SPIRE CAPITAL

Information Memorandum

SPIRE WHOLESALE ALTERNATIVE INCOME FUND NO. 1 (AUD)

A Spire Global Investment Series Fund

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spirecapital.com.au

Letter to Investors

November 2015

Dear Investor,

Spire Wholesale Alternative Income Fund No. 1 (AUD)

Thank you for expressing interest to invest in the Spire Wholesale Alternative Income Fund No. 1 (AUD) (**Fund**), a unit trust that is domiciled in Australia. Spire Capital Pty Ltd (ACN 141 096 120, AFSL 344365) (**Trustee**) is the trustee and investment manager of the Fund.

It is our pleasure to invite you to participate in an investment in a portfolio of loans backed by United States (**US**) multifamily apartments and other commercial property, which have been acquired or originated by our highly capable and experienced US partner, Bridge Investment Group Partners, LLC (**Bridge**).

The loans that the Fund will invest in, have either been originated and securitized by Freddie Mac, or originated directly by Bridge's New York-based debt origination team, led by CIO Jim Chung. Jim and his team are all ex-Morgan Stanley, and have worked together as a team for over a decade, during which time they have originated and securitized in excess of US$50 billion in commercial real estate loans.

The Federal Home Loan Mortgage Corporation (otherwise known as **Freddie Mac**), is a US government sponsored entity and is the dominant player in the provision of debt to the multifamily apartment market. Since 1993, it has provided approximately US$369 billion in financing for nearly 64,500 multifamily properties.

The delinquency rate (i.e. the number of multifamily apartment loans within the portfolio by value that are in default) on its entire portfolio has being consistently low, rising no higher than 0.26% at the height of the US financial crisis.

Freddie Mac has very strict underwriting (analysis) standards, as do Bridge, who will undertake thorough due diligence on all loans in which the Fund will invest, utilizing its team of 1,500 plus professionals located throughout the US

We believe that Bridge's integration of financial, underwriting, legal and loan documentation expertise provided by Bridge's New York based loan origination and underwriting team, combined with Bridge's national asset and property management platform, leaves Bridge well-placed to serve as a very strong manager of the Fund's underlying investments.

Please find enclosed the following key documents and materials in relation to the Fund, which you should read carefully before making your decision to invest:

- Term Sheet;
- Private Placement Memorandum for the ROC Debt Australian Feeder (USD) LP;
- Private Placement Memorandum for the ROC Debt Strategies KF12 Australian Feeder (USD) LP;
- Subscription Agreement; and
- Application Form.

We recommend this investment to you and invite you to consider joining us as investors in the Fund.

Yours sincerely,

Spire Capital Pty Ltd

MATTHEW COOK
Director

DALE HOLMES
Director

Term Sheet – Overview of the Fund

Fund Name	Spire Wholesale Alternative Income Fund No.1 (AUD).
Fund Type	The Fund is an unlisted, un-registered and close-ended Australian wholesale managed investment scheme. The Fund will have 7-year term that may be extended by up to two consecutive one-year periods.
Fund Domicile	Australia.
APIR Code	SPI0001AU.
Fund Manager and Trustee	Spire Capital Pty Ltd (Spire).
Custodian	Spire Capital Pty Ltd.
Sub-Advisor (US)	Bridge Investment Group Partners, LLC (Bridge).
Fund Administrator	White Outsourcing Pty Ltd.
Investment Type	Alternative (Private US Debt).
Investment Objective	The Fund aims to generate a net annual yield of 9% – 10% per annum and a total return over the life of the Fund of 11% to 13% IRR net (excluding FX movements) by investing in US dollar denominated subordinated commercial loans and loan pools backed by US multifamily, seniors housing and other US domiciled commercial property.
Underlying Funds	The Fund will hold interests in following two Foreign Hybrid Limited Partnerships domiciled in Alberta, Canada: • ROC Debt Australian Feeder (USD) LP; and • ROC Debt Strategies KF12 Australian Feeder (USD) LP (each, an **Underlying Fund**). These limited partnerships will in turn hold, (via leveraged blocker structures), interests in Bridge's ROC I Debt Strategies Fund, LP (**RDS**) and in ROC Debt Strategies KF12, LLC, (**KF12**) a Delaware limited liability company formed for the sole purpose of acquiring the B-piece tranche of subordinate CMBS bond on a pool of loans originated by Freddie Mac, which pool of loans is being securitized as Freddie Mac Series 2015-KF12. It is expected that the Fund will hold 25% – 50% of its investment in KF12 and 50% – 75% in RDS.
Investor Eligibility	Wholesale Clients, as defined in the *Corporations Act 2001* (Cth).
Minimum Investment	A$500,000*.
Issue Price	A$1.00 per Unit.
Classes of Units	Wholesale Units.
Fund Capacity	The AUD equivalent of US$20 million.
Applications Open	Monday 9 November 2015.
Applications Close	Friday 20 November 2015 at 5.00 p.m. (Sydney time).
Liquidity, Access to Funds and cooling-off	The Fund will not be "liquid" (as that term is defined in the *Corporations Act 2001* (Cth)) and as a result no cooling-off period applies to applications for units, and investors do not have any redemption or withdrawal rights. However, it is anticipated that from Year 4, the Fund will receive returns of capital via the maturity or refinancing of underlying loans. The returns of capital will in turn be returned to investors. It is expected that investor capital will gradually be returned from Year 4.
Currency Hedging	The Fund will be unhedged. However Spire reserves the right to implement a hedging strategy in the future if it believes it is in the best interests of unit holders to do so.
Disclosure Documents	There is no separate offer document for the Units in the Fund. Instead, disclosure in relation to your investment in the Trust is achieved via the terms set out in this Term Sheet, the Subscription Agreement for Units, and the two Private Placement Memoranda for each of the Underlying Funds.

Fees and Expenses

Fees payable by Investors in the Fund

Sub-Advisor Management Fee#	1.5% p.a. of the amount of the Fund's investment in each Underlying Fund calculated and payable quarterly in advance.
Sub-Advisor Performance Fee#	20% of the net return generated by the assets of the Underlying Funds, subject to the Fund receiving a preferred return of 8% per annum compounded.
Sourcing and Structuring Fee	The Investment Manager is entitled to a Sourcing and Structuring Fee of 0.95% of the total capital commitments made by the Fund into the Underlying Funds. This fee is a one-off fee, and becomes payable when the capital commitment is made to the Underlying Funds. The Sourcing and Structuring Fee is payable out of the assets of the Fund.

Investors will pay a Sub-Advisor Management Fee of 1.5% p.a. of the total amount of their capital contribution to the Fund (reduced by any distributions returning capital) . This Fee will be paid to the Sub-Advisor via the management fees that are charged by each Underlying Fund (for a full description of the fees charged by the Underlying Funds, refer to the Private Placement Memorandum for each Underlying Fund).

Spire will be entitled to receive a portion of the Sub-Advisor Management Fee and Sub-Advisor Performance Fee.

The fees are levied in US Dollars - see the risk factor below regarding foreign exchange risk to the Fund.

Expenses of the Fund

The Fund will pay all expenses related to its establishment and ongoing operations, including legal, accounting, compliance, litigation, insurance, auditing and other professional costs, operating expenses and other expenses. These expenses will be payable out of Fund assets.

However, the Fund may be entitled to recover organizational expenses related to the ROC Debt Australian Feeder (USD).

Risks of investing in the Fund

An investment in the Fund involves a degree of investment risk. Investors should carefully consider the risks of investing before making a decision to invest. The key risks that apply to an investment in each of the Underlying Funds are set out in the Private Placement Memoranda for each Underlying Fund. Please refer to:

- Section IV “Risk Factors and Conflicts of Interest” of the Private Placement Memorandum of the ROC Debt Australia Feeder (USD) LP for an explanation of the risks that apply to an investment in that Underlying Fund;
- Section IX “Risk Factors and Conflicts of Interest” of the Private Placement Memorandum of the ROC | Debt Strategies Fund LP for an explanation of the risks that apply to an investment in RDS; and
- Section IV “Risk Factors and Conflicts of Interest” of the Private Placement Memorandum for the ROC Debt Strategies KF12 Australian Feeder (USD) LP for an explanation of the risks that apply to an investment in that Underlying Fund and KF12.

In addition to the risks set out in the respective Private Placement Memoranda, investors should also consider that risks will also apply with respect to an investment in the Fund and seek professional advice before making any decision to invest in the Fund. These risks include (but are not limited to) the following:

Foreign Exchange Risk

The Fees are levied by the Sub-Adviser and are payable in US Dollars. This means that fluctuations in foreign exchange markets, namely movements between the Australian Dollar and US Dollar, may affect the amount of Fees that are payable by an Investor.

In addition, the investments that are held by the Underlying Funds will be located in the United States. This means that the Fund will have indirect exposure to changes in the exchange rate between the US Dollar and the Australian Dollar. The Fund may not enter into any hedging transactions in relation to the foreign exchange risk of the Fund. As such, market movements between the Australian Dollar and US Dollar may affect the value of any returns generated by the Fund.

Risks of investing in the Fund (continued)	**Legal and Regulatory Change Risk** The Fund is domiciled in Australia, and subject to Australian law. The Underlying Funds are domiciled in Alberta, Canada, and the RDS and KF12 funds are domiciled in Delaware, USA. A change in law or the regulatory environment in any of these jurisdictions may impact upon an investor's investment in the Fund, the operations of the Fund and the returns generated by the Fund. No assurance can be given as to the impact of any possible changes such laws and regulations which could have a negative impact on an Investor's return. **Counterparty Risk** The value of an investment in the Fund is dependent upon the ability of Spire and the Sub-Advisor to perform its obligations in connection with the Fund, including to facilitate the investment of the Fund's assets into the Underlying Funds. There is a risk that the Fund could terminate, that fees and expenses could change or that Spire could be replaced as Trustee of the Fund. Operational risks also apply to the activities of Spire and the Sub-Advisor.
Taxation	None of Spire, the Sub-Advisor or any other party in connection with the Fund provides tax advice to investors, and does not take any responsibility for the taxation implications in respect of an investment in the Fund. Investors should seek their own taxation advice from a professional adviser before making any decision to invest.
Unit Pricing	Quarterly at the end of March, June, September and December.
Distributions of Income	Annually as at 30 June.
Tax Statements	Annually as at 30 June.
Expected first Distribution	25 July 2016 (for period ending 30 June 2016).

* Spire may, in its absolute discretion, accept a lower minimum investment amount if an application is accompanies by an Accountant's Certification that the Application is a "Wholesale Client" as that term is defined in section 671G of the *Corporations Act 2001* (Cth).

\# Spire is entitled to receive a portion of the sub-advisor's Management Fee and Performance Fee.

For further information please contact:

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matthew.cook@spirecapital.com.au

Chris Niall
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Subscription Agreement

This (**Subscription Agreement**) sets out some of the key terms of investing in the Spire Wholesale Alternative Income Fund No. 1 (AUD) (**Fund**), a unit trust that is domiciled in Australia, and contains certain representations and warranties from you.

Spire Capital Pty Ltd (ACN 141 096 120, AFSL 344365) (**Trustee**) is the trustee and investment manager of the Fund. The Fund is not listed on any securities exchange and is not registered with the Australian Securities and Investments Commission as a managed investment scheme.

Capitalised terms not defined in this Subscription Agreement have the meaning given to them in the trust deed for the Trust (**Trust Deed**).

1. Offer

1.1. Subject to the terms and conditions of this Subscription Agreement and the Trust Deed, and in reliance on the representations and warranties made in this Subscription Agreement, by signing and returning to the Trustee a copy of this Subscription Agreement, you:

a) irrevocably offer to acquire Wholesale Class units (**Units**) in the Fund;

b) will agree to transfer in cleared funds the sum of the application monies stated at the end of this Subscription Agreement (**Investment Amount**); and

c) agree that any trustee fees, management fees, custodian fees, administration fees and expenses are payable in accordance with the Trust Deed and that the Trustee will be reimbursed for any fees incurred as well as any expenses properly incurred pursuant to the Trust Deed.

1.2. The Trustee will notify you of the date it accepts your Subscription Agreement and of the number of Units it issues to you.

