

Cherry Hill Mortgage Investment Corp
Form 424B5
August 31, 2018
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-221725

PROSPECTUS SUPPLEMENT
(To Prospectus Dated December 4, 2017)

**Up to \$50,000,000 of
Common Stock**

This prospectus supplement and the accompanying prospectus relate to the offer and sale from time to time of up to \$50,000,000 of shares of our common stock. The common stock will be offered over a period of time and from time to time through JMP Securities LLC and B. Riley FBR, Inc., as our agents (the "Agents"), in accordance with the terms of separate At Market Issuance Sales Agreements that we entered into with the Agents on August 31, 2018 (the "Sales Agreements"). Under the Sales Agreements, we may issue and sell up to an aggregate of \$50,000,000 of shares of our common stock from time to time through the Agents.

Sales of our common stock, if any, made under the Sales Agreements will be made by any method permitted by law that is deemed to be an "at the market offering" as defined in Rule 415 under the Securities Act of 1933, as amended (the "Securities Act").

Our common stock is traded on the New York Stock Exchange (the "NYSE") under the symbol "CHMI". The closing price of our common stock on the NYSE on August 30, 2018 was \$18.72 per share.

There are restrictions on transfer and ownership of our common stock intended to, among other purposes, preserve our qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes. Please see the section entitled "Restrictions on Ownership and Transfer" in the accompanying prospectus.

We will pay the Agents a commission equal to 2.0% of the gross proceeds from each sale of shares of our common stock sold by the Agents pursuant to the Sales Agreements. The Agents are not required to sell any specific number of shares or dollar amount of our common stock but will use their commercially reasonable efforts, as our agents, and subject to the terms of the Sales Agreements, to sell the shares offered by this prospectus supplement, as instructed by us. In connection with the sale of our common stock on our behalf, the Agents will be deemed to be "underwriters" within the meaning of the Securities Act, and the compensation of the Agents may be deemed to be underwriting commissions or discounts. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Investing in our common stock involves risk. See "Risk Factors" beginning on page S-3 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the U.S. Securities and Exchange Commission (the "SEC"), nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

JMP Securities B. Riley FBR

The date of this prospectus supplement is August 31, 2018.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the Agents have not, authorized anyone to provide you with different information.

We are not, and the Agents are not, making an offer of the shares of our common stock covered by this prospectus supplement and the accompanying prospectus in any jurisdiction where the offer is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the offering, and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which includes more general information about the securities we may offer from time to time, some of which may not apply to this offering. Before you buy any shares of our common stock, it is important for you to read and consider the information contained in this prospectus supplement and the accompanying prospectus together with additional information described under the headings **Information Incorporated by Reference** and **Where You Can Find More Information**.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to the terms **we**, **us**, **our** and **our company** refer to Cherry Hill Mortgage Investment Corporation and its consolidated subsidiaries, references to **our operating partnership** refer to Cherry Hill Operating Partnership, LP and references to **our Manager** refer to Cherry Hill Mortgage Management, LLC.

FORWARD-LOOKING STATEMENTS

When used in this prospectus supplement and in the accompanying prospectus and in the documents incorporated herein and therein by reference, in future filings with the SEC or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as **believe**, **expect**, **anticipate**, **estimate**, **plan**, **continue**, **intend**, **should**, **would**, **could**, **goal**, **objective**, **will**, **may**, **might**, **intend**, **anticipate**, **estimate**, **plan**, **continue**, **intend**, **should**, **would**, **could**, **goal**, **objective**, **expressions**, are intended to identify **forward-looking statements** within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), and, as such, may involve known and unknown risks, uncertainties and assumptions.

Forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and our ability to make distributions to our stockholders may vary materially from those expressed in our forward-looking statements. The following factors are examples of those factors that could cause actual results to vary from our forward-looking statements: general volatility of the capital markets; changes in our investment objectives and business strategy; availability, terms and deployment of capital; availability of suitable investment opportunities; our dependence on our Manager, and our ability to find a suitable replacement if we or our Manager were to terminate the management agreement we have entered into with our Manager; changes in our assets, interest rates or the general economy; increased rates of default and/or decreased recovery rates on our investments; changes in interest rates, interest rate spreads, the yield curve or prepayment rates; our ability to maintain our qualification as a REIT for U.S. federal income tax purposes; limitations on our business due to compliance with the requirements necessary for REIT qualification; the degree and nature of our competition, including competition for our targeted assets; our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended; and risks associated with investing in residential mortgage-related assets. These and other risks, uncertainties and factors, including the risk factors described below and in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017, as updated by those risk factors included in our subsequent filings under the Exchange Act, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events

or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and, in accordance with those requirements, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, as well as the registration statement and the exhibits and schedules thereto, can be

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inspected at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained from the SEC at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website is www.sec.gov. Our common stock is listed on the NYSE. Our corporate website is located at www.chmireit.com. Our corporate website and the information contained therein or connected thereto do not constitute a part of this prospectus supplement, the accompanying prospectus or any amendment or supplement thereto.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act with respect to the securities offered by this prospectus supplement and the accompanying prospectus, and the registration statement has been declared effective. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC's rules and regulations. For further information about us and our common stock, we refer you to the registration statement and to such exhibits and schedules. Statements contained in this prospectus supplement and the accompanying prospectus concerning the provisions of any document filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents or information filed with the SEC and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and prior to completion of the offering of our common stock described in this prospectus supplement and the accompanying prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

• our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed with the SEC on March 16, 2018;

• our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018 and June 30, 2018, filed with the SEC on May 9, 2018 and August 8, 2018, respectively;

• our Current Reports on Form 8-K filed with the SEC on April 5, 2018, June 5, 2018 and June 14, 2018;

• the information specifically incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 from our Definitive Proxy Statement on Schedule 14A filed on April 27, 2018; and

• the description of our common stock in our Registration Statement on Form 8-A filed on September 27, 2013.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus supplement and the

accompanying prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request those documents from us by writing to Cherry Hill Mortgage Investment Corporation, c/o Investor Relations, 1451 Route 34, Suite 303, Farmingdale, New Jersey 07727 or by calling Investor Relations at (877) 870-7005.

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THE COMPANY

We are a REIT focused on acquiring, investing in and managing residential mortgage assets in the United States. We were incorporated in Maryland on October 31, 2012, and we commenced operations in October 2013, following the completion of our initial public offering and a concurrent private placement. We are externally managed by Cherry Hill Mortgage Management, LLC, an SEC-registered investment adviser established by Stanley Middleman. Our Manager is a party to a services agreement with Freedom Mortgage Corporation (Freedom Mortgage), which is owned and controlled by Mr. Middleman.

We conduct substantially all of our operations through our operating partnership, Cherry Hill Operating Partnership, LP, and its subsidiaries. We are the sole general partner of our operating partnership.

Our principal objective is to generate attractive current yields and risk-adjusted total returns for our stockholders over the long term, primarily through dividend distributions and secondarily through capital appreciation. We attempt to attain this objective by selectively constructing and actively managing a portfolio of servicing-related assets, consisting of mortgage servicing rights, or MSRs, on residential mortgage loans and residential mortgage-backed securities. Subject to market conditions, we may also invest in prime residential mortgage loans and other cashflowing residential mortgage assets.

Our principal executive offices are located at 1451 Route 34, Suite 303, Farmingdale, New Jersey 07727, and our telephone number is (877) 870-7005. The offices of our Manager are located at 907 Pleasant Valley Avenue, Mount Laurel, New Jersey 08054. Our website is www.chmireit.com. Our website and the information contained at or connected to our website do not constitute a part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Common Stock Dividend

On June 14, 2018, we announced that our board of directors had declared a dividend of \$0.49 per share on our common stock. The dividend was paid in cash on July 31, 2018 to stockholders of record as of the close of business on June 29, 2018.

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THE OFFERING

Issuer

Cherry Hill Mortgage Investment Corporation

Common Stock Offered by Us

Up to \$50,000,000 of shares of our common stock

Shares of Common Stock Outstanding Immediately Prior to this Offering

15,818,577 shares⁽¹⁾

NYSE Symbol

CHMI

Restrictions on Transfer and Ownership

In order to ensure that we remain qualified as a REIT for U.S. federal income tax purposes, among other purposes, our charter provides that generally no person, other than certain exempted holders, may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code of 1986, as amended, more than 9.0% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our stock. Our board of directors may, in its sole discretion, exempt a person from the 9.0% ownership limit under certain circumstances. See **Restrictions on Ownership and Transfer** in the accompanying prospectus.

