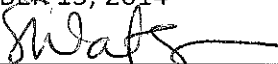

INTEROFFICE MEMORANDUM

TO: ANGEL INVESTMENT PROGRAM
FROM: SANDRA WATSON, CEO
SUBJECT: LIST OF EXCLUDED BUSINESS ACTIVITIES
DATE: SEPTEMBER 15, 2014
SIGNATURE: 

Small Business Capital Investment Incentive Program (Angel Investment Program)

A.R.S. § 41-1518 (K)(6)(f) Does not have a principal business involving activities excluded by the authority. The authority shall provide a list of excluded businesses to any person on request.

Businesses that are principally (more than 50%) involved in one or more of the following activities are excluded from being certified as a qualified small business under the Angel Investment Program:

- 1) Sales or distribution of retail goods or food (including supplements).
- 2) Development, sale, leasing, rental or operation of, or investment in, real estate, construction or remodeling.
- 3) Development, sale, leasing, rental or operation of, machinery and equipment.
- 4) Professional services, except for professional services associated with manufactured goods, hardware or software that is licensed, sold or manufactured by the provider of such services.
- 5) Health care services to patients, except for services provided in connection with research, development, clinical trials and marketing activities by bioscience enterprises.
- 6) Banking, brokerage, insurance or other financial or investment services, including operating an investment company or fund.
- 7) Personal services and restaurant services.
- 8) Development and maintenance of websites and applications using existing software or technology.
- 9) Mining, forestry and other natural resource exploitation or extraction, except for research and development related to these industries.
- 10) Agriculture, except for agricultural research and development.
- 11) Operation of recreational, amusement and casinos.
- 12) Call center operations.
- 13) Any other business activity that the authority determines to be unsuited to fulfill the purposes of the program.

Note: This list is subject to change from time to time without notice. Please confirm your company's eligibility before advertising that investments in your company would be eligible for the credit.

Definitions:

“Administrative” means activities relating to the management of an organization.

“Financial services” means any act by which loans or other advances of money are made to the member.

“Manufacturing” means fabricating, producing or transforming raw or prepared materials into usable products, imparting new forms, qualities, properties and combinations.

“Personal services” means an economic service involving either the intellectual or manual labor of the server rather than a salable product resulting from the service provider’s skill.

“Professional services” means a service rendered by a person licensed, certified or otherwise regulated under Title 32 of the Arizona Revised Statutes and also includes, but is not limited, marketing, advertising, journalism, publishing or services to these industries; legal services, or services to the legal industry; arbitration, consulting, management or planning services; construction management; historians; educational consultants; teaching; computer information management; designing; and financial services.