWLFLSDWLRQ ,W ZRXOG FRPSOHWHO\ XQGHUPLQH WKH LQWHJULWW RI 7H[DV PDVRU
D UHDGLQJ ZRXOG DOVR LPSURSHUO\ DOORZ +DUULQJWRQ WR HPLW 165 SROOXWDQWV DW CHY
VLJQLILFDQWO\ GHWHULRUDWH H[LWWLQJ DLU TXDOLW\ DQG FDXVH YLRODWLRQV RI KHDOWK
TXDOLW\ WDQGDUGV ZLWKRXW SULRU DSSURYDO E\ WKH 7&(4 8 6 &
FRQWDLQ SURYLVLRQV WR SURKLELW FRQWWUXFWLRQ RI VRXUFHV WKDW ZLOO FDXVH RU FRQWU
RI DPELHQW DLU TXDOLW\ WDQGDUGV RU 36' UHTXLUHPHQWW

)RUWXQDWHO\ 7H[DV GRHV QRW VHHP WR UHDG LWW UXCHV WR UHDFK WKLV FRQFOX
RQ\ HPLVVLRQV UHDWHG WR WKH SDWWLFXDU FRQWWUXFWLRQ SURVHFW IRU ZKLFK D 3
DXWKRUL]HG HH 7H[$GPLQ &RGH Ü ¶ ! ├ ◀ ┤ ♂ D ♂ WWDWLQJ WKDW HPL
DXWKRUL]HG E\ 3%5 PXWW UHPDLQ EHORZ WKDW ¶ ! ├ ◀ ┤ ♂ DDV ♂ ¶DSSOLFDEHWDWLRQ OLPI
♂ HPSKDVLV DGGHG DQG ♂ FXPXODWLYH DXWKRUL]HG HPLVVLRQV IRU HDFK 3%5 SU
EHORZ WKH PDVRU PRGLILFDWLRQ WWWHVWHRHOLWW 6HFWLRQ ¶ ◀

+RZHYHU WKH 'UDIW 3HUPLW XQGHUPLQHV WKH HQIRUFHDELOLWW RI WKHVH UHXWULFWL
GRHV QRW FRQWDLQ DQ LQIRUPDWLRQ GHVFULELQJ WKH SURVHFWW DQG HPLVVLRQV DXWKRUL]H
HPLVVLRQ XQLW DW WKH +DUULQJWRQ 3RZHU 3DQW ,QWHDG WKH 'UDIW 3HUPLW RQ\
UXCH QXPEHU DQG ♂ DV H[SODLQHG DERYH IDLOV WR LGHQWLI\ WKH HPLVVLRQ XQLWW VX
FDLPHG 3%5V PHWKRG RI OLWWLQJ 3%5 UHTXLUHPHQWW LQ WKH 'UDIW 3HUPLW L
WKDW HDFK XQLW DXWKRUL]HG E\ D 3%5 PD\ HPLW DOO FRQWDPLQDQWW OLWWHG LQ ¶ ! ├
FRQWDLQHG LQ WKDW ≥JHQHUDO¥ UXCH XQDHW WKH VSHFLILF FDLPHG 3%5 FRQWDLQV P
%HFDXVH WKH LQFRUSRUDWHG UXCHV GR QRW LGHQWLI\ ZKLFK RI WKH PDQ\ GLIIHUHQW SRO
PD\ EH XVHG WR DXWKRUL]H DW WKH +DUULQJWRQ 3RZHU 3DQW WR HPLW WKH 'UDIW
3HUPLW PXWW SURYLGH WKLV LQIRUPDWLRQ 7KH 'UDIW PXWW SURYLGH PXQWWUXFWLRQ 3%5V
DSSO\ WR HPLVVLRQ XQLWW DW WKH 3DQW %HFDXVH WKH 'UDIW 3HUPLW RPLWW W
LQFRPSOHWH DQG IDLOV WR DVVXUH FRPSOLDQFH ZLWK DSSOLFDEH UHTXLUHPHQWW

¶ 7KH WHUP ≥FRQWDPLQDQW¥ DV GHILQHG E\ WKH 7H[DV &CHDQ $LU $FW HQFRPSDVHV
UHJXCDWHG 165 SROOXWDQWW 7H[+HDOWK 6DIHW &RGH Ü ← ◀ ! ! ♂ ◀
¶ $YDLODEH HCHFWLRQLFDOO DW
KWWSV ZZZ WHFHT WH[DV JRY DVVHWW SXEOLF SHUPLWWLQJ DLU)RUPV 3HUPLWW%5XCH &