Use of Proceeds

We intend to use the net proceeds of this offering for general corporate purposes, which may include the acquisition of additional residential mortgage-related assets. See **Use of Proceeds**.

Distribution Policy

To continue to qualify as a REIT, we must distribute annually to our stockholders an amount equal to at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We intend to continue to make distributions to our stockholders in amounts such that we distribute all or substantially all of our REIT taxable income in each year.

U.S. Federal Income Tax Considerations

For a discussion of the material U.S. federal income tax considerations relating to purchasing, owning and disposing of our common stock, please see the section entitled **Material U.S. Federal Income Tax Considerations** in the accompanying prospectus and the disclosure set forth in Exhibit 99.1 to our Annual Report on Form 10-K filed with the SEC on March 16, 2018 under the caption **Additional Material U.S. Federal Income Tax Considerations**, which is incorporated by reference herein and supplements the information in the accompanying prospectus under the caption **Material U.S. Federal Income Tax Considerations**.

Risk Factors

Investing in our common stock involves risk. See **Risk Factors** and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before investing in our common stock.

The number of shares of common stock outstanding immediately prior to this offering excludes: (i) 210,067 shares of our common stock that may be issued upon redemption of 210,067 long term incentive plan units of our (1) operating partnership granted pursuant to the Cherry Hill Mortgage Investment Corporation 2013 Equity Incentive Plan (the "2013 Plan"); and (ii) up to 1,235,213 shares of our common stock reserved for future issuance pursuant to the 2013 Plan.

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RISK FACTORS

Investing in our common stock involves risk. Please see the risks described below in addition to the risk factors included in our most recent Annual Report on Form 10-K and other information that we file from time to time with the SEC. Such risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect us and the market value of our common stock. The risks described could affect our business, financial condition, liquidity, results of operations, prospects, and the market value of our common stock. In such a case, you may lose all or part of your original investment. You should consider carefully the risks described below and in these reports, as well as other information and data set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to our common stock.

Risks Related to Our Common Stock and this Offering

The market price and trading volume of our common stock may be volatile following the offer and sale of shares of our common stock pursuant to this prospectus supplement.

The market price of our common stock may be highly volatile and subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- actual or anticipated variations in our quarterly operating results;
- publication of research reports about us or the real estate industry;
- decreases in the market valuations of residential mortgage assets;
- increased difficulty in maintaining or obtaining financing on attractive terms, or at all;
- increases in market interest rates that lead purchasers of shares of our common stock to demand a higher yield;
- changes in market valuations of similar companies;
- adverse market reaction to any indebtedness we incur in the future;
- additions or departures of key management personnel;
- actions by institutional stockholders;
- speculation in the press or investment community;
- general market and economic conditions; and
- war, terrorist acts and epidemic disease.

We have broad discretion in the use of the net proceeds to us from this offering.

We have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section entitled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds to us from this offering, their ultimate use may vary from their currently intended use. The failure by us to apply these funds effectively could harm our business. Pending their use, we may maintain the net offering proceeds in interest-bearing, short-term, marketable investment grade securities or (interest or non-interest bearing) checking (or escrow) accounts or money market accounts that are consistent with our intention to maintain our qualification as a REIT for U.S. federal income tax purposes. These investments may not yield a favorable return to our stockholders.

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Market fluctuations could negatively impact the market price of our common stock.

The stock market has experienced extreme price and volume fluctuations that have affected the market price of many companies in industries similar or related to ours and that have been unrelated to these companies' operating performances. These market fluctuations could reduce the market price of our common stock. Furthermore, our operating results and prospects may be below the expectations of public market analysts and investors or may be lower than those of companies with comparable market capitalizations, which could lead to a material decline in the market price of our common stock.

We have not established a minimum distribution payment level, and we cannot assure you of our ability to make distributions in the future.