1.3. The Fund will invest in two separate foreign hybrid limited partnerships domiciled in Alberta, Canada which ultimately each hold interests in a pool of loans backed by US multifamily apartments and other commercial property. These limited partnerships are:

a) the ROC Debt Australian Feeder (USD) LP; and

b) the ROC Debt Strategies KF12 Australian Feeder (USD) LP,

(each an **Underlying Fund**)

Attached is the Private Placement Memorandum for each of these Underlying Funds as disclosure of the Fund's underlying investments. There is no separate offer document for the Fund. Instead, disclosure in relation to your investment in the Fund is achieved via the Transaction Documents listed below.

2. Investor Representations, Warranties and Acknowledgements

2.1. You warrant and represent to the Trustee and as a continuing warranty:

a) You have received and read:

(i) the Term Sheet for the Fund;

(ii) this Subscription Agreement;

(iii) the Trust Deed;

(iv) the Private Placement Memorandum for the ROC Debt Australian Feeder (USD) LP; and

(v) the Private Placement Memorandum for the ROC Debt Strategies KF12 Australian Feeder (USD) LP,

(each a **Transaction Document**),

and you agree to be bound by the terms of the Transaction Documents and acknowledge that the Fund will be bound by the terms of the Transaction Documents as each may be amended from time to time;

b) You are a "wholesale client" as that term is defined in section 761G of the *Australian Corporations Act 2001* (Cth) (**Act**); and

c) Investor Status: In order for the Trustee to offer and sell Units in the Fund in accordance with the Act, the following information must be obtained regarding your status as a wholesale client. Please initial each category applicable to you as an investor (and if you are an entity, please be sure to answer from the perspective of the entity itself).

You, as a prospective investor in the Fund:

— are investing at least A$500,000 at one time; or

— have provided a copy of a certificate given within the preceding 24 months by a qualified accountant that states that you:

(i) have net assets (which may include the net assets of a company or trust controlled by the person) of at least A$2.5 million; or

(ii) have a gross income for each of the last two financial years of at least A$250,000 (which may include the gross income of a company or trust controlled by the person); or

Are a 'professional investor', being any one of the following:

— a trustee(s) of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme (as defined in the *Superannuation Industry (Supervision) Act 1993* (Cth)) that has net assets of at least A$10 million; or

— a person who has or controls gross assets of at least A$10 million (including any assets held by associates or under a trust that the person manages);

2.2. You acknowledge that the Trustee and/or its associates may act in the acquisition and disposal of assets held by the Fund on behalf of other persons and authorise the Trustee to deal with the portfolio and any other funds managed by the Trustee as an undivided whole, to the extent necessary for the efficient management or administration of the portfolio, subject to the Trustee maintaining systems and records that distinguish the portfolio from the property of any other person.

2.3. You acknowledge that the Fund gain its investment exposure via investments in the Underlying Funds which ultimately each hold interests in a pool of loans backed by US multifamily apartments and other commercial property.

2.4. You acknowledge that the Trustee and any related parties and/or affiliates of the Trustee may issue, buy, sell and otherwise deal in assets of the Fund, and may be paid commissions or other payments in respect of such assets. Such dealings may affect the value of the Fund's assets. You acknowledge that the Trustee may have a conflict of interest in these circumstances and accept that the Trustee will avoid conflicts where possible and will otherwise manage them appropriately as required by law.

2.5. You acknowledge that you are able to bear the financial, taxation and other risks of holding the Units for at least a 7 year period of time and the possible risk of loss of all or part of your Investment Amount. You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of acquiring the Units and of making an informed investment decision with respect thereto.

2.6. You acknowledge that you have sought tax advice which considers your facts and circumstances and have specifically sought tax advice about the Fund, its investments and the investment structure and with the benefit of such advice have determined that an investment in Units is suitable for you.

2.7. You acknowledge you have full power and authority or full capacity, as applicable, to execute, deliver and satisfy your obligations under the Trust Deed and this Subscription Agreement, and such actions will not cause you to be in breach or violation of any contractual, legal or regulatory duty or obligation.

2.8. You understand that no governmental agency has made any finding or determination as to the fairness of the terms of the offering and sale of Units in the Fund or of the Trust Deed.

2.9. You acknowledge that you are not relying on the Trustee or any of its partners, members, officers, employees, agents or representatives for legal, accounting, investment or tax advice, and you have sought independent legal, accounting, investment and tax advice to the extent you have deemed necessary or appropriate in connection with your decision to subscribe for Units.

2.10. You acknowledge that the Fund is currently an unregistered managed investment scheme. It may become desirable a future point in time to register the scheme with the ASIC and this may require amendments to the Trust Deed. You agree and consent to any decision of the Trustee to register the Fund with the ASIC and do not require the Trustee to hold a meeting of investors to vote on a resolution to (a) approve the application for scheme registration or (b) amend the Trust Deed to make it suitable for registration.

2.11. To the best of your knowledge and belief, the money to be contributed in consideration for the purchase of Units, being the Investment Amount, is not and will not be related to, or derived from, any activities that are illegal under Australian law.

3. Investment Amount

3.1. The Issue Price and number of Units issued to you will be notified to you in accordance with paragraph 1.2 of this Subscription Agreement. You will be issued with a number of Units equivalent to your Investment Amount.

4. Miscellaneous

4.1. All representations, warranties and covenants contained herein or made in writing by you, or by or on behalf of the Trustee, in connection with the transactions contemplated by this Subscription Agreement shall survive the execution and delivery of this Subscription Agreement and the issue and sale of Units.

4.2. This Subscription Agreement shall be interpreted and enforced in accordance with and governed by the laws of New South Wales, Australia, applicable to agreements made and to be performed wholly within that jurisdiction.

4.3. This Subscription Agreement and the Trust Deed contain the entire agreement of the parties with respect to the subject matter hereof.

4.4. If any provision of this Subscription Agreement is invalid or unenforceable under any applicable law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such applicable law. Any provision hereof which may be held invalid or unenforceable under any applicable law shall not affect the validity or enforceability of any other provisions, and to this extent the provisions hereof shall be severable.

4.5. This Subscription Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single instrument.

4.6. This Subscription Agreement may be modified only in writing signed by the parties to this Subscription Agreement. If this Subscription Agreement or the signature page, as executed, is transmitted by facsimile or e-mail, such facsimile or e-mail transmission shall be deemed an executed original of this Subscription Agreement and of such signature.

5. Signing

5.1. By signing and returning a copy of this Subscription Agreement to the Trustee, and upon its acceptance by the Trustee, as provided below, this Subscription Agreement shall become a binding agreement between you and the Trustee effective as of the Acceptance Date below, and Units shall be issued to you in the Fund.

Exact name of investor: (Should the investor have names in multiple languages please list both)

Investment Amount:

Class of Units: Wholesale Class Units

Taxpayer file number:

Investor address for notices:

Facsimile:

Email:

Preferred telephone:

Signed
by Spire Capital Pty Ltd in its capacity as trustee of the Fund by authorised persons:

Signature of authorised person and capacity

Signature of authorised person and capacity

Name of authorised person (please print)

Name of authorised person (please print)

Signed
by:

Signature of authorised signatory

Signature of witness

Name of authorised signatory (please print)

Name of witness (please print)

Acceptance date (DD/MM/YY)

Application Form

- If completing by hand, use a black or blue pen and print within the boxes in BLOCK LETTERS.
- Use ticks in boxes where applicable.
- The applicant must complete, print and sign this form.
- Keep a photocopy of your completed Application Form for your records.
- Please ensure all relevant sections are complete before submitting this form.

This application form is for units in the **Spire Wholesale Alternative Income Fund** issued by Spire Capital Pty Ltd (ABN 21 141 096 120, AFSL 344365). The Term Sheet, Trust Deed, Subscription Agreement and Private Placement Memoranda for the ROC Debt Australian Feeder (USD) LP and ROC Debt Strategies KF12 Australian Feeder (USD) LP (together, the **Transaction Documents**) contain important information about the terms and conditions attaching to the offer to which this application form relates.

- The Transaction Documents contain information about investing in the Fund. You should read the Transaction Documents before applying for units in the Fund.
- A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Transaction Documents.
- Spire Capital Pty Ltd will provide you with a copy of the Transaction Documents and the Application Form on request without charge. *(If you make an error while completing your application form, do not use correction fluid. Cross out your mistakes and initial your changes.)*

US Persons

This offer is not open to any US Person.

Section 1 – Introduction

SELECT ONE	ACCOUNT TYPE	SECTIONS TO COMPLETE	IDENTIFICATION REQUIREMENT GROUPS TO COMPLETE
☐	Individual(s)	1, 2, 7, 8, 9, 10	Group A
☐	Partnership(s)	1, 3, 7, 8, 9, 10	Group A & B
☐	Trust/Superannuation fund with an individual trustee	1, 2, 4, 7, 8, 9, 10	Group C or D, & E
☐	Trust/Superannuation fund with a corporate trustee	1, 4, 5, 7, 8, 9, 10	Group C or D, & E
☐	Company	1, 5, 7, 8, 9, 10	Group F or G
And complete these if you would like to appoint a power of attorney or agent			
☐	Power of attorney or agent	Section 6	Group H
☐	Financial adviser	Section 7	Group H

CONTACTING THE FUND	
Sales & Marketing	Spire Capital Pty Ltd +61 2 9377 0755
Completed Application Forms:	Please complete the Application Form and attach your cheque and send with relevant certified identification as outlined in the Application Form to: White Outsourcing Pty Ltd Attention: Spire Unit Registry GPO Box 5482 Sydney NSW 2001 Cheques should be made payable to: Spire Capital Pty Ltd ATF Spire Wholesale Alternative Income Fund No. 1 (AUD) Alternatively, transfer funds via EFT to: Bank: ANZ Bank BSB: 012 006 Account Number: 836741538 Account Name: Spire Capital Pty Ltd ATF Spire Wholesale Alternative Income Fund No. 1 (AUD). Reference: Investor Name Please note original certified documentation and application forms are still required to be posted to White Outsourcing Pty Ltd if transferring funds via EFT. If you have any questions about this form please contact us on +61 2 8262 2800 or registry@whiteoutsourcing.com.au

AML/Identification Requirements

The AML/CTF Act requires the Responsible Entity to adopt and maintain an anti-money laundering and counter-terrorism financing ('AML/CTF') compliance program. The AML/CTF compliance program includes ongoing customer due diligence, which may require the Responsible Entity to collect further information.

- Identification documentation provided must be in the name of the Applicant.
- Non-English language documents must be translated by an accredited translator.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please call Spire Capital on +612 9377 0755.

These documents should be provided as a CERTIFIED COPY of the original.

GROUP A – INDIVIDUALS

Each individual investor, individual trustee, partner or individual agent must provide one of the following:

- ☐ A current Australian driver's licence (or foreign equivalent) that includes a photo.
- ☐ An Australian passport.
- ☐ A current passport (or similar) issued by a foreign government or the United Nations (UN) (or an agency of the UN) that provides your signature.
- ☐ An identity card issued by a State or Territory Government that includes a photo.

GROUP B – PARTNERSHIPS

Provide one of the following:

- ☐ A certified copy or certified extract of the partnership agreement.
- ☐ A certified copy or certified extract of minutes of a partnership meeting.
- ☐ A notice issued by the Australian Taxation Office ("ATO") within the last 12 months.
- ☐ An original or certified copy of a certificate of registration of business name issued by a government agency in Australia.
- ☐ Group A verification requirements for each partner and beneficial owner of the Partnership.

GROUP C – REGISTERED MANAGED INVESTMENT SCHEME, REGULATED SUPERANNUATION FUND (INCLUDING SELF- MANAGED) OR GOVERNMENT SUPERANNUATION FUND

Provide one of the following:

- ☐ A copy of the company search on the ATO database.
- ☐ A copy of the company search of the relevant regulator's website.
- ☐ A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.

GROUP D – OTHER TRUSTS

Provide one of the following:

- ☐ A certified copy or certified extract of the Trust Deed.
- ☐ Signed meeting minutes showing the full name of the trust.
- ☐ Annual report or audited financial statements.
- ☐ A certified copy of a notice issued by the ATO within the previous 12 months.
- ☐ Group A verification requirements for each beneficial owner of the trust.