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,I WKH ([HFXWLYH 'LUHFWRU FRQWQGV WKDW WKH 'UDIW 3HUPLW SURYLGHV LQIRUPDWLRQ V
FRQWDPLQDQWV HDFK HPLVVLRQ XQLW DXWKRUL]HG E\ 3%5 DW WKH +DUULQJWRQ 3RZHU 3ODQW
&RPPHQWHUV DVN WKDW KH LQGLFDWH ZKHUH LQ WKH 'UDIW 3HUPLW RI %DVLV
LQFRUSRUDWHG 3%5V WKLV LQIRUPDWLRQ PD\ EH IRXQG

F +RZ 0XFK 3RODXWLRQ 0D\ +DUULQJWRQ (PLW 8QGHU &DLPHG 3HUPLW E\
5XOH"

&DVH E\ FDVH SHUPLWW LQFRUSRUDWHG LQWR WKH 'UDIW 3HUPLW DUH HDFK DVVLJQHG
QXPEHU DQG JHQHUDOO\ LQFOXGH VRXUFH VSHFLILF HPLVVLRQ OLPLWW DQG VSHFLDO FRQGLWL
([HFXWLYH 'LUHFWRU ∂V UHYLHZ RI WKH RSHUDWRU ∂V DSSOLFDWLRQ %XW 3%5V HWWDEO
OLPLWW DQG RSHUDWLQJ UHTXLUHPHQWW WKDW DSSO\ WR DOO QHZ DQG PRGLILHG IDFLOLWLHV
♂ XQQHVV WKH RSHUDWRU UHJLWWHUV 3%5 HPLVVLRQ WHEW LQ QRW UHTXLUHPHQWW DUH
UHTXLUHPHQWW DUH IRXQG LQ 7H[DV ∂V 3%5 UXHV 7KHQ FRQWXXUWLRQ RI D QHZ RU
XQLW LV DXWKRUL]HG E\ 3%5 WKH 3%5 ♂ RU 3%5V FDOOLFHG E\ WKH
SHUPLW DXWKRUL]LQJ WKH 6HUHQH &RXQWHU &DW Ü ¶ ‼ ├ ◄ ┴ ├ ¶ ♂ ≥>)@DFLOLWLHV RU SK\VLF
FKDQJHV WR D IDFLOLW\ DUH SHUPLWWHG E\ UXOH SURYLGHG WKDW DOO RI WKH IROORZ
VHFWLRQ DUH VDWLVILHG¥ ◄

7KXV WKH 'UDIW 3HUPLW LGHQWLILHV LQFRUSRUDWHG FDVH E\ FDVH SHUPLWW
XQLTXH SHUPLW QXPEHUV DQG WKH GDWHV RQ ZKLFK WKH\ ZHUH LVVXHG WKH 'UDIW
DSSOLFDEOH WKH 3%5 &RXQHE QXPEHU DQG WKH GDWH WKDW HDFK UXOH ZDV SURPXOJDWHG ± QR
LW ZDV FODLPHG E\ +DUULQJWRQ 'UDIW 3HUPLW DW → ↑ 7KLV ZD\ RI OLWWLQJ
PLVCHDGLQJ EHFDXVH LW VXJJHXWW WKDW HDFK FODLPHG 3%5 OLNH WKH FDVH E\ FDVH
WKH 'UDIW 3HUPLW LV D VLQJCH SHUPLW 7R GHWHUPLQH KRZ PXFK SRODXWLRQ DQ\
XQLW ♂ RU DOO HPLVVLRQ XQLW FRYHUHG E\ 3%5 PD\ HPLW RQH FDQQRW VLPSO\ CR
LQIRUPDWLRQ LQ WKH 'UDIW 3HUPLW 2QH PXW KDYH DGGLWLRQDO LQIRUPDWLRQ WR NQR
DSSOLHV WR ZKLFK XQLW WKH\ DSSO\ DQG KRZ FRPSOLDQFH LV WR EH GHWHUPLQHG
3HUPLW SURYLGHV WKLV LQIRUPDWLRQ LW LV LPSRWLEOH WR WHOO KRZ PXFK HDFK 3%5
XQLW LV DXWKRUL]HG WR HPLW

&7KH 'UDIW 3HUPLW)DLOV 7R $VVXUH &RPSOLDQFH :LWK &HUWDLQ $SSOLFD
5HTXLUHPHQWW

7LWOH 9 SHUPLWW PXWW VSHFLI\ PRQLWRULQJ PHWKRGV WKDW DVXUH FRPSOLDQFH
DSSOLFDEOH UHTXLUHPHQW 8 6 &Ü → ├ ├ ¶ F♂ D DQG ♂ F ┤ ‼ &) → ‼ → ♂ ,D WKH 0DWHU RI :KHOHDEUDWRU %DOWBFRHHW 1R 3 ┴ ┤ ↑ ¶ ‼ ┼ ‼ ¶ ← ← ├ ♂ ┴ ‼ ¶ ‼ ♂ ≥:KHOHDEUDWRU 2UGHU¥ DW ¶ ‼ 7LWOH 9 SHUPLWW PXWW LQFOXGH
WHWWLQJ PRQLWRULQJ UHSRWWLQJ DQG UHFRUGNHHSLQJ UHTXLUHPHQWW VXIILFLHQW WR D
ZLWK WKH WHUPV DQG FRQGLWLRQV RI WKH SHUPLW 6LHUUD &OXE 5 Ü(3$ ‼ ├ ♂

