To determine the exempt amount of intangible/interest expense, complete the applicable section(s) below.

### 5 Exemption related to §40-18-35(b)(1):
- Jurisdiction(s) where recipient related member income is "subject to tax" and not allocated.
- Amount of Interest/Intangible subject to apportionment in jurisdiction(s).
- Recipient related member's total apportionment percentage in the above jurisdiction(s).
- Interest/Intangible apportioned to jurisdictions (multiply Line 5b by Line 5c).
- Recipient related member name.
- Amount of Interest/Intangible subject to apportionment in jurisdiction(s).

### 6 Exemption related to §40-18-35(b)(2) and §40-18-35(b)(4) – Amount of Line 4 expense not added back.

### 7 Exemption related to §40-18-35(b)(3) – Amount of Line 4 expense not added back.

### 8 Recipient related member receipts by category:
- Intangible receipts.
- Interest receipts.

### 9 a. if either Lines 8a or 8b are greater than Lines 9a, 9b, 9c or 9d, enter zero.
- If Lines 8a or 8b are greater than Lines 9a, 9b, 9c or 9d, enter amount from Line 7.

### 10 Exempt Amount. Enter the greater of Lines 5f, 6, 10a or 10b.

### 12 Interest Expense Disallowed per IRC 163 (j) (allocated pro rata see instructions).

### 12a Exempt amount of Disallowed IRC 163 (j) (Line 11 divided by Line 4, multiplied by Line 12).

### 13 Section 163 (j) Carryforward.

### 14 Total Intangible/Interest expenses paid to all related members less total disallowed.
- IRC 163 (j) Interest (sum of all Line 4 for all related members minus all Line 12 for all related members plus all Line 13 for all related members).

### 15 Total Exempt Amount. (Line 11 minus Line 12a for all related members from all pages. Subtract Line 15 from Line 14 and enter the difference on Form 65, Schedule A, Line 1 or Form 20S, Schedule A, Line 2.)

In order to qualify for the exemption presented in §40-18-35(b)(3) and §40-18-24(e), Line 10b must be greater than zero and an informed corporate officer must sign Schedule PAB, executed under penalty of perjury. This signature denotes that tax avoidance was not a principal motivating factor with respect to the transaction(s) giving rise to the related member's interest/Intangible expenses and costs.

[Signature]

[Title]