

## **INVESTOR SUITABILITY STANDARDS**

Interests are being offered and sold in reliance upon the exemption from federal registration provided for under section 4(a)(2) of the Securities Act of 1933 (the “**Act**”) and Rule 506(c) of Regulation D issued by the Securities and Exchange Commission, thereunder (“**Regulation D**”) relating to certain limited or private offerings. As such, Interests will be sold only to “accredited investors,” as such term is defined in Regulation D (“**Accredited Investors**”). All Accredited Investors must be of substantial means with no need for liquidity with regard to this investment and must meet certain eligibility and suitability standards, some of which are set forth below. Each investor must execute a Subscription Agreement in the form attached hereto as Exhibit B. By executing the Subscription Agreement, an Investor makes certain representations and warranties, upon which the General Partner will rely in accepting subscriptions. Read the Subscription Agreement carefully.

Individual Investors will also be required to provide additional documentation upon which the General Partner can verify such Investor’s status as an Accredited Investor. Non-individual investors may also be required to provide verification documentation to the extent such documentation is deemed necessary by the General Partners to comply with the Act, Regulation D, or any other state or federal securities laws applicable to this offering. Existing Limited Partners desiring to purchase additional Interests in the Fund must meet the suitability standards outlined herein at the time each additional purchase of Interests is made.

### **Accredited Investor Standards**

Accredited Investors include individuals and entities who meet the requirements set forth in Rule 501(e) of Regulation D, including those set forth below.

#### **Individuals**

Each Accredited Investor that is an individual must meet one of the following tests:

- (1) The investor is an individual: (i) whose individual income exceeded \$200,000 in each of the two most recent calendar years, and who has a reasonable expectation of reaching the same income level in the current calendar year; or (ii) an individual whose joint income with his/her spouse exceeded \$300,000 in each of the two most recent calendar years, and who has a reasonable expectation of reaching the same income level in the current year (the “**Income Test**”).
- (2) An individual whose individual net worth, or whose joint net worth with such individual’s spouse, at the time of purchase exceeds \$1,000,000 (exclusive of the value of the individual’s primary residence) (the “**Net Worth Test**”).

#### **Entities, Trusts, Etc.**

An entity (such as a trust, partnership or corporation) will be an Accredited Investor if it was not formed for the specific purpose of purchasing Interests and it is one of the following:

- (1) Any corporation, partnership, limited liability company or other business entity in which all of the equity owners are Accredited Investors;
- (2) Any trust, with total assets in excess of \$5,000,000 if (i) the trust has not been formed for the specific purpose of purchasing Units, and (ii) the trust’s purchase of Interests is being directed by a sophisticated person with the knowledge and experience in financial and business matters required to capably evaluate the merits and risks of an investment in Units;
- (3) Any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“**ERISA**”) with either (i) \$5,000,000 in total assets (regardless of liabilities) or (ii) a bank, insurance company or registered investment advisor as its trustee;

- (4) Any self-directed ERISA plan with investment decisions made solely by persons that are Accredited Investors; or
- (5) An individual retirement account (“**IRA**”) owned by an Accredited Investor.

### **Other Accredited Investors**

Certain other entities may also be eligible to be Accredited Investors. Prospective investors with questions should communicate with the General Partner for further information.

### **Verification of Accredited Status**

Units are being offered pursuant to Rule 506(c) of Regulation D which became effective as of September 23, 2013 (“**Rule 506(c)**”). Pursuant to Rule 506(c), the General Partner is required take reasonable steps to verify that all purchasers of Units meet the accredited investor standards set forth above at the time such Units are purchased. To meet this requirement, individual investors (i.e., natural persons) purchasing Units are required to deliver documentation to the General Partner at the time of subscription that is sufficient for the General Partner to verify the investor’s accredited status. A nonexclusive list of the types of verification documentation that may be provided is set forth below.

### **Income Test**

Individuals representing in the Subscription Agreement that they are accredited under the Income Test must provide documentation reflecting annual income in excess of the Income Test thresholds for each of the two years ending prior to the purchase of Units and must represent in the Subscription Agreement that the investor has a reasonable expectation of reaching the income level in excess of the Income Test thresholds during the year of purchase. Acceptable documentation reflecting annual income includes any document issued by the Internal Revenue Service (“**IRS**”) that reports the individual investor’s income for the applicable year including, but not limited to: (i) IRS Form W-2; (ii) IRS Form 1099 (iii) IRS Schedule K-1; (iv) IRS Form 1065; (v) IRS Form 1040; or (vi) any combination thereof.

### **Net Worth Test**

Individuals representing in the Subscription Agreement that they are accredited under the Net Worth Test must provide reliable documentation evidencing both the investors assets and liabilities dated within three months of the subscription date. Acceptable verification documentation under the Net Worth Test include the following:

(1) **Documentation of Assets.** Acceptable documentation reflecting and investors assets include: (i) personal bank statements; (ii) brokerage statements or other statements reflecting securities held by the investor and the value thereof; (iii) certificates of deposit (i.e., CDs) held by the investor; and/or (iv) tax assessments and/or appraisal reports issued by independent third parties indicating the value of real estate assets held by the investor.

(2) **Documentation of Liabilities.** To verify an investor’s liabilities the investor must: (i) provide or authorize the General Partner to obtain a credit report from one or more nationwide consumer credit reporting agencies; (ii) provide a written statement of any liabilities not reflected in the investors credit report that are material to a determination of the investor’s net worth; and (iii) represent in the Subscription Agreement that all liabilities required for the General Partner to determine the individual’s net worth have been fully disclosed to the General Partner either in the investors credit report or in the statement of liabilities described in (ii), hereof.

### **Third Party Confirmation**

As an alternative to the documentation procedures outlined above, any investor may verify his or her accredited status by delivering to the General Partner a written confirmation of accredited status that meets the requirements of Rule 506(c)(2)(ii)(C) (a “**Third Party Confirmation**”) including each of the following:

(1) The Third Party Confirmation must be issued by: (i) a registered broker-dealer; (ii) an investment adviser registered with the Securities and Exchange Commission; (iii) a licensed attorney who is in good standing under

the laws of the jurisdictions in which he or she is admitted to practice law; or (iv) a certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office; and

(2) The Third Party Confirmation must include a representation by the issuing party that he, she or it has taken reasonable steps to verify that the investor is an accredited investor within three months of the investor's purchase of Units and has determined that the investor is an accredited investor.

**Additional Standards**

Units may be acquired for investment purposes only, and not with a view to, or for resale in connection with, any further distribution thereof.