)◀ ┬ G└ ├ → ┬ └ ♂ '◀ &◀ └ &LU◀ └ ┴ ‼ ‼ ← □◀ └ └ 7R└ FRPSO\└ ZLWK└ WKLV└ PDQGDWH☼ └ SHUPLW
WWHSV └ └ └

♂ ¶3HUPLWWLQJ└ DXWKRULWLHV└ PXWW└ HQVXUH└ WKDW└ PRQLWRULQJ└ UHTXLUHPHQWW└ FRQWDLQHG└
DSSOLFDEOH└ UHTXLUHPHQWW└ DUH└ SURSHUO\└ LQFRUSRUDWHG└ LQWR└ WKH└ 7LWOH└ 9└ SHUPL
└

♂ ┴,└ WKH└ DSSOLFDEOH└ UHTXLUHPHQWW└ FRQWDLQ└ QR└ SHULRGLF└ PRQLWRULQJ☼ └ SHUPL
DXWKRULWLHV└ PXWW└ DGG└ SHULRGLF└ PRQLWRULQJ└ VXII LFLHQW└ WR└ \LHOG└ UHOLDEOH└ GD
WKH└ UHOHYDQW└ WLPH└ SHULRG└ WKDW└ DUH└ UHSUHVHQWDWLYH└ RI└ WKH└ VRXUFH∂V└ FRPSO
WKH└ SHUPLW └ └
└

♂ ┼,└ WKHUH└ LV└ VRPH└ SHULRGLF└ PRQLWRULQJ└ LQ└ WKH└ DSSOLFDEOH└ UHTXLUHPHQW☼ └
PRQLWRULQJ└ LV└ QRW└ VXII LFLHQW└ WR└ DVXUH└ FRPSOLDQFH└ ZLWK└ WKH└ SHUPLW└ WHUPV
FRQGLWLRQV☼ └ SHUPLWWLQJ└ DXWKRULWLHV└ PXWW└ VXSSOHPHQW└ PRQLWRULQJ└ WR└ DVXUH└
FRPSOLDQFH └ DQG└
└

♂ ┤3HUPLWWLQJ└ DJHQFLHV└ PXWW└ FOHDUO\└ GRFXPHQW└ WKH└ UDWLRQDOH└ IRU└ WKH└ PRQLW
UHTXLUHPHQWW└ WKH\└ VHOHFW└ LQ└ WKH└ SHUPLW└ UHFRUG◀ └ └ └
└

,Q└ WKH└ 0DVWHU└ RI└ 8QLW└ 6WDW└ 6W└ &RUS◀ ⅝ *└ UDQDQWU└ &RQ\ 3HWDWWRQ└ 1R◀ └ 9┼ ┴ ‼ ‼
♂ -DQXDU\└ ┬ ¶ ☼ └ ┴ ‼ ¶ ¶ □ └ ♂ ≥ *UDQLW└ H└ &LW&DUN└ 2UGHU└ ¥¶□←└ ◀DW└ ↳ ┼ ← └

7KH└ 'UDIW└ 3HUPLW└ LV└ GHILFLHQW☼ └ DV└ H[SODLQHG└ EHORZ☼ └ EHFDXVH└ LW└ GRHV└ QRW└
ZLWK└ DSSOLFDEOH└ UHTXLUHPHQWW☼ └ LW└ IDLOV└ WR└ SURSHUO\└ LQFRUSRUDWH└ PRQLWRULQJ└ UHTXLU
HWWDEOLVK└ SHULRGLF└ PRQLWRULQJ└ UHTXLUHPHQWW└ IRU└ DSSOLFDEOH└ UHTXLUHPHQW└ WKDW└ GR
PRQLWRULQJ☼ └ LW└ IDLOV└ WR└ VXSSOHPHQW└ LQVXII LFLHQW└ PRQLWRULQJ└ UHTXLUHPHQWW└ LQ└ DSSOL
DQG└ WKH└ SHUPLW└ UHFRUG└ IDLOV└ WR└ SURYLGH└ D└ FOHDU└ UDWLRQDOH└ IRU└ WKH└ PRQLWRULQJ└ U