GROUP E – TRUSTEES

- ☐ If you are an **Individual Trustee** – please provide the identification documents listed under Group A.
- ☐ If you are a **Corporate Trustee** – please provide the identification documents listed under Group F or G. If you are a combination of both – please complete for one trustee from each investor type listed under Group A and F or G.

GROUP F – AUSTRALIAN COMPANIES

Provide one of the following:

- ☐ A certified copy of the Certificate of Registration or Licence.
- ☐ A copy of a company search on the ASIC database.
- ☐ A copy of information regarding the company / trustee's licence or other information held by the relevant Commonwealth, State or Territory regulatory body. All of above must clearly show the company's full name and type (i.e. public or private).
- ☐ Group A verification requirements for each beneficial owner (senior managing official and shareholder) listed in Section 5.4 of the application.

GROUP G – NON-AUSTRALIAN COMPANIES

Provide one of the following:

- ☐ A certified copy of the company's Certificate of Registration or incorporation (issued by ASIC or equivalent in the domestic jurisdiction) showing the company's registration number.
- ☐ A certified copy of the company's articles of association or constitution.
- ☐ A copy of a company search on the ASIC database or relevant foreign registration body.

All of above must clearly show the company's full name and type (i.e. public or private).

- ☐ Group A verification requirements for each beneficial owner (senior managing official and shareholder) listed in Section 5.4 of the application.

GROUP H – AGENTS

- ☐ If you are an **Individual Agent** – please provide the identification documents listed under Group A.
- ☐ If you are a **Corporate Agent** – please provide the identification documents listed under Group F or G.

Important Information

Additional information required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and the Foreign Account Tax Compliance Act.

In accordance with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the 'AML/CTF Act') and the *Foreign Account Tax Compliance Act* (the 'FATCA') the Responsible Entity is required to collect additional information about you. The Responsible Entity may also ask you to provide certified copies of certain identification documents along with the Application Form.

Under the AML/CTF Act and FATCA, the Responsible Entity is prohibited from processing your application until all of the information and supporting documentation requested in this form has been received. In most cases, the information that you provide in this form will satisfy the AML/CTF Act & FATCA. However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act and FATCA.

Declarations

When you complete this Application Form you make the following declarations:

- I/We acknowledge that Spire is not responsible for the delays in receipt of monies caused by the postal service or the applicant's bank.
- If I/we have provided an email address, I/we consent to receive ongoing investor information including Transaction Document information, confirmations of transactions and additional information as applicable via email.
- I/We hereby consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services which I/we have engaged the services of Spire or its related bodies corporate and to foreign government agencies (if necessary).
- I/We hereby acknowledge and agree that Spire have outlined in the Transaction Documents provided to me/us how and where I/we can obtain a copy of the Spire Group Privacy Statement.
- I/we hereby confirm that the personal information that I/we have provided to Spire is correct and current in every detail, and should these details change, I/we shall promptly advise Spire in writing of the change(s).
- If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Spire from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
- I/We have received and accepted this offer in Australia or New Zealand.
- I/We acknowledge that Spire does not guarantee the repayment of capital or the performance of the Fund or any particular rate of return from the Fund.
- I/We acknowledge that an investment in the Fund is not a deposit with or liability of Spire and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- If I/we have completed and lodged the relevant sections on authorised representatives/agents on the Application Form then I/we agree to release, discharge and agree to indemnify Spire from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Spire acting on the instructions of my/our authorised representatives, agents and/or nominees.
- I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge that I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund in which I/we have chosen to invest.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
  - I/we are ineligible to hold units in a Fund or have provided misleading information in my/our Application Form; or
  - I/we owe any amounts to Spire,

  then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund.
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.
- I/We hereby declare that I/we are not a US Person as defined in the Transaction Documents.

Terms and conditions for collection of Tax File Numbers (TFN) and Australian Business Numbers (ABN)

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements. For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

When you sign this Application Form you declare that you have read and agree to the declarations above.

Section 2 – Individual(s) or Individual Trustee(s)

Complete this section if you are investing in your own name or as an individual trustee.

For AML requirements please refer to page 11.

2.1 Type of Investor

Tick one box only and complete the specified parts of this section.

- ☐ **Individual** – complete 2.2
- ☐ **Jointly with Another Individual(s)** – complete 2.2, 2.3 and 2.5
- ☐ **Individual Trustee for a Trust** – complete 2.2 and 2.3 (also complete section 4)
- ☐ **Sole Trader** – complete 2.2 and 2.4
- ☐ **Individual Trustee for an Individual** – complete 2.2, 2.3 and 2.5 (if there is more than one individual trustee)

2.2 Investor 1

Title **Given Name(s)**

Surname

Telephone Number (Including Country Code) (Daytime)

Date of Birth (DD/MM/YY)

/ /

Tax File Number (TFN) – or Exemption Code

Reason for TFN Exemption

Street Address (not a PO Box)

Unit Number Street Number

Street Name

Suburb

State Post Code

Country of Birth

Are You a Foreign Resident for Tax Purposes?

- ☐ No
- ☐ Yes – please advise country of residence:

Do You Hold Dual Citizenship?

- ☐ No
- ☐ Yes – please advise which countries:

2.3 Investor 2

Title **Given Name(s)**

Surname

Telephone Number (Including Country Code) (Daytime)

Date of Birth (DD/MM/YY)

/ /

Tax File Number (TFN) – or Exemption Code

Reason for TFN Exemption

Street Address (not a PO Box)

Unit Number Street Number

Street Name

Suburb

State Post Code

Country of Birth

Are You a Foreign Resident for Tax Purposes?

☐ No

☐ Yes – please advise country of residence:

Do You Hold Dual Citizenship?

☐ No

☐ Yes – please advise which countries:

2.4 Sole Trader Details

Business Name (If Applicable, in Full)

Australian Business Number (ABN) (If Obtained)*

Street Address (Not a PO Box)

Suburb

State

Post Code

Country

* See page 6 of the Application Form for terms and conditions relating to the collection of TFNs and ABNs.

2.5 Signing Authority

Please tick to indicate signing requirements for future instructions (e.g. withdrawals, change of account details, etc.):

☐ Only one investor required to sign.

☐ All investors must sign.

Section 3 – Partnerships

Complete this section if you are investing in your own name or as an individual trustee.

For AML requirements please refer to page 11.

3.1 General Information

Full Name of Partnership

Registered Business Names of Partnership (If Any)

Country Where Partnership is Established

Tax File Number (TFN) – or Exemption Code

Reason for TFN Exemption

3.2 Type of Partnership

Is the partnership regulated by a professional association?

☐ **Yes** – please provide details:

Name of Association

Membership Details

☐ **No** – provide number of partners:

Partner 1

Title

Given Name(s)

Surname

Telephone Number (Including Country Code) (Daytime)

Date of Birth (DD/MM/YY)

Street Address (Not a PO Box)

Unit Number | Street Number

Street Name

Suburb

State | Post Code

Country

Country of Birth

Partner 2

Title | **Given Name(s)**

Surname

Telephone Number (Including Country Code) (Daytime)

Date of Birth (DD/MM/YY)

/ /

Street Address (Not a PO Box)

Unit Number | Street Number

Street Name

Suburb

State | Post Code

Country

Country of Birth

Section 4 – Trust/Superannuation Fund

Complete this section if you are investing for a trust or superannuation fund.

For AML requirements please refer to page 11.

4.1 General Information

Full Name of Trust or Superannuation Fund

Full Name of Business (If Any)

Country Where Trust Established

Tax File Number (TFN) – or Exemption Code

Reason for TFN Exemption

4.2 Trustee Details

How Many Trustees are There?

☐ **Individual** – at least one trustee must complete Section 2 of this form.

☐ **Company** – at least one trustee must complete Section 5 of this form.

☐ **Combination** – at least one trustee from each investor type must complete the relevant section of this form.

4.3 Type of Trust

☐ **Registered Managed Investment Scheme**

Australian Registered Scheme Number (ARSN)

☐ **Regulated Trust (Including Self Managed Superannuation Funds)**

Name of Regulator (e.g. ASIC, APRA, ATO)

Registration/License Details

Australian Business Number (ABN)*

☐ **Other Trust (Also Complete Section 4.4)**

Please describe:

4.4 Beneficiaries

Complete this section only if you ticked 'Other Trust' in 4.3.

Does the Trust Deed Name Beneficiaries?

☐ **Yes**

How many?

Please provide the full name of each beneficiary
(If more than 8, please provide as an attachment):

1.
2.
3.
4.
5.
6.
7.
8.

☐ **No**

Please describe the class of beneficiary: (e.g. the name of the family group, class of unit holders, the charitable purpose of charity name):

*See page 13 of the Application Form for terms and conditions relating to the collection of TFNs and ABNs.

4.5 Beneficial Owners

Please provide the full name of any beneficial owner of the trust. A Beneficial owner of a trust is any individual who has a 25% or more interest in the trust or controls the trust. This includes the appointor of the trust (who holds the power to appoint or remove the trustees of the trust), the settlor of the trust, and beneficiaries with at least a 25% interest in the trust. All beneficial owners will need to provide AML verification documents as per page 11.

* Settlor exemption – please note there is an exemption where deceased settlors or settlors to a trust less than $10,000 upon establishment, do not require verification. Please provide beneficial owners as an attachment if there is insufficient space below:

Section 5 – Company/ Corporate Trustee

Complete this section if you are investing for a company or where a company is acting as a trustee.

For AML requirements please refer to page 11.

5.1 Company Type

☐ **Australian Listed Public Company** – complete 5.2

☐ **Australian Proprietary Company or Non-Listed Public Company** – complete 5.2 and 5.4

☐ **Foreign Company** – complete all sections

5.2 Company Type

Company Name

ACN/ABN (If Registered in Australia)

Tax File Number (TFN) – or Exemption Code

Reason for TFN Exemption

Given Name(s) of Contact Person

Registered Street Address (Not a PO Box)

Suburb

State

Post Code

Country

Principal Place of Business in Australia
Note for non-Australian companies: you must provide a local agent name and address if you do not have a principal place of business in Australia.

☐ Tick if the same as above, otherwise provide:

Registered Street Address (Not a PO Box)

Suburb

State

Post Code

5.3 Additional Details for Non-Australian Company

☐ **Tick if the Company is Registered with ASIC**

Australian Registered Body Number (ARBN)

☐ **Tick if the Company is Registered with a Regulatory Body**

Name of Regulatory Body

Company Identification Number Issued (If Any)

Registered Company Address (Not PO Box)

Suburb

State

Post Code

Country

5.4 Beneficial owner

a. Managing Officials

All proprietary or non-listed public domestic companies and foreign companies must provide the full name of each senior managing official/s of the company (such as the managing director or directors who are authorised to sign on the company's behalf):

1.

2.

3.

4.

If there are more than 4 directors please provide as an attachment.

b. Shareholders

All proprietary or non-listed public domestic companies and foreign companies must provide details of each shareholder who owns directly, jointly or beneficially at least 25% of the company's issued capital.

Shareholder 1

Full Name

Registered Street Address (Not a PO Box)

Suburb

State

Post Code

Country

Shareholder 2

Full Name

Registered Street Address (Not a PO Box)

Suburb

State

Post Code

Country

If there are more than 2 shareholders that each have at least 25% of the company's issued capital, provide as an attachment.

* See page 13 of the Application Form for terms and conditions relating to the collection of TFNs and ABNs.

Section 6 – Authorised representative or agent

Complete this section if you are completing this Application Form as an agent under a direct authority such as a Power of Attorney. You must also complete the section relevant to the investor/applicant that you are acting on behalf of.

For AML requirements please refer to page 11.

6.1 Appointment of Power of Attorney

☐ I would like to appoint an authorised representative to operate on this account,
OR

☐ I am an agent under Power of Attorney or the investor's legal or nominated representative – complete 6.2.

Full Name of Authorised Representative/Agent

Title of Role Held with Applicant

Signature

6.2 Power of Attorney Documentation

You must attach a valid Power of Attorney.

☐ The document is an original or certified copy.

☐ The document is signed by the applicant/investor.

☐ The document is current and complete.

☐ The document permits the attorney/agent (you) to transact on behalf of the applicant/investor.