We expect to make regular distributions to holders of our common stock in amounts such that we distribute all or substantially all of our REIT taxable income in each year. We have not established a minimum distribution payment level, and our ability to make distributions may be adversely affected by a number of factors, including the risk factors described in this prospectus supplement and the documents incorporated by reference herein. All distributions will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, debt covenants, maintenance of our REIT qualification, applicable law and other factors as our board of directors may deem relevant from time to time.

No assurance can be given that the level of any distributions we make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of our common stock. In addition, some of our distributions may include a return of capital, which would reduce the amount of capital available to operate our business.

Future offerings of debt securities, which would rank senior to our common stock upon our liquidation, and future offerings of equity securities, which would dilute our existing stockholders and may be senior to our common stock for purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Our 8.20% Series A Cumulative Redeemable Preferred Stock has, and any future series of preferred stock may have, a preference on liquidating distributions and a preference on dividend payments that could limit our ability to make a dividend distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

Common stock eligible for future sales may depress the market price of our common stock.

We cannot predict the effect, if any, of future sales of shares of our common stock, including future resales of the shares sold in this offering, or securities that are convertible into or exchangeable or exercisable for shares of our common stock, or the availability of such securities for future sales, on the value of our common stock. Sales of substantial amounts of our common stock or securities that are convertible into or exchangeable or exercisable for shares of our common stock, or the perception that such sales could occur, may adversely affect prevailing market

prices for our common stock.

We have registered for public resale 1,000,000 shares of our common stock held by Stanley Middleman, our former chairman. In addition, Freedom Mortgage holds 84,600 shares of our common stock. Freedom Mortgage is owned and controlled by Mr. Middleman. Mr. Middleman and/or Freedom Mortgage could sell any or all of these shares in the public market. As a result, the trading price of our common stock could decline. In addition, the perception in the market that these sales may occur could also cause the trading price of our common stock to decline.

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USE OF PROCEEDS

We intend to use the net proceeds of this offering for general corporate purposes, which may include the acquisition of additional residential mortgage-related assets.

Pending these uses, we intend to maintain the net offering proceeds in interest-bearing, short-term, marketable investment grade securities or (interest or non-interest bearing) checking (or escrow) accounts or money market accounts that are consistent with our intention to maintain our qualification as a REIT. These investments may include, for example, government securities other than agency securities, certificates of deposit and interest-bearing bank deposits. These investments are expected to provide a lower net return than we will seek to achieve from our targeted assets.

PLAN OF DISTRIBUTION

Pursuant to the Sales Agreements, we may, at any time and from time to time, offer and sell up to \$50,000,000 of shares of our common stock through the Agents, as our agents for the offer and sale of the shares. Any such sales may be made by any method permitted by law that is deemed to be an at the market offering as defined in Rule 415 under the Securities Act.

Upon acceptance of written instructions from us, the Agents will use commercially reasonable efforts consistent with their normal trading and sales practices to sell shares of our common stock under the terms and subject to the conditions set forth in the Sales Agreements. We will instruct the Agents as to the number of shares of our common stock to be sold. We may instruct the Agents not to sell shares of our common stock if the sale cannot be effected at or above the price designated by us in any instruction. We may suspend the offering of our common stock upon proper notice and subject to other conditions.

The Agents have agreed to provide written confirmation of any sales to us no later than the opening of the trading day on the NYSE immediately following the trading day on which shares of our common stock were sold under the Sales Agreements. Each confirmation will include the number of shares sold on the preceding day, the net proceeds to us and the compensation payable by us to the Agents in connection with the sales.

We will pay the Agents commissions for their services in acting as agents in the sale of our common stock offered hereby. Under the Sales Agreements, the Agents will be entitled to compensation equal to 2.0% of the gross proceeds from each sale of shares sold through them as our agents. In addition, we have agreed to pay the fees and disbursements of counsel to the Agents incurred in connection with the Sales Agreements and this offering, in an amount not to exceed \$45,000. If we sell common stock to an Agent, acting as principal, we will enter into a separate agreement setting forth the terms of such transaction and, to the extent required by applicable law, we will describe this agreement in a separate prospectus supplement or pricing supplement. We estimate that the total expenses for the offering, excluding compensation payable to the Agents under the terms of the Sales Agreements, will be approximately \$200,000.