¶ ◀7KH└ 'UDIW└ 3HUPLW└)DLOV└ WR└ $VVXUH└ &RPSOLDQFH└ ZLWK└ 0DVRU└ 1HZ└ 6RXUFH└ 5HYL
(PLVVLRQ└ /LPLWW└
└

7KH└ 'UDIW└ 3HUPLW∂V└ 0DVRU└ 165└ 6XPPDU\└ 7DECHV└ ♂ 'UDIW└ 3HUPLW└ SS◀ └ ← ¶
PRQLWRULQJ└ DQG└ WHWWLQJ└ UHTXLUHPHQWW└ ZKLFK└ DUH└ VXSSRVHG└ WR└ DVXUH└ RQJRLQJ└ FRPSOLD
PDVRU└ 165└ HPLVVLRQ└ OLPLWW└ FRQWDLQHG└ LQ└ WKH└ 0D[LPXP└ $OORZDEOH└ (PLVVLRQ└ 5DWH└ 7DEC
+DUULQJWRQ└ SODQW∂V└ WZR└ 36'└ SHUPLWW◀ └ └ &RPPHQWHUV└ DSSUHFLDWH└ WKDW└ 7&(4└ KDV└ LQFO
165└ 6XPPDU\¥└ WDECHV└ LQ└ WKH└ 'UDIW└ 3HUPLW◀ └ └ 7KHVH└ WDECHV└ DUH└ D└ WWHS└ LQ└ WKH└
WKH\└ PDNH└ 7LWOH└ 9└ SHUPLWW└ PRUH└ WUDQVSDUHQW└ DQG└ XQGHUWDQGDECH◀ └ └ +RZHYHU☼ └ WKH└
DQG└ WHWWLQJ└ UHTXLUHPHQWW└ GR└ QRW└ GHPRQWUDWH└ FRPSOLDQFH☼ └ HVSHFLDOO\└ IRU└ HPLVVLRQ└
EH└ PHW└ RQ└ RQ└ EDVLV◀ └
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)RU└ H[DPSCH☼ └ 8QLW└ ¶ └ LV└ SURKLELWHG└ IURP└ HPLWWLQJ└ PRUH└ WKDQ└ ¶ ☼ ├ ┬ ┤ └ CE
CEV↕ KU└ RI└☼30 DQG└ ¶ ┬ ◄ ┬ └ CEV↕ KU└ RI└ 92&◄ └ └ 7KH└ PRQLWRULQJ└ DQG└ WHWWLQJ└ U
VXSSRVHG└ WR└ DVVXUH└ FRPSOLDQFH└ ZLWK└ WKHVH└ KRXUO\└ OLPLWV└ DUH└ DV└ IROORZV └
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x└ 7R└ VKRZ└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ &2└ OLPLW☼ └ WKH└ 'UDIW└ 3HUPLW└ UHOL
XQGHUO\LQJ└ 36'└ SHUPLW└ 6SHFLDO└ &RQGLWLRQ└ ┤ └ ♂ OLPLWLQJ└ WKH└ KHDW└ LQSXW└
PRUH└ WKDQ└ ┬ ☼ ├ ┬ ‼ └ 00%WX↕ KRXU□ ☼ └ DQG└ ♂ E□ └ WKH└ XQGHUO\LQJ└ 36'
&RQGLWLRQ└ ¶ ┴ └ ♂ UHTXLULQJ└ DQ└ DQQXDO└ WDFN└ WHWW└ IRU└ D└ ILYH├ \HDU└ SHU
┴ ‼ ¶ ‼ ◄ □ └ └ 7KHVH└ WZR└ SHUPLW└ FRQGLWLRQV└ GR└ QRW└ DVVXUH└ FRPSOLDQFH└ Z
ZKLFK└ PXWW└ EH└ PHW└ RQ└ DQ└ RQJRLQJ└ EDVLV◄ └
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x└ 7R└ VKRZ└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ 30 └ WKH└ 'UDIW└ 3HUPLW└ UHOLHV└ RQ└ ♂
XQGHUO\LQJ└ 36'└ SHUPLW└ 6SHFLDO└ &RQGLWLRQ└ ┤ └ ♂ OLPLWLQJ└ WKH└ KHDW└ LQSXW└
PRUH└ WKDQ└ ┬ ☼ ├ ┬ ‼ └ 00%WX↕ KU□ ☼ └ DQG└ ♂ E□ └ WKH└ XQGHUO\LQJ└ 36'└
&RQGLWLRQ└ → └ ♂ UHODWLQJ└ WR└ FRPSOLDQFH└ ZLWK└ IHGHUDO└ 1HZ└ 6RXUFH└ 3
6WDQGDUGV└ DQG└ 1DWLRQDO└ (PLVVLRQ└ 6WDQGDUGV└ IRU└ +D]DUGRXV└ $LU└ 3ROOXWDQWW
WZR└ SHUPLW└ FRQGLWLRQV└ GR└ QRW└ DVVXUH└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ OLPLW
EH└ PHW└ RQ└ DQ└ RQJRLQJ└ EDVLV◄ └
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x└ 7R└ VKRZ└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ 92&└ OLPLW☼ └ WKH└ 'UDIW└ 3HUPLW└ U
XQGHUO\LQJ└ 36'└ SHUPLW└ 6SHFLDO└ &RQGLWLRQ└ ┤ └ ♂ OLPLWLQJ└ WKH└ KHDW└ LQSXW└
PRUH└ WKDQ└ ┬ ☼ ├ ┬ ‼ └ 00%WX↕ KU◄ └ └ 7KLV└ SHUPLW└ FRQGLWLRQ└ GRHV└ QRW└ DVV
ZLWK└ WKH└ KRXUO\└ OLPLW☼ └ ZKLFK└ PXWW└ EH└ PHW└ RQ└ DQ└ RQJRLQJ└ EDVLV◄ └
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8QLWW└ ┴ └ DQG└ ┬ ☼ └ VLPLODUO\☼ └ ODFN└ WKH└ PRQLWRULQJ└ VXIILFLHQW└ WR└ DVVXUH└ FR
HPLVVLRQ└ OLPLWW└ IRU└ &2☼ └ 30☼ └ DQG└ 92&☼ └ IRXQG└ LQ└ WKH└ 36'└ SHUPLW∂V└ ≥0$(57◄ ¥
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x└ 7R└ VKRZ└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ &2└ OLPLW☼ └ WKH└ 'UDIW└ 3HUPLW└ UHOL
XQGHUO\LQJ└ 36'└ SHUPLW└ 6SHFLDO└ &RQGLWLRQ└ ┤ └ ♂ OLPLWLQJ└ WKH└ KHDW└ LQSXW└
┴ └ DQG└ %RLCHU└ 8QLW└ ┬ └ WR└ QR└ PRUH└ WKDQ└ ┬ ☼ ← ┬ ‼ └ DQG└ ┬ ☼ ← → ‼ └ 00
7KH└ KRXUO\└ KHDW└ LQSXW└ UDWH└ GRHV└ QRW└ DVVXUH└ FRPSOLDQFH└ ZLWK└ WKH└ KRXU
)RU└ %RLCHU└ 8QLW└ ┴ ☼ └ WKH└ XQGHUO\LQJ└ 36'└ SHUPLW└ 6SHFLDO└ &RQGLWLRQ└ ← └
D└ PRQLWRULQJ└ DQG└ WHWWLQJ└ UHTXLUHPHQW☼ └ EXW└ WKDW└ FRQGLWLRQ└ UHTXLUHV└ DQ
└