Section 7 – Financial adviser

By completing this section you nominate the named adviser as your financial adviser for the purposes of your investment in the Fund. You also consent to give your financial adviser/ authorised representative/agent access to your account information unless you indicate otherwise by ticking the box below.

For AML requirements please refer to page 11.

7.1 Financial adviser

I am a financial adviser completing this application form as an authorised representative or agent.

Name of Adviser

AFSL Number

Dealer Group

Name of Advisory Firm

Postal Address

Suburb

State

Post Code

Country

Email Address of Advisory Firm (Required)

Email Address of Adviser

Business Telephone

Facsimile

7.2 Financial Adviser Declaration

☐ I/We hereby declare that I/we are not a US Person as defined in the Transaction Documents

☐ I/We hereby declare that the investor is not a US Person as defined in the Transaction Documents

☐ I have completed an appropriate customer identification procedure (CID) on this investor which meets the AML/CTF Act.

AND EITHER

☐ I have attached the relevant CID documents,

OR

☐ I have not attached the CID documents however I will retain them and agree to provide them to Spire on request. I also agree to forward these documents to Spire if I ever become unable to retain the documents.

I have provided personal financial advice to the investor(s) named in this Application taking into account their personal needs, objectives, financial and taxation situation (having regard to the nature and any complexities of this product), have complied with all requirements of the Corporations Act and applicable law in relation to this investment by the investor(s) and have provided the Investor with a statement of advice. If I cease being the financial advisor for the Investor I will notify the Administrator at that time.

Financial Adviser Signature

Date

7.3 Access to Information

Unless you elect otherwise, your financial adviser will have access to your account information and will receive copies of all statements and transaction confirmations.

☐ Please tick this box if you **DO NOT** want your financial adviser to have access to information about your investment.

☐ Please tick this box if you **DO NOT** want copies of statements and transaction confirmations sent to your adviser.

By completing this section you nominate the named adviser as your financial adviser for the purpose of your investment in the Fund. You also consent to give your financial adviser /authorised representative/agent access to your account information unless you indicate otherwise by ticking the applicable box in 7.3.

7.4 Adviser Professional Fee for Service

(To be completed by Applicants if a professional fee for service is to be paid)

If this section is not completed, no professional fee for service will be paid to an adviser on your behalf. I/We have agreed to pay my/our adviser a professional fee for service in relation to my/our investment and hereby direct the Responsible Entity to pay to my/our adviser on my/our behalf an amount of:

☐ 1% of my/our Application Amount;

☐ 2% of my/our Application Amount; or

☐ 3% of my/our Application Amount, to be deducted from my/our Application Amount. OR please insert a dollar amount that you wish to pay to your adviser as a professional fee for service.

$

☐ be deducted from my/our Application Amount

7.5 Adviser Declaration (To be completed by Financial Adviser)

FINANCIAL ADVISER DECLARATION –
AML LEGISLATION VERIFICATION RECORDS
AND CUSTOMER IDENTIFICATION PROCEDURES

Please complete and enclose a copy of the relevant identification form issued by Investment and Financial Services Association Limited and the Financial Planning Association of Australia (IFSA/FPA Form) in relation to the Applicant referred to in this Application Form.

By signing below and submitting the IFSA/FPA Form with this Application Form, the financial adviser represents to the Responsible Entity that they:

1. have followed the IFSA/FPA Industry Guidance Note No. 24 and any other applicable AML Legislation;
2. will make available to the Responsible Entity, on request, original verification and identification records obtained by the financial adviser in respect of the Applicant, being those records referred to in the IFSA/FPA form.
3. will provide details of the customer identification procedures adopted by the financial adviser in relation to the Applicant;
4. have kept a record of the Applicant's identification and verification and will retain these on file for a period of seven years after their relationship with the Applicant has ended;
5. will use reasonable efforts to obtain additional information from the Applicant if the Responsible Entity requests the financial adviser to do so;
6. will not knowingly do anything to put the Responsible Entity in breach of AML Legislation; and
7. will notify the Responsible Entity immediately if they become aware of anything that would put the Responsible Entity in breach of AML Legislation.

Signature

Date (DD/MM/YY)

☐☐ / ☐☐ / ☐☐

Adviser Stamp

By signing this Application Form, you are confirming that you are authorised to advise on managed investments.

Section 8 – Investment instructions (ALL INVESTORS MUST COMPLETE)

8.1 Contact Details

Title **Given Name(s)**

Surname

Telephone Number (Including Country)

Date of Birth (DD/MM/YY)

/ /

Street Address (Not a PO Box)

Unit Number Street Number

Street Name

Suburb

State Post Code

Country

Mobile Telephone (Including Country Code)

Business Telephone (Including Country Code)

Email Address

Facsimile

8.2 Investment Details

Spire Wholesale Alternative Income Fund No.1 (AUD).

Full Name Investment to be Held in

Investment Amount

, , .

The minimum initial investment in the Fund is $100,000.

8.3 Investor Banking Details for Redemptions and Distributions (If Applicable)

Account Name

Financial Institution

Branch (Including Country)

BSB

Account Number

8.4 Payment Method

☐ **Direct Credit**

Bank Name & Address (Including Country):

Bank: ANZ Bank
BSB: 012 006
Account Number: 836741538
Account Name: Spire Capital Pty Ltd ATF
Spire Wholesale Alternative Income Fund No. 1 (AUD).
Reference: Investor Name

8.5 Elections

Annual Financial Report

☐ The annual financial report for the Fund will be available on www.spirecapital.com.au from 30 September each year, however, if you would like a hard copy of the annual financial report sent to you please tick the box.

Privacy

Do you wish to receive marketing information from Spire Capital (and Spire Capital's related bodies corporate) about products and services that may be of interest to you? This information may be distributed by mail, email or other form of communication. A copy of Spire Capital's Privacy Statement is available on request.

☐ Yes

☐ No

8.6 Purpose of Investment and Source of Funds

Please Outline the Purpose of Investment
(e.g. superannuation, portfolio investment, etc.)

Please Outline the Source/s of Initial Funding and Anticipated Ongoing Funding
(e.g. salary, savings, business activity, financial investments, real estate, inheritance, gift, etc. and expected level of funding activity or transactions)

Section 9 – Foreign Account Tax Compliance Act (FATCA) (ALL INVESTORS MUST COMPLETE)

The US Foreign Tax Compliance Act (FATCA) requires us to collect certain information about each investor's tax residency and tax classifications. In certain circumstances (including if the below section is not completed by you) we may be obliged to share information on your account with the Australian Tax Authorities. If you have any questions about your tax status, please contact your tax adviser.

9.1 Individual and Joint Investors (Company, Superannuation and Other Trusts, Partnership etc. Please Complete Section 9.2)

Investor 1

Permanent Tax Residence Address
If your tax residence address is different from the registered address in Section 2, please complete the following:

For the Attention of:

Street Address (Not a PO Box)

Suburb

State

Post Code

Country

Are you a US citizen or US resident for tax purposes?

☐ No (go to section 10)

☐ Yes – please provide your US Taxpayer Identification Number (TIN):

(Please note that you may not be eligible to enter in the funds, in which case White Outsourcing or Spire Capital will contact you).

Investor 2

Permanent Tax Residence Address
If your tax residence address is different from the registered address in Section 2, please complete the following:

For the Attention of:

Street Address (Not a PO Box)

Suburb

State

Post Code

Country

Are you a US citizen or US resident for tax purposes?

- ☐ No (go to section 10)
- ☐ Yes
- ☐ Yes – please provide your US Taxpayer Identification Number (TIN):

(Please note that you may not be eligible to enter in the funds, in which case White Outsourcing or Spire Capital will contact you).

9.2 Companies, Superannuation and Other Trusts, Partnership (Entities)

☐ **A US Entity (established under the laws of the US, or, for a trust, administered under the laws of the US)**

Please provide the Entity's US Taxpayer Identification Number (TIN):

Is the Entity an exempt payee for US tax purposes?

☐ Yes ☐ No

If the Entity is an exempt payee, provide its exemption code:

(Please note that you may not be eligible to enter in the funds, in which case White Outsourcing or Spire Capital will contact you).

☐ **A Foreign Financial Institution**

Provide the Entity's Global Intermediary Identification Number (GIIN), if applicable:

If the Entity is a Financial Institution but does not have a GIIN, provide its FATCA Status:

- ☐ Deemed Compliant Financial Institution
- ☐ Excepted Financial Institution
- ☐ Exempt Beneficial Owner
- ☐ Non Reporting IGA Financial Institution (listed in Annex II of an IGA)
- ☐ Non-participating Financial Institution
- ☐ Other – describe FATCA status:

☐ **A Trustee Documented Trust**

Provide the Trustee's Global Intermediary Identification Number (GIIN), if applicable:

☐ **A Non-Financial Listed Public Company (excluding US Companies)**

☐ **A Not-For-Profit Entity that is Exempt from Income Tax (excluding US entities)**

☐ **Non US Government Body**

☐ **Other** – please complete the US controlling persons section on the next page.

US Controlling Persons (Please fill if ticked 'Other' under 9.2)

Does the Entity have any Controlling Person/s who is/are US citizens or residents of the US for tax purposes?

Controlling Person 1

Full Name

Date of Birth

Full Residential Address (Not a PO Box)

Details of controlling person's beneficial ownership (%)

US Taxpayer Identification Number (TIN):

Controlling Person 2

Full Name

Date of Birth

Full Residential Address (Not a PO Box)

Details of controlling person's beneficial ownership (%)

US Taxpayer Identification Number (TIN):

Declaration and Undertakings

I undertake to advise the recipient promptly for FATCA self-certification where any of the information above changes.

Please note that the Fund Administrator will review your self-certification in the context of the FATCA due diligence, and may have to request additional supporting documentation.

Key Definitions for the FATCA Section

It is the responsibility of prospective investors to inform themselves as to the tax consequences to them of buying, holding, selling (or otherwise transferring) or redeeming shares under the laws of the country(ies) in which they are or may be taxable. These definitions are provided for your information only and you are encouraged to seek the assistance of an independent financial professional or tax adviser to facilitate the completion of this form.

A **Foreign Financial Institution** is a non-US entity (e.g. company, partnership or trust) that engages in one of the following:

i. accepts deposits in the ordinary course of a banking or similar business (depository institution);
ii. holds as a substantial portion of its business (equals or exceeds 20 percent of the entity's gross income) financial assets for the account of others (custodial institution);
iii. is an investment entity including entities that trade in financial assets or that are investing, administering, managing funds, money, or certain financial assets on behalf of other persons
iv. is an insurance company; or
v. is an entity that is a holding company or treasury centre that is a part of a group that includes one of the above.

For further information regarding these definitions refer to: http://www.irs.gov/Businesses/Corporations/Information-for-Foreign-Financial-Institutions

An **IGA** (Inter-Governmental Agreement) means an agreement between the US or the Treasury Department and a foreign government to implement FATCA through reporting by Financial Institutions to such foreign government (Model 1) or to the IRS (Model 2).

A **controlling person** is any individual who directly or indirectly exercises ultimate effective control over the entity. For a company, this includes beneficial owners controlling more than 25% of the shares in the company. For a Trust, this includes Trustees, Settlors, Protectors or Beneficiaries. For a partnership this includes any partners.

Section 10 – Declarations (ALL INVESTORS MUST COMPLETE)

Applicant 1

Given Name(s)

Capacity

- ☐ Individual Signatory
- ☐ Director
- ☐ Executive Office
- ☐ Partner
- ☐ Sole Director / Secretary
- ☐ Authorised Signatory

Signature

Date (DD/MM/YY)

☐☐ / ☐☐ / ☐☐

Company Seal (If Applicable)

Applicant 2

Given Name(s)

Capacity

- ☐ Individual Signatory
- ☐ Director
- ☐ Executive Office
- ☐ Partner
- ☐ Sole Director / Secretary
- ☐ Authorised Signatory

Signature

Date (DD/MM/YY)

☐☐ / ☐☐ / ☐☐

Company Seal (If Applicable)

Wholesale Client Certificate

Issued under Chapters 6D and 7 of the *Corporations Act 2001* (Cth).