x└ &RPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ ¶ ‼30 OLPLWW└ LV└ GHPRQWWUDWHG└ WKURXJK└ WKH
XQGHUO\LQJ└ 36'└ SHUPLW∂V└ 6SHFLDO└ &RQGLWLRQV└ ┤ ☼ └ → ☼ └ DQG└ ¶ ┤ ◄ └ └ &R
KHDW└ LQSXW☼ └ DQG└ 7&(4└ KDV└ QRW└ H[SODLQHG└ KRZ└ WKLV└ OLPLW└ DVVXUHV└ FRPS
KRXUO\└ 30└ OLPLWW◄ └ └ &RQGLWLRQ└ → └ UHTXLUHV└ FRPSOLDQFH└ ZLWK└ FHUWDLQ└ IH
EXW└ VD\V└ QRWKLQJ└ DERXW└ FRPSOLDQFH└ ZLWK└ WKH└ KRXUO\└ OLPLW└ FRQWDLQHG└ LQ
&RQGLWLRQ└ ¶ ┤ └ LV└ VLPSO\└ D└ YDJXH└ DQG└ JHQHUDO└ SURYLVLRQ└ WKDW└ UHTXLU

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≥PLQLPL]H HPLVVLRQV¥ GXULQJ SODQQHG 066 DFWLYLWLHV◀ 7KHVH WK
SURYLVLRQV GR QRW DVVXUH FRPSOLDQFH ZLWK WKH 36' SHUPLW∂V KRXUO\
PDWWHU OLPLWW◀

x 7R VKRZ FRPSOLDQFH ZLWK WKH KRXUO\ 92& OLPLWW IRU %RLCHU 8QLWW ⊥
3HUPLW OLWW RQO\ &RQGLWLRQ ┤ ± WKH KRXUO\ KHDW LQSXW OLPLWW◀
LQSXW OLPLW GRHV QRW DVVXUH FRPSOLDQFH ZLWK WKH KRXUO\ 92& OLPLW◀

7R WKH H[WHQW WKDW WKH 'UDIW 3HUPLW UHOLHV RQ WKH SURYLVLRQV LQ WKH +DU
36' SHUPLW WR DVVXUH FRPSOLDQFH ZLWK WKH PDVRU QHZ VRXUFH UHYLHZ HPLVVLRQ OLP
IDLOV WR PHHW 7LWOH 9 UHTXLUHPHQWW◀)RU +DUULQJWRQ 8QLW ⊥ DQG ┬ ☼ 3HUPLW
6SHFLDO &RQGLWLRQ ├ WWDWHV

≥7KH UHFRUGV UHTXLUHG LQ 6SHFLDO &RQGLWLRQ 1RV◀ ← DQG VKDOO FRQWWLW
GHPRQWWUDWLQJ FRPSOLDQFH ZLWK WKH OLPLW VSHFLILHG LQ WKLV SHUPLW◀ ¥

+RZHYHU☼ 6SHFLDO &RQGLWLRQ 1R◀ ← UHTXLUHV QRWKLQJ PRUH WKDQ D RQH┼ WLPH WWDF
PRQR[LGH☼ D WHWW WKDW KDV SUHVXPDEO\ KDSSHQHG VRPH \HDUV DJR ♂ WKH WHWW
+DUULQJWRQ FRPSOHWHV D SURVHFW DSSURYHG LQ ⊥ !! !! ← □◀ 6SHFLDO &RQGLWLRQ 1R◀
RI WWDFN WHWW EH NHSW◀ %XW WKHUH LV QR RWKHU PHQWLRQ LQ WKH SHUPLW RI D
UHTXLUHPHQW◀

7KXV☼ QHLWKHU WKH 'UDIW 3HUPLW QRU WKH LQFRUSRUDWHG 36' SHUPLW DVVXUH F
WKH PD[LPXP KRXUO\ HPLVVLRQ OLPLW FRQWDLQHG LQ WKH +DUULQJWRQ SODQW∂V 36' SHU

⊥ ◀7KH 'UDIW 3HUPLW)DLOV WR $VVXUH &RPSOLDQFH ZLWK 0DVRU 1HZ 6RXUFH 5HYL
(PLVVLRQ /LPLW 'XULQJ 3ODQQHG 0DLQWHQDQFH☼ 6WDUWXS☼ DQG 6KXWGRZQ $FWLY

%RWK RI WKH +DUULQJWRQ SODQW∂V 36' SHUPLW WWDWH WKDW

≥7KH CEV↕ KRXU DQG WS\ HPLVVLRQ OLPLW VSHFLILHG LQ WKH 0$(57 IRU WKL
HPLVVLRQV IURP WKH IDFLOW\ GXULQJ ERWK QRUPDO DQG SODQQHG 066 DFWLYLWL
'UDIW 3HUPLW DW S◀ ← ⊥ DQG ← ┤ ◀

%XW WKH 'UDIW 3HUPLW GRHV QRW DVVXUH FRPSOLDQFH ZLWK WKH KRXUO\ HPLVVLRQ
SHULRGV RI SODQQHG 066☼ EHFDXVH WKH +DUULQJWRQ SODQW KDV FRQGXFWHG QR PRQLWRUL
RU 92& HPLVVLRQV GXULQJ SHULRGV RI SODQQHG 066◀ 7KH +DUULQJWRQ SODQW KDV FR
WHWW WR GHWHUPLQH HPLVVLRQV RI &2☼ 30☼ RU 92& GXULQJ SHULRGV RI SODQQHG PD
DQG VKXWGRZQ◀ ,I &RPPHQWHUV DUH ZURQJ DERXW WKLV DVVHUWLRQ☼ WKHQ ZH UHTXHW
'LUHFWRU PDNH WKH WWDFN WHWW LQIRUPDWLRQ DYDLODEOH☼ DQG DOVR XSGDWH WKH 'U

LQFOXGLQJ└WKH└6WDWHPHQW└RI└%DVLV☼└WR└H[SODLQ└KRZ└SULRU└WDFN└WHWW└DQG└DQ\└R
FRPSOLDQFH└ZLWK└WKHVH└KRXUO\└HPLVVLRQ└OLPLWW└GXULQJ└SHULRGV└RI└SODQQHG└066◀└└
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7KH└([HFXWLYH└'LUHFWRU└VKRXOG└DOVR└H[SODLQ└KRZ└WKH└PRQLWRULQJ└DQG└WHWWLQJ└
LQ└WKH└'UDIW└3HUPLW└DVVXUH└RQJRLQJ└FRPSOLDQFH└ZLWK└WKH└+DUULQJWRQ└SODQW∂V└36'└
KRXUO\└DOORZDEOH└HPLVVLRQ└UDWHV└IRU└&2☼└30☼└DQG└92&└GXULQJ└SHULRGV└RI└SODQQH
WDUWXS☼└DQG└VKXWGRZQ◀└
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3HUPLW└1R◀└↑¶⊥ ↕36'7;‼¶→⊥0⊥☼└6SHFLDO└&RQGLWLRQV└¶├└DQG└¶→└♂
DQG└3HUPLW└1R◀└¶┬←←↕36'7;├┬¶0¶☼└6SHFLDO└&RQGLWLRQV└⊥┬└DQG└⊥┤└♂FRY
FRPSOLDQFH└ZLWK└KRXUO\└HPLVVLRQ└OLPLWW◀└└7KRVH└SHUPLW└SURYLVLRQV└UHTXLUH└WKH└+
DQQXDOO\└FRQILUP└WKH└≥FRQWLQXHG└YDOLGLW\└RI└WKH└HWWLPDWHG└SRWHQWLDO└WR└HPLW¥└
066└DFWLYLWLHV◀└└&RQILUPLQJ└WKDW└WKH└HWWLPDWHV└PDGH└LQ└LWW└SHUPLW└DSSOLFDWLRQ└
LV└D└YDJXH└DQG└PHDQLQJOHVV└SURYLVLRQ└WKDW└LQ└QR└ZD\└PHHWW└WKH└UHTXLUHPHQW└WKD
DVVXUH└RQJRLQJ└FRPSOLDQFH└ZLWK└DSSOLFDEOH└UHTXLUHPHQWW◀└└)RU└RWKHU└SODQQHG└(
6SHFLDO└&RQGLWLRQV└¶→◀%└♂LQ└8QLWW└⊥└DQG└┬└36'└SHUPLW□└DQG└⊥┤◀%└♂LQ└
+DUULQJWRQ└SODQW└XQIHWWHUHG└ODWLWXGH└WR└GHWHUPLQH└HPLVVLRQV└≥XVLQJ└DQ└DSSUR
LQFOXGLQJ└EXW└QRW└OLPLWWHG└WRRI└WKH└PHWKRGV└GHVFULEHG´¥└└7KLV└RSHQ├HQGHG└SURYLV
DVVXUDQFH└RI└FRPSOLDQFH◀└└,QGHHG☼└&RPPHQWHUV└KDYH└QR└LGHD└ZKLFK└PHWKRG└WKH└+
PLJKW└FKRRVH└WR└GHPRQWWUDWH└FRPSOLDQFH└ZLWK└KRXUO\└OLPLWW└GXULQJ└SHULRGV└RI└SOD
└

7R└FRUUHFW└WKLV└GHILFLHQF\☼└WKH└([HFXWLYH└'LUHFWRU└VKRXOG└DGG└&RPSOLDQ
0RQLWRULQJ└SURYLVLRQV└WKDW└VSHFLI\└D└PHWKRG└IRU└GHPRQWWUDWLQJ└RQJRLQJ└FRPSOLDQFH└
HPLVVLRQ└OLPLWW└IRU└&2☼└92&☼└DQG└30└FRQWDLQHG└LQ└WKH└SODQW∂V└WZR└36'└SHUPL
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┬└◀7KH└'UDIW└3HUPLW└)DLOV└WR└$VVXUH└&RPSOLDQFH└ZLWK└WKH└6WDWH└,PSOHPHQWDWL
/LPLWW└IRU└3DUWLFXODWH└0DWWHU└DQG└2SDFLW\└
└