I certify that:

Full Legal Name of Person (Individual or Company)

- has net assets of at least A$2.5 million; or
- a gross income for each of the last 2 financial years of at least $A250,000 per year.

Controlled companies/and or trusts

It is also confirmed for the purposes of the Corporations Act the above named person controls the following companies and trusts:

Full Name of Company/Trust

ABN/ACN/ARBN (If Any)

Full Name of Company/Trust

ABN/ACN/ARBN (If Any)

Full Name of Company/Trust

ABN/ACN/ARBN (If Any)

Full Name of Company/Trust

ABN/ACN/ARBN (If Any)

I confirm that I am a member of one or more of the following professional bodies (tick appropriate box):

- ☐ CPA Australia ("CPA" or "FCPA"); or
- ☐ Institute of Chartered Accountants in Australia ("CA", "ACA" or "FCA"); or
- ☐ The National Institute of Accountants in Australia ("PNA", "FPNA", "FINA" or "MNIA"); or
- ☐ Other foreign eligible professional body for the purposes of the Corporations Act (please specify)

and I have at least 3 years practical experience as an accountant or auditor and I am giving this certificate in respect of my country of qualification, not being Australia.

I am subject to an in compliance with the professional body's continuing education requirements.

I am aware that Spire Capital, and any subsidiary of Spire Capital may rely on this certificate for such period of time as is permitted by the Corporations Act.

I confirm that I am independent of the above-named person and/or entities.

Signature of Accountant

Name of Accountant

Name of Firm

Business Address

Date (DD/MM/YY)

Guidance Notes of completing the Wholesale Client Certificate:

In determining the net assets of the person, the net assets of a company or trust controlled by the person may be included in the calculations.

In determining the gross income of the person, the gross income of a company or trust controlled by the person may be included in the calculations.

Refer section 708(8)(d) and section 761G(7). For this purpose "control" has the meaning given to it in section 50AA of the Corporations Act 2001 and, in general, means having the capacity to determine the outcome of decisions about the relevant company's or trust's financial and operating policies.

A list of approved foreign eligible professional bodies is listed by ASIC at:
http://www.asic.gov.au/asic/asic.nsf/byheadline/Certificates+issued+by+a+qualified+accountant?openDocument

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

► **For use by individuals. Entities must use Form W-8BEN-E.**
► **Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.***
► **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

Do NOT use this form if:	**Instead, use Form:**
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (see instructions)

1	Name of individual who is the beneficial owner	**2** Country of citizenship
3	Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**	
	City or town, state or province. Include postal code where appropriate.	Country
4	Mailing address (if different from above)	
	City or town, state or province. Include postal code where appropriate.	Country
5	U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)	**6** Foreign tax identifying number (see instructions)
7	Reference number(s) (see instructions)	**8** Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

_____.

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

_____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:
  (a) not effectively connected with the conduct of a trade or business in the United States,
  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ►

_____ _____
Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date (MM-DD-YYYY)

_____ _____
Print name of signer Capacity in which acting (if form is not signed by beneficial owner)

APPLICATION CHECKLIST

- ☐ Have you signed the Subscription Agreement?
- ☐ Have you completed all sections relevant to you (as set out in the introduction)?
- ☐ Have you nominated your financial adviser in section 7 (if applicable)?
- ☐ Have you provided certified copies of your identification documents or has your financial adviser completed this for you?
- ☐ Have you completed all other relevant details and SIGNED the Application Form?
- ☐ Have you completed and SIGNED the W-8 BEN Form?*
- ☐ Have you had the Wholesale Client Declaration signed by a qualified accountant (for investments less than $500,000)?

If you can tick all of the boxes above, send the following:

- ☐ Completed Application Form;
- ☐ Certified copies of identification documents (unless your adviser has agreed to retain these); and
- ☐ A cheque made payable to 'Spire Capital Pty Ltd ATF Spire Wholesale Alternative Income Fund No. 1 (AUD)'.

By post to:
White Outsourcing Pty Ltd
Attention: Spire Unit Registry
GPO Box 5482
Sydney NSW 2001

* Note: Certain types of investors may require a different IRS form to be able to claim Treaty Benefits. If required, Spire will provide for completion, following acceptance of the Application.

Spire Capital Pty Ltd
Level 14
25 Bligh Street
Sydney NSW 2000
Australia
Tel: +612 9377 0755
info@spirecapital.com.au

spirecapital.com.au

Copy #_____

ROC DEBT STRATEGIES KF12 AUSTRALIAN FEEDER (USD) LP

an Alberta limited partnership

$10,000,000

of

LIMITED PARTNERSHIP INTERESTS

November 2015

Confidential Private Placement Memorandum

Copy #_____

ROC Debt Strategies KF12 Australian Feeder (USD) LP

Limited Partnership Interests

This Confidential Private Placement Memorandum (as amended or supplemented from time to time, the "Co-Investment Memorandum") constitutes an offering of the securities described herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Co-Investment Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada or elsewhere. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed or in any way passed upon this Co-Investment Memorandum or the merits of the securities described herein and any representation to the contrary is an offence. This Co-Investment Memorandum is furnished on a confidential basis to a limited number of sophisticated investors for the purpose of providing certain information about an investment in limited partnership interests ("Co-Investment Interests") in ROC Debt Strategies KF12 Australian Feeder (USD) LP (the "Co-Investment Partnership"). The information contained herein supplements the Confidential Private Placement Memorandum dated July 2014 of ROC|Debt Strategies Fund LP (the "Partnership"), contained in Annex A hereto (as amended or supplemented, the "Memorandum") the full text of which is incorporated herein by reference and forms a part hereof. The investment strategy and objectives of the Co-Investment Partnership, and detailed information regarding the terms of the Co-Investment Partnership, the Co-Investment Partnership's investment background and philosophy and the investment team behind the Co-Investment Partnership are set out in the Memorandum; *provided* that the Co-Investment Partnership's sole investment (the "Investment") will be to acquire an interest in ROC Debt Strategies KF12, LLC (the "Investment Joint Venture"), which has been formed for the sole purpose of acquiring an unrated subordinate CMBS bond on a pool of loans originated by Freddie Mac, which pool of loans is being securitized as Freddie Mac Series 2015-KF12. The Memorandum, along with this Co-Investment Memorandum, must be read in its entirety by any investor purchasing Co-Investment Interests in the Co-Investment Partnership. References to the "Partnership," the "Interests" and the other terms throughout the Memorandum also apply generally to the Co-Investment Partnership and Co-Investment Interests, unless otherwise noted.

This Co-Investment Memorandum is to be used by the person to whom it has been delivered solely in connection with the consideration of the purchase of the Co-Investment Interests described herein. The information contained herein should be treated in a confidential manner and may not be reproduced, transmitted or used in whole or in part for any other purpose, nor may it be disclosed without the prior written consent of ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (the "General Partner"). Each prospective investor accepting this Co-Investment Memorandum hereby agrees to return it, along with any copies, promptly upon request.

The Co-Investment Interests offered hereby have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), the Alberta Securities Commission or by the securities regulatory authority of any state or of any other federal, state, provincial, local or other jurisdiction, nor has the SEC, the Alberta Securities Commission or any such securities regulatory authority passed upon the accuracy or adequacy of this Co-Investment Memorandum. Any representation to the contrary is a criminal offense.

Investment in the Co-Investment Partnership involves a high degree of risk (including the possible loss of a substantial part, or even the entire amount of an investment) and potential conflicts of interest that prospective investors should carefully consider before purchasing the Co-Investment Interests. There can be no assurance that the Co-Investment Partnership's investment objective will be achieved or that investors will receive a return of their capital. In addition, investment results may vary substantially on a monthly, quarterly or annual basis. Investment in the Co-Investment Partnership is suitable only for sophisticated investors and

requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Co-Investment Partnership. Potential investors should pay particular attention to the information under the captions "Certain Risks" and "Potential Conflicts of Interest."

The Co-Investment Interests have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any state of the United States or the securities laws of any other country or any other jurisdiction, nor is any such registration contemplated. The Co-Investment Partnership will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act"). There is no public market for the Co-Investment Interests and no such market is expected to develop in the future. The Co-Investment Interests may not be sold or transferred except as permitted under the Co-Investment Partnership's limited partnership agreement (as amended or restated from time to time, the "Co-Investment Partnership Agreement") and unless they are registered under the 1933 Act or an exemption from such registration thereunder and under any other applicable securities law registration and prospectus requirements is available.

This Memorandum is not a prospectus and does not purport to contain all information an investor may require to form an investment decision. It is not intended to be relied upon solely in relation to, and must not be taken solely as the basis for, an investment decision.

This Co-Investment Memorandum contains a summary of the Co-Investment Partnership Agreement and certain other documents referred to herein. However, the summaries set forth in this Co-Investment Memorandum do not purport to be complete. They are subject to and qualified in their entirety by reference to the Co-Investment Partnership Agreement and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Co-Investment Partnership. In the event that the descriptions in or terms of this Co-Investment Memorandum are inconsistent with or contrary to the descriptions in or terms of the Co-Investment Partnership Agreement or such other documents, the Co-Investment Partnership Agreement and such other documents shall control. The General Partner reserves the right to modify the terms of the offering and of the Co-Investment Interests described in this Co-Investment Memorandum and the Co-Investment Interests are offered subject to the General Partner's ability to reject any subscription in whole or in part in its sole discretion.

Notwithstanding anything in this Co-Investment Memorandum to the contrary, the Partnership, the Co-Investment Partnership, the General Partner, ROC Debt Strategies Fund Manager, LLC (the "Investment Manager"), and each investor or prospective investor in the Partnership (and any employee, representative or other agent of the Partnership or the Co-Investment Partnership, an investor or a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Co-Investment Memorandum (including opinions or other tax analyses that are provided to it relating to such tax treatment and tax structure). However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable U.S. federal or state securities laws. For this purpose, tax treatment and tax structure shall not include (a) the identity of the Partnership, the Co-Investment Partnership, the General Partner, the Investment Manager, or any investor in the Partnership or the Co-Investment Partnership (or, in each case, any affiliate thereof); (b) any specific pricing information; or (c) other nonpublic business or financial information (including, without limitation, the amount of any fees, expense, rates or payments) that is not relevant to an understanding of the tax treatment of the transactions contemplated by this Co-Investment Memorandum.

The distribution of this Co-Investment Memorandum and the offer and sale of the Co-Investment Interests in certain jurisdictions may be restricted by law. PROSPECTIVE INVESTORS SHOULD REVIEW ANNEX B — "NOTICES TO INVESTORS IN CERTAIN JURISDICTIONS" TO THE MEMORANDUM FOR IMPORTANT ADDITIONAL INFORMATION RELATING TO THE OFFERING OF PARALLEL INTERESTS IN VARIOUS NON-U.S. JURISDICTIONS. Prospective non-U.S. investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship,

residence, domicile and place of business with respect to the acquisition, holding or disposal of Interests, and any foreign exchange restrictions that may be relevant thereto. The distribution of this Co-Investment Memorandum and the offer and sale of the Co-Investment Interests in certain jurisdictions may be restricted by law. This Co-Investment Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any Co-Investment Interests in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. No action has been or will be taken to permit a public offering of the Co-Investment Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Co-Investment Interests may not be offered or sold, directly or indirectly, and this Co-Investment Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Co-Investment Interests that are acquired by persons not entitled to hold them will be compulsorily redeemed. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Co-Investment Interests, and any foreign exchange restrictions that may be relevant thereto.

No person has been authorized to give any information or make any representations other than as contained in this Co-Investment Memorandum and any representation or information not contained herein must not be relied upon as having been authorized by the Partnership, the Co-Investment Partnership, the General Partner, the Investment Manager, the placement agent or any of their members or affiliates. The delivery of this Co-Investment Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof or, if earlier, the date such information is referenced. Unless otherwise stated herein, statements contained herein are not made in any person's individual capacity, but rather on behalf of the General Partner, the Co-Investment Partnership or the Partnership, as appropriate. References in the Memorandum to the Managers' experience refer to the collective experience of the management team. Each member's individual experience differs. See Section VII –"The Investment Manager and Management Overview" in the Memorandum.