7LWOH└9└SHUPLWW└PXWW└DVVXUH└FRPSOLDQFH└ZLWK└DOO└DSSOLFDEOH└UHTXLUHPHQWW☼└
,PSOHPHQWDWLRQ└3ODQ└OL≥PLWWHG└└>7LWOH└9@└SHUPLW└LVVXHG└XQGHU└WKLV└VXEFKDSWHU└VKDO
HQIRUFHDEOH└HPLVVLRQ└OLPLWDWLRQV└DQG└WDQGDUGV☼└´└DQG└VXFK└RWKHU└FRQGLWLRQV└DV
DVVXUH└FRPSOLDQFH└ZLWK└DSSOLFDEOH└UHTXLUHPHQWW└RI└WKLV└FKDSWHU☼└LQFOXGLQJ└WKH└U
DSSOLFDEOH└LPSOHPHQWDWLRQ└SODQ◀¥└┤⊥└8◀6◀&◀└→├├¶F♂D□◀└└
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└$V└H[SODLQHG└LQ└GHWDLO└DERYH☼└ERWK└WKH└6,3└RSDFLW\└OLPLW└IRXQG└DW└┬‼└
WKH└6,3└30└OLPLW└IRXQG└DW└┬‼└7$&└¶¶¶◀¶↑┬♂E□☼└DUH└DSSOLFDEOH└UHTXLUH
QRW└EHHQ└PRGLILHG└WKURXJK└WKH└6,3└SURFHVV◀└└└
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└ &RQWLQXRXV└ RSDFLW\└ PRQLWRUV└ DUH└ LQ└ XVH└ DW└ WKH└ +DUULQJWRQ└ SCDQW☼ └ \HW└ CHL
QRU└ WKH└ 6WDWHPHQW└ RI└ %DVLV└ SURYLGH└ DQ\└ H[SCDQDWLRQ└ DV└ WR└ KRZ└ WKHVH└ RSDFLW\
FRPSOLDQFH└ ZLWK└ WKH└ 6,3└ RSDFLW\└ OLPLW◄ └ └ &RPPHQWHUV└ QRWH└ WKDW└ DOO└ RI└ WKH└ &RPS
0RQLWRULQJ└ 6XPPDU\└ SURYLVLRQV└ ♂ 'UDIW└ 3HUPLW└ S◄ └ ┬ □└ DQG└ 3HULRGLF└ 0RQLWR
SURYLVLRQV└ ♂ 'UDIW└ 3HUPLW└ S◄ └ ↑ → □└ GHDO└ RQO\└ ZLWK└ ┤ ‼ └ &)5└ 3DUW└ ├ ‼ └ 1HZ└ 6R
1RQH└ RI└ WKHVH└ SURYLVLRQV└ DVVXUH└ FRPSOLDQFH└ ZLWK└ WKH└ 30└ DQG└ RSDFLW\└ 6,3└ DSSOLFD
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└ 7R└ FRUUHFW└ WKLV└ GHILFLHQF\☼ └ WKH└ ([HFXWLYH└ 'LUHFWRU└ VKRXOG└ DGG└ PRQLWRULQJ
HQVXUH└ FRPSOLDQFH└ ZLWK└ WKH└ 6,3└ RSDFLW\└ DQG└ 30└ OLPLW◄ └ └ :H└ UHPLQG└ WKH└ ([HFXWL
WKH└ 6WDWH└ ,PSCHPHQWDWLRQ└ 3CDQ└ 30└ OLPLW└ ♂ ‼ ◄ ┬ └ CE↕ 00%WX☼ └ DYHUDJHG└ RYHU└ D└ ┴ ┼
DOO└ WLPHV☼ └ DQG└ VR└ DQ\└ FRPSOLDQFH└ DVVXUDQFH└ RU└ RWKHU└ PRQLWRULQJ└ SURYLVLRQV└ DLPH
GHILFLHQF\└ PXVW└ GHPRQVWUDWH└ FRPSOLDQFH└ RQ└ D└ FRQWLQXRXV└ EDVLV◄ └ └ └ └ └ └ └ └ └ └
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)RU└ WKH└ IRUHJRLQJ└ UHDVRQV☼ └ WKH└ 'UDIW└ 3HUPLW└ IDLOV└ WR└ FRPSO\└ ZLWK└ WKH└ UH
7LWCH└ 9└ RI└ WKH└ &CHDQ└ $LU└ $FW◄ └ └ &RPPHQWHUV└ UHTXHVW└ WKDW└ WKH└ ([HFXWLYH└ 'L
GHILFLHQFLHV└ GHVFULEHG└ LQ└ WKLV└ CHWWHU◄ └ └ └

7KDQN└ \RX└ IRU└ \RXU└ DWWHQWLRQ└ WR└ WKLV└ PDWWHU☼ └ SCHDVH└ FRQWDFW└ PH└ LI└ \RX└

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6LQFHUHO\☼ └

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,CDQ└ /HYLQ└
*DEULHO└ &CDUN┼ /HDFK└
(QYLURQPHQWDO└ ,QWHJULW\└ 3URVHFW└
→ ‼ → └ 5LR└ *UDQGH☼ └ – ┴ ‼ ‼ └
$XVWLQ☼ └ 7H[DV└ → ← → ‼ ¶ └
└ └ └ └ └ └ └ └ └ └ ↑ ¶ ┴ ┼ ├ ┬ → ┼ ┤ → ← └
LCHYLQ#HQYLURQPHQWDOLQWHJULW\◄└RUJ
└ └ └ └ └ └ └ └ JFCDUN┼ CHDFK#HQYLURQPHQWDOLQWHJULW\◄ RUJ
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