Certain information contained in the Memorandum (including certain economic, financial market and real estate market information, as well as certain forward-looking statements and information) has been obtained from sources outside of the Partnership and the Co-Investment Partnership. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of the Partnership, the Co-Investment Partnership, the General Partner, the Investment Manager, the placement agent or any of their respective members, directors, officers, employees, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

Certain information contained in this Co-Investment Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under the caption "Risks and Potential Conflicts of Interest," actual events or results or the actual performance of the Co-Investment Partnership may differ materially from those reflected or contemplated in such forward-looking statements, and undue reliance should not be placed thereon.

Unless otherwise stated all internal rates of return, including target or projected rates of return, are presented on a "gross" basis (i.e., they do not reflect the management fees, "carried interest," taxes (whether borne by investors or entities through which they participate in investments), broken-deal expenses, transaction costs and other expenses to be borne by investors in the Co-Investment Partnership, which in the aggregate are expected to be substantial). "Net IRRs" contained herein are calculated after management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership).

In considering the target or projected returns of the Co-Investment Partnership or the Investment contained in this Co-Investment Memorandum, prospective investors should bear in mind that past, projected or targeted

performance, including, without limitation, the performance of Legacy Investments (as defined below), is not necessarily indicative of future results and there can be no assurance that such targeted or projected returns or asset allocations will be met, that the Co-Investment Partnership will achieve comparable results, that the Co-Investment Partnership will be able to implement its strategy or achieve its investment objectives or that the returns generated by any investments by the Co-Investment Partnership will equal or exceed any past, projected or targeted returns presented herein.

Inquiries should be directed to:

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This Co-Investment Memorandum is dated November 2015.

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I. INTRODUCTION

ROC Debt Strategies KF12 Australian Feeder (USD) LP, an Alberta limited partnership (the "Co-Investment Partnership") is being formed to facilitate the indirect participation of certain non-U.S. investors in ROC Debt Strategies KF12, LLC, a Delaware limited liability company (the "Investment Joint Venture"), which has been formed for the sole purpose of acquiring an unrated subordinate (i.e., the "B-piece") CMBS bond on a pool of loans originated by Freddie Mac, which pool of loans is being securitized as Freddie Mac Series 2015-KF12. The Co-Investment Partnership will invest alongside ROC|Debt Strategies Fund LP in the Investment Joint Venture. Accordingly, prospective investors should carefully read the confidential private placement memorandum of the Partnership (the "Memorandum"), which is hereby incorporated by reference into this Co-Investment Memorandum and attached hereto as Appendix B.

ROC Debt Strategies Fund Manager, LLC was awarded the B-piece of the Freddie Mac Series 2015-KF12 pool, which is part of Freddie Mac's "K-Deals" securitization program. The General Partner and the Investment Manager believe the K-series securitizations provide an attractive risk-reward profile. As of second quarter 2015, 99.99% of the K-Deal loans are current and only 1.9% of the outstanding loan population is on the servicers' watchlist.

The B-piece bonds to be acquired by the Investment Joint Venture represent 7.5% of the total pool balance, which is comprised of 84 loans totaling approximately $1.4 billion in aggregate outstanding principal balance. The weighted average loan-to-value ratio of the pool is approximately 72.5% and the weighted average debt service coverage ratio of the pool is 1.78x. Overall occupancy at the properties securing the loans in the pool is approximately 94.2%. The pool is expected to securitize in December 2015, with an expected investment closing date of December 8, 2015.

The General Partner anticipates that the Investment Joint Venture will utilize leverage in the form of repo financing to closing the acquisition of the B-piece bond. The General Partner also expects to pursue the re-securitization of the B-piece certificate after closing the investment. In the re-securitization, the Investment Joint Venture would retain the high-yielding subordinate tranche of the B-piece and sell the senior tranche to a third party. **Provided, however, that no assurance can be given that the General Partner will be successful in obtaining the acquisition financing to close the acquisition of the KF12 B-piece certificate or, if the Investment Joint Venture does acquire the KF12 B-piece certificate, will successfully complete the re-securitization of the KF12 B-piece certificate.**

Pricing and structure of the KF12 B-piece is summarized below:

Initial Investment:	~$100MM
Investment (after re-REMIC):	~$50MM
Initial IRR:	L + 1065
Projected IRR (after re-REMIC):	L + 1440
Initial Current Pay:	L + 1065
Projected Current Pay (after re-REMIC)	L + 1440

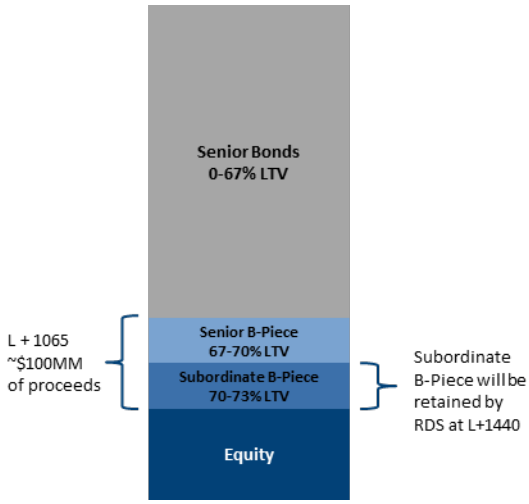
Properties	84
Total Units	18,458
Physical Occupancy	94.2%
Average Loan Size	$17MM
State Concentrations	CA (15.9%), GA (14.5%), TX (11.3%)
Type	Acquisition (44.7%) Refinance (55.3%)

Collateral Summary:

Balance	$ 1,418,731,604	**LTV**	72.8%
Loan Count	84	**Balloon LTV**	65.1%
Closing Date	December 8, 2015	**DSCR**	1.78x
Top 10 Loans as %	30.4%	**Debt Yield**	7.7%
Average Coupon	L + 2.32%	**Loan/Unit**	$97,776

- The "B-Piece" will represent the 67-73% LTV corridor of the loan pool
- The B-Piece is a par bond with attractive current pay characteristics at L + 1065
- By bifurcating the B-Piece, the Investment Joint Venture will be able to create a higher-yielding subordinate tranche[1]
- The retained subordinate tranche will retain all rights of the B-Piece including the right to direct the special servicer, approve assumptions, and collect assumption fees

[1] **No assurance can be given that the General Partner will be successful in obtaining the acquisition financing to close the acquisition of the KF12 B-piece certificate or, if the Investment Joint Venture does acquire the KF12 B-piece certificate, will successfully complete the re-securitization of the KF12 B-piece certificate**



Transaction Strengths:

- **Freddie Mac historical loss experience:** Freddie Mac has experienced extremely low defaults during their 20+ year history of multifamily lending due to their conservative underwriting standards and focus on borrowers with strong credit histories.
- **Synergies with Bridge-IGP's Portfolio**: A large portion (70%+) of the portfolio is in markets where Bridge-IGP currently owns assets. Bridge-IGP is well-equipped to diligence the portfolio and manage the assets if problems arise.
- **Stable and Cash Flowing**: Current portfolio occupancy is 94.2% with a pool DSCR of 1.78x (2.75x without amortization).
- **Favorable Pricing:** Pricing on the KF12 B-Piece is 200+ bps wider than similar bonds sold in the last 18 months.
- **Limited Student Housing:** There is less than 1% of student housing in this pool which historically is the riskiest loan type in Freddie Mac pools.

The table set forth below provides an overview of the ten (10) largest loans in the Series 2015-KF12 pool.

Name	Original Balance	LTV	DSCR	DY	Loan/ Unit	Occupancy	City	State
Park 83 Apartments	$64,270,000	79.9%	1.52x	6.90%	$96,792	96.7%	Roswell	GA
Promenade Terrace Apartments	$59,250,000	73.3%	1.51x	7.20%	$179,545	94.2%	Corona	CA
Grand Villa Of Delray Beach	$26,590,000	69.5%	1.97x	10.30%	$118,092	78.1%	Delray	FL
Woods At Cedar Run	$18,600,000	69.5%	1.97x	10.00%	$130,039	84.5%	Camp Hill	PA
Chestnut Grove	$9,000,000	69.5%	1.97x	9.70%	$114,788	96.2%	Richmond	VA
Appleridge Senior Living	$13,019,000	69.5%	1.97x	9.10%	$115,633	92.3%	Horseheads	NY
Aqua At Deerwood Apartments	$46,720,000	69.1%	1.56x	7.30%	$75,844	92.7%	Jacksonville	FL
Del Arte Lofts and Flats	$41,800,000	79.8%	1.55x	7.30%	$119,088	97.4%	Aurora	CO
Park Grove	$39,685,000	70.0%	1.55x	7.40%	$161,980	97.6%	Garden Grove	CA
The Crossings At Bear Creek	$37,705,000	77.3%	1.50x	7.20%	$168,326	94.6%	Lakewood	CO
Parkside At Craig Ranch	$36,251,000	64.8%	3.21x	7.56%	$86,725	94.5%	McKinney	TX
Watervue Apartments	$35,960,000	72.5%	1.49x	7.02%	$90,125	95.5%	Keller	TX
1250 West	$32,880,000	80.0%	1.61x	7.58%	$70,256	93.2%	Marietta	GA

See Appendix A attached hereto for additional information and background on the Freddie Mac K-series program, the KF12 loan securitization and pool and the KF12 B-piece investment.

II. PRINCIPAL TERMS OF THE CO-INVESTMENT PARTNERSHIP

Set forth below is a summary of certain terms of the Co-Investment Partnership that differ from the terms of the Partnership as set forth in the "Principal Terms" section of the Memorandum. The principal terms of the Co-Investment Partnership are, in all other material respects, consistent with those of the Partnership. This summary is qualified in its entirety by reference to the limited partnership agreement of the Co-Investment Partnership (as amended, restated or otherwise modified from time to time, the "Co-Investment Partnership Agreement"). The Co-Investment Partnership Agreement and subscription materials will be provided to qualified investors prior to closing. To the extent that the terms set forth below are inconsistent with those of the Co-Investment Partnership Agreement, the Co-Investment Partnership Agreement shall control. All capitalized terms used in this Co-Investment Memorandum shall have the meanings ascribed to them in the Memorandum unless otherwise defined herein.

The Co-Investment Partnership:

ROC Debt Strategies KF12 Australian Feeder (USD) LP, an Alberta limited partnership (the "Co-Investment Partnership"). The Co-Investment Partnership will generally invest substantially all of its assets through ROC Debt Strategies KF12, LLC (the "Investment Joint Venture"), in parallel with ROC|Debt Strategies Fund LP (the "Partnership"), and its parallel funds (as the context requires).

References to the "Co-Investment Partnership", the "Co-Investment Partnership's investments", "investments made by the Co-Investment Partnership" and similar such references shall be deemed to include the Co-Investment Partnership and the Investment Joint Venture, the Investment Joint Venture's investments and investments made by the Investment Joint Venture, as the context requires.

Purpose:

The Co-Investment Partnership's investment objectives are to provide its Limited Partners (as defined below) with attractive risk-adjusted returns by investing in the Investment Joint Venture, which will invest solely in the B-Piece (i.e., subordinate) tranche of the Freddie Mac Series 2015-KF12 loan pool securitization (the "Investment"). In connection with seeking to achieve this purpose, the Co-Investment Partnership will generally invest in a membership interest of the Investment Joint Venture, receive distributions from the Investment Joint Venture in relation thereto and invest through the Investment Joint Venture in the Investment. For purposes hereof, the term "Investment" and other references and discussions relating to the investment activities of the Co-Investment Partnership shall be deemed to include the Investment made by the Investment Joint Venture and the Co-Investment Partnership's indirect activities through the Investment Joint Venture, as the context requires.

An Alberta limited partnership is constituted by the signing of the relevant partnership agreement and the filing of a certificate of limited partnership with the Registrar pursuant to the *Partnership Act* (Alberta) (as amended, the "Act") in Alberta. Notwithstanding registration, a limited partnership is not a separate legal person distinct from its partners. Under Alberta law, any property of the limited partnership shall be held or deemed to be held by the general partner, and if more than one then by the general partners, jointly upon trust as an asset of the limited partnership in accordance with the terms of the partnership agreement.

Similarly, the general partner for and on behalf of the partnership incurs the debts or obligations of the limited partnership. Registration under the Act entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Act.

The terms and conditions of investment in the Partnership are as set forth in the Memorandum, a copy of which is attached hereto as Appendix B.

General Partner: The general partner of the Co-Investment Partnership is ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (the "General Partner" and, together with the Limited Partners (as defined below), the "Partners"). The General Partner has full and exclusive management authority over the business and affairs of the Co-Investment Partnership and has delegated the investment management activities of the Co-Investment Partnership to the Investment Manager (as defined below).

Investment Manager The investment manager of the Co-Investment Partnership is ROC Debt Strategies Fund Manager, LLC (the "Investment Manager"), a Delaware limited liability company and an affiliate of the General Partner. The Investment Manager provides administrative and management services to the Co-Investment Partnership in connection with the Investments. The Asset Management Fee (as defined in the partnership agreement of the Partnership, the ("Co-Investment Partnership Agreement")) is paid to the Investment Manager.

Minimum Investment: The minimum investment by a limited partner of the Co-Investment Partnership (a "Limited Partner") will be US$1 million, although the General Partner reserves the right to accept investments of lesser amounts.

Closings: The initial closing of the Co-Investment Partnership, at which time the first capital contributions will be accepted (the "Initial Closing"), will occur as soon as practicable at such time as the General Partner determines that sufficient capital contributions have been obtained in order for the Co-Investment Partnership to commence operations. Investors that subscribe for limited partnership interests of the Co-Investment Partnership ("Co-Investment Interests") at closings after the Initial Closing will be treated in a manner comparable to the way limited partners in the Partnership who subscribe at subsequent closings are treated, as provided in the Memorandum under the heading "Detailed Summary Terms—Subsequent Closings".

Capital Contributions: Investors will be required to contribute their entire investment amount as provided in the Co-Investment Partnership Agreement.

Term: The Co-Investment Partnership will terminate upon the expiration of the term of the Investment Joint Venture. The Co-Investment Partnership is subject to earlier dissolution and termination upon the occurrence of

certain events described in the Co-Investment Partnership Agreement.

Asset Management Fees; Other Fees:

The Asset Management Fee will be an annual rate of 1.5% of Investor's Capital Contributions, as reduced by any distributions returning Investor's Capital Contributions. The Asset Management Fee will be payable directly by Investor to the Investment Manager or deducted from cash-flow of the Co-Investment Partnership. . The Asset Management Fee will be payable quarterly in advance and prorated for any partial quarter.

Fund administration and other fees will be charged at the same amounts and on the same terms as the Partnership.

Distributions:

The Co-Investment Partnership will make distributions of Net Cash Flow to the Partners in such amounts and at such times as the General Partner shall determine in accordance with the priorities set forth below, provided that the General Partner will generally cause the Co-Investment Partnership to make distributions of Net Cash Flow within fifteen (15) days after receipt of distributions from ROC Purchaser. Distributions will be made in the first instance to the Limited Partner and the General Partner pro rata in proportion to each of their percentage interests with respect to the Investment. Net Cash Flow allocated to the General Partner will be distributed to the General Partner. Net Cash Flow allocated to the Limited Partner will be further allocated between the Limited Partner and the General Partner in the following amounts and order of priority:

(i) Return of Capital: First, 100% to the Limited Partner until the Limited Partner has received cumulative distributions in an amount equal to the Limited Partner's aggregate Capital Contributions;

(ii) 8% Preferred Return: Second, 100% to the Limited Partner until the cumulative distributions to the Limited Partner in excess of the Limited Partner's aggregate Capital Contributions represents an 8% cumulative compounded annual rate of return on the amount of the Limited Partner's Capital Contributions from the date the applicable Capital Contributions were made until the date such amounts are distributed to the Limited Partner;

(iii) General Partner Catch-up to 20% Overall Carried Interest: Third, 50% to the General Partner and 50% to the Limited Partner until the General Partner has received (as Carried Interest) 20% of the sum of (A) the aggregate amount distributed to the Limited Partner pursuant to clause (ii) above, and (B) the amount of Carried Interest distributed to the General Partner with respect to the Limited Partner; and

(iv) 80%/20% Split: Thereafter, 80% to the Limited Partner and 20% to the General Partner.

Co-Investment Partnership Co-Investment Partnership Expenses:	The Co-Investment Partnership will pay all expenses related to its own operations, including legal, accounting, compliance, litigation, insurance, auditing and other professional costs, organizational expenses, operating expenses, expenses of liquidating the Co-Investment Partnership, and any taxes, fees or other governmental charges levied against the Co-Investment Partnership, as well as its pro rata share of management fees, organizational expenses and partnership expenses of the Partnership.
Reports and Meetings:	The Co-Investment Partnership will furnish unaudited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2016, and for each year thereafter until the termination of the Co-Investment Partnership) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 90 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Co-Investment Partnership.
ERISA:	The General Partner will use its reasonable efforts either to (i) limit equity participation by "benefit plan investors" to less than 25% of the total value of each class of equity interests in the Co-Investment Partnership, or (ii) structure investments of the Co-Investment Partnership and operate the Co-Investment Partnership in such a manner so as to qualify the Co-Investment Partnership as a "venture capital operating company" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") so that the underlying assets of the Co-Investment Partnership should not constitute "plan assets" of any "benefit plan investor" which invests in the Co-Investment Partnership. Prospective Investors should carefully review the ERISA matters discussed under Section III —"Regulatory, Tax and ERISA Considerations —Certain ERISA Considerations,"" and should consult with their own advisors as to the consequences of making an investment in the Co-Investment Partnership.
Certain Tax Matters:	Investors should note that an investment in the Co-Investment Partnership may have certain tax consequences under U.S. federal income tax laws, as well as the laws of states, localities and other countries. In particular, Investors should note that the Co-Investment Partnership and the Investment Joint Venture are expected to be treated as partnerships for U.S. federal income tax purposes. Investors should also note that the Investment may generate certain ancillary fees (e.g., assumption or transfer fees) payable to the Investment Joint Venture (or its subsidiaries) and the Investors may be entitled to receive their pro rata portion of such fees. Investors should carefully review the matters discussed in Section III — "Regulatory, Tax and ERISA Considerations" as well as in the relevant tax sections of the Memorandum and any supplements thereto, and should consult with their own advisors with respect to the tax consequences of making an

	investment in the Co-Investment Partnership.
Amendments:	Except as required by law and subject to certain limitations set forth in the Co-Investment Partnership Agreement, the Co-Investment Partnership Agreement may be amended from time to time with the consent of the General Partner and a majority in interest of the Limited Partners. In certain circumstances described in the Co-Investment Partnership Agreement, the General Partner may unilaterally amend the Co-Investment Partnership Agreement (including to accommodate changes negotiated with Combined Limited Partners at Subsequent Closings, subject to certain limitations).
Counsel for the Co-Investment Partnership, the General Partner:	Alston & Bird LLP as to U.S. law and, with respect to the Co-Investment Partnership, Stikeman Elliott LLP as to Alberta Law.
Auditors for the Partnership	Deloitte LLP
Partnership Administrator	Bridge Fund Administration, LLC
Cash Custodian	Wells Fargo Bank N.A., U.S. Bank N.A., and KeyBank N.A.

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III. REGULATORY, TAX AND ERISA CONSIDERATIONS

Certain Regulatory Considerations

Federal Securities Laws

Securities Act of 1933

The Co-Investment Interests will not be registered under the 1933 Act, or any other securities laws, including state securities or blue sky laws and the Co-Investment Partnership does not intend to register the Co-Investment Interests under such laws.

Securities Exchange Act of 1934

It is not expected that the Co-Investment Partnership will be required to register the Co-Investment Interests or any other security of the Co-Investment Partnership under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, the Co-Investment Partnership would not be subject to the periodic reporting and related requirements of the Exchange Act and Limited Partners should only expect to receive the information and reports required to be delivered pursuant to the Co-Investment Partnership Agreement and applicable law.

Investment Company Act of 1940

The Co-Investment Partnership will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act") in reliance upon Section 7(d) thereof, which under current interpretations of the U.S. Securities and Exchange Commission exempts from registration any non-U.S. issuer whose outstanding securities are owned exclusively by non-U.S. persons. The Subscription Documents and the Co-Investment Partnership Agreement contain representations and restrictions on transfer to ensure that the Co-Investment Interests are owned by non-US persons.

Investment Advisers Act of 1940

The Investment Manager has registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Other jurisdictions may impose similar requirements on the Co-Investment Partnership.

Anti-Money Laundering

In order to comply with applicable anti-money laundering requirements, each investor must represent in its subscription agreement with the Co-Investment Partnership that neither the investor, nor any person having a direct or indirect beneficial interest in the Co-Investment Interest being acquired by the investor, appears on the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control in the U.S. Department of the Treasury or in Annex I to U.S. Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, and that the investor does not know or have any reason to suspect that (a) the monies used to fund the investor's investment in the Co-Investment Partnership have been or will be derived from or related to any illegal activities and (b) the proceeds from the investor's investment in the Co-Investment Partnership will be used to finance any illegal activities. Each investor must also agree to provide any information to the Co-Investment Partnership and its agents as the Co-Investment Partnership may require in order to determine the investor's and any of its beneficial owners' source and use of funds and to comply with any anti-money laundering laws and regulations applicable to the Co-Investment Partnership and the Partnership.

As part of the Co-Investment Partnership's responsibility for the prevention of money laundering, the Co-Investment Partnership and the Investment Manager (including its affiliates, subsidiaries or associates) will require a detailed verification of the investor's identity and the source of payment.

The Co-Investment Partnership and the Investment Manager reserve the right to request such information as is necessary to verify the identity of an investor. In the event of delay or failure by the investor to produce any information required for verification purposes, the Co-Investment Partnership and the Investment Manager will refuse to accept the application and the subscription monies relating thereto.

By subscribing, investors consent to the disclosure by the Co-Investment Partnership and the Investment Manager of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the United States and in other jurisdictions.

Certain ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Co-Investment Partnership by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters. ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Co-Investment Partnership of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Co-Investment Partnership, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control

and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, absent an exemption, the fiduciaries of a Plan should not invest in the Co-Investment Partnership with the assets of any Plan if the General Partner, the Investment Manager, or any of their respective affiliates is a fiduciary with respect to such assets of the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Co-Investment Interests by an ERISA Plan with respect to which the Co-Investment Partnership is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the "DOL") has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of investments in the Co-Investment Partnership. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts, and PTCE 96-23 respecting transactions determined by in-house asset managers.

Plan Assets. Under ERISA and the regulations promulgated thereunder (the "Plan Asset Regulations"), when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors" as defined in Section 3(42) of ERISA (the "25% Test") or that the entity is an "operating company," as defined in the Plan Asset Regulations. For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors," excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term "benefit plan investors" is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan's investment in such entity (*e.g.*, an entity of which 25% or more of the value of any class of equity interests is held by benefit plan investors and which does not satisfy another exception under ERISA). Thus, absent satisfaction of another exception under ERISA, if 25% or more of the value of any class of equity interests of the Co-Investment Partnership were held by benefit plan investors, an undivided interest in each of the underlying assets of the Co-Investment Partnership would be deemed to be "plan assets" of any ERISA Plan that invested in the Co-Investment Partnership.

The definition of an "operating company" in the Plan Asset Regulations includes, among other things, a "venture capital operating company" (a "VCOC"). Generally, in order to qualify as a VCOC, an entity must demonstrate on its "initial valuation date" (as defined in the Plan Asset Regulations), and annually thereafter, that at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in operating companies (other than VCOCs) (i.e., operating entities that (x) are primarily engaged directly, or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, or (y) qualify as "real estate operating companies" (a "REOC") as defined in the Plan Asset Regulations) in which such entity has direct contractual management rights. In addition, to qualify as a VCOC, an entity must, in the ordinary course of its business, actually exercise such management rights with respect to at least one of the operating companies in which it invests. Similarly, generally in order to qualify as a REOC an entity must

demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets valued at cost (other than short term investments pending long term commitment or distribution to investors) are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must in the ordinary course of its business actually be engaged directly in such real estate management or development activities. The Plan Asset Regulations do not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

Plan Asset Consequences. If the assets of the Co-Investment Partnership were to be deemed to be "plan assets" under ERISA, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Co-Investment Partnership, and (ii) the possibility that certain transactions in which the Co-Investment Partnership might seek to engage could constitute "prohibited transactions" under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the General Partner, the Advisor and/or any other fiduciary that has engaged in the prohibited transaction could be required to (i) restore to the ERISA Plan any profit realized on the transaction and (ii) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. ERISA Plan fiduciaries who decide to invest in the Co-Investment Partnership could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Co-Investment Partnership or as co-fiduciaries for actions taken by or on behalf of the Co-Investment Partnership or the General Partner. With respect to an IRA that invests in the Co-Investment Partnership, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

The General Partner will use reasonable efforts either to (i) limit equity participation by benefit plan investors in the Co-Investment Partnership to less than 25% of the total value of each class of equity interests in the Co-Investment Partnership as described above or (ii) operate the Co-Investment Partnership in such a manner so as to qualify the Co-Investment Partnership as a VCOC or REOC so that the underlying assets of the Co-Investment Partnership should not constitute "plan assets" of any ERISA Plan which invests in the Co-Investment Partnership. However, there can be no assurance that, notwithstanding the reasonable best efforts of the General Partner, the Co-Investment Partnership will qualify as a VCOC or REOC, the structure of the particular investments of the Co-Investment Partnership will satisfy the Plan Asset Regulations, or the underlying assets of the Co-Investment Partnership will not otherwise be deemed to include ERISA plan assets.

Under the Co-Investment Partnership Agreement, the General Partner will have the power to take certain actions to avoid having the assets of the Co-Investment Partnership characterized as "plan assets," including, without limitation, the right to cause a Limited Partner that is a benefit plan investor to withdraw from the Co-Investment Partnership. While the General Partner and the Co-Investment Partnership do not expect that the General Partner will need to exercise such power, neither the General Partner nor the Co-Investment Partnership can give any assurance that such power will not be exercised.

Under certain circumstances certain investors may invest in the Co-Investment Partnership or one or more alternative investment vehicles (each, an "Alternative Vehicle") through an entity or entities (each, a "Feeder Vehicle"). The discussion above under "General Fiduciary Matters," "Plan Assets" and "Plan Asset Consequences" will be similarly applicable to any investment in the Co-Investment Partnership or Alternative Vehicle either directly or indirectly through a Feeder Vehicle. While the General Partner will use its reasonable

efforts, as described above, to provide that the underlying assets of the Co-Investment Partnership and each Alternative Vehicle should not constitute "plan assets" under ERISA, a Feeder Vehicle is not expected to qualify as an "operating company" for purposes of the Plan Asset Regulations and it is possible that the Feeder Vehicle may not satisfy the 25% Test, in which case the assets of such Feeder Vehicle will constitute "plan assets" for purposes of ERISA and Section 4975 of the Code. The General Partner may structure a Feeder Vehicle as an intermediate entity for purposes of an investment in the Co-Investment Partnership or an Alternative Vehicle, as applicable, and limit any discretion with respect to the management or disposition of the assets of such Feeder Vehicle. In this regard, when investing in the Co-Investment Partnership or an Alternative Vehicle through such a Feeder Vehicle, each Limited Partner investing the assets of a Plan will, by making a capital contribution or a loan to the Feeder Vehicle, be deemed to (i) direct the general partner (or similar managing entity) of the Feeder Vehicle to invest directly or indirectly the amount of such capital contribution or the proceeds of such loan in the Co-Investment Partnership or Alternative Vehicle, as applicable, and acknowledge that during any period when the underlying assets of the Feeder Vehicle are deemed to constitute "plan assets" for purposes of ERISA, Section 4975 of the Code or applicable Similar Law, the general partner (or similar managing entity) of the Feeder Vehicle will act as a custodian with respect to the assets of such Plan but is not intended to be a fiduciary with respect to any such Plan for purposes of ERISA, Section 4975 of the Code or any applicable Similar Law and (ii) represent that such capital contribution and the holding of such loan, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Law. However, there can be no assurance that the fiduciary and prohibited transaction provisions of ERISA, Section 4975 of the Code or applicable Similar Law will not be applicable to activities of any such Feeder Vehicle. During any period when the underlying assets of a Feeder Vehicle are deemed to constitute "plan assets" of any ERISA Plan under ERISA, the general partner (or similar managing entity) of the Feeder Vehicle will, or will cause an affiliate of the general partner (or managing member) to, hold the counterpart of the signature page of the Feeder Vehicle's partnership agreement (or similar governing documents) in the United States.

The foregoing discussion is general in nature and is not intended to be all-inclusive. As indicated above, Similar Laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws and regulations on an investment in the Co-Investment Partnership and the considerations discussed above, if applicable.

EACH PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR CONCERNING THE CONSIDERATIONS DISCUSSED ABOVE BEFORE MAKING AN INVESTMENT IN THE CO-INVESTMENT PARTNERSHIP.

Certain United States Federal Income Taxation Considerations

To ensure compliance with Internal Revenue Circular 230, you are hereby notified that any discussion of tax matters set forth in this Co-Investment Memorandum was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a discussion of a limited number of U.S. federal income tax considerations in connection with an investment in the Co-Investment Partnership by non-U.S. Persons (as defined below). Investors should note that the discussion covers only a limited number of the more important U.S. federal income tax considerations, and does not generally address state or local tax considerations. In addition, this summary does not generally discuss the tax treatment of the Co-Investment Partnership's investments. Moreover, there is no discussion of the tax consequences to a tax-exempt investor in the Co-Investment Partnership or of any special tax considerations applicable to certain investors, such as individuals, dealers, traders that elect to mark their securities to market, insurance companies, financial institutions, tax-exempt organizations and foreign persons. The discussion is based on law current as of the publishing of this Co-Investment Memorandum, which is subject to change, possibly with retroactive effect. Each prospective investor should obtain guidance from its own tax advisor as to the income and other tax consequences of an investment in the Co-Investment Partnership.

For purposes of this discussion, "Co-Investment Partnership Agreement" means the limited partnership agreement of the Co-Investment Partnership (as amended, restated or otherwise modified from time to time), and the Co-Investment Partnership shall generally include any alternative investment vehicle or Parallel Vehicle. For purposes of this discussion, a "non-U.S. Person" or a "non-U.S. Limited Partner" is a Limited Partner (other than a partnership) that is not an individual who is a citizen or resident of the United States, a corporation or entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) it is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership holds Co-Investment Interests in the Co-Investment Partnership, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If the prospective investor is a partner of a partnership investing in the Co-Investment Partnership, the prospective investor should consult its own tax advisors.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE CO-INVESTMENT PARTNERSHIP.

Co-Investment Partnership Status

Subject to the discussion of "publicly traded partnerships" set forth below, under U.S. Treasury regulations, a foreign "eligible entity" (such as the Co-Investment Partnership) that has two or more members can generally elect to be classified as a partnership for U.S. federal income tax purposes. The General Partner intends to treat the Co-Investment Partnership as a partnership for U.S. federal income tax purposes. The classification of an entity as a partnership for such purposes may not be respected for state or local tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." The General Partner intends to obtain and rely on representations and undertakings from the Limited Partners to ensure that the Co-Investment Partnership is not a publicly traded partnership. The discussion herein assumes such treatment applies. An organization that is classified as a partnership for U.S. federal income tax purposes is not subject to U.S. federal income tax itself, although it must file an annual information return.

Non-U.S. Limited Partners

The discussion below addresses special rules applicable to non-U.S. Limited Partners. It assumes that a non-U.S. Limited Partner is not engaged in a U.S. trade or business apart from its Co-Investment Interest in the Co-Investment Partnership and, in the case of an individual, is not present in the United States for 183 days or more in any year. The discussion also assumes the Co-Investment Partnership is not engaged in a U.S. trade or business except as a result of an investment in a flow-through entity that is itself engaged in such a trade or business.

Investments made by, and activities of, the Co-Investment Partnership in the United States may constitute a U.S. trade or business. In general, in that event, non-U.S. Limited Partners would themselves be considered engaged in a trade or business in the United States through a permanent establishment. Thus, non-U.S. Limited Partners that invest in the Co-Investment Partnership directly or through an entity that is transparent for U.S. federal income tax purposes should be aware that the Co-Investment Partnership's income and gain from (as well as gain on sale Interests in the Co-Investment Partnership attributable to) U.S. investments may be treated as effectively connected with the conduct of a U.S. trade or business through a permanent establishment and thus be subject to U.S. federal income tax (and possibly state and local income tax), even though such investor has no other contact with the United States. In that event, the Co-Investment Partnership would be required to withhold tax at the highest regular income tax rate applicable to such non-U.S. Limited Partners from such income and gain allocable to each non-U.S. Limited Partner. Notwithstanding that some or all of taxes may be collected by withholding, such non-U.S. Limited Partners would be required to file appropriate federal (and possibly state and local) income tax returns. In addition, fee income actually received or deemed to be received by the Co-Investment Partnership or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager or its affiliates, such income results in a reduction in the Management Fee) may cause the Co-Investment Partnership and the Limited Partners to be treated as engaged in a U.S. trade or business in certain circumstances. The Co-Investment Partnership intends to take the position that Limited Partners do not share in fee income by virtue of that reduction in the Management Fee.

Prospective non-U.S. Limited Partners that are foreign corporations should also be aware that the 30% U.S. branch profits tax and branch-level interest tax may apply to a non-U.S. corporate Limited Partner that is allocated effectively connected income, although the rate at which such taxes apply may be reduced or eliminated for residents of certain countries having tax treaties with the United States. Non-U.S. Limited Partners who wish to claim the benefit of an applicable income tax treaty may be required to satisfy certain certification requirements.

Non-U.S. Limited Partners who do not wish to be treated as engaged in a U.S. trade or business and to file U.S. tax returns and pay U.S. tax directly or who would otherwise be subject to branch profits tax may be given the opportunity to invest through a Parallel Vehicle. The Parallel Vehicle or Vehicles may utilize certain structures to minimize certain tax reporting and tax filing obligations, but such structures may not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with certain investments.

In the case of U.S.-source income that is not effectively connected with a U.S. trade or business, non-U.S. Limited Partners will be subject to a U.S. federal withholding tax of 30% (unless reduced by applicable treaty) on all "fixed or determinable annual or periodical gains, profits and income" (as defined in the Code and including, but not limited to, interest and dividends), and certain other gains and original issue discount that are included in the non-U.S. Limited Partners' distributive share of Partnership income (whether or not distributed). Non-U.S. Limited Partners will not be subject to U.S. federal income tax on interest income that is not effectively connected

income and qualifies for the "portfolio interest" exemption. Not all interest will qualify for the portfolio interest exemption, e.g., certain contingent interest.

Regardless of whether the Co-Investment Partnership's activities constitute a trade or business giving rise to U.S. "effectively connected" income under provisions added to the Code by FIRPTA, non-U.S. Limited Partners are taxed on the gain derived from the dispositions of U.S. real property interests (including gain allocated pursuant to the Partnership Agreement upon a sale of such property interests by the Co-Investment Partnership) and certain interests in entities owning such property. Gains from sale of domestically-controlled REIT stock, however, are not considered gains from U.S. real property interests. Under FIRPTA, as described above, non-U.S. Limited Partners treat gain or loss from dispositions of U.S. real property as if the gain or loss were "effectively connected" with a U.S. trade or business and, therefore, are required to pay U.S. taxes at regular U.S. rates on such gain or loss. Generally, the Co-Investment Partnership will be required under Section 1445 of the Code to withhold an amount equal to as much as 35% of the gain attributable to the U.S. real property interest realized on the sale of the Co-Investment Partnership's property to the extent such gain is allocated to a non-U.S. Limited Partner. Also, such gain may be subject to a 30% branch profits tax (as discussed above).

Upon a sale of a Limited Partner's interest, if (a) 50% or more of the Co-Investment Partnership's gross assets consist of U.S. real property interests and (b) 90% or more of the Co-Investment Partnership's gross assets consist of U.S. real property interests and cash or cash equivalents, a purchaser will be required to withhold tax pursuant to Section 1445 of the Code on the full amount of the purchase price. Regardless of whether the Co-Investment Partnership satisfies these requirements, gain attributable to the Co-Investment Partnership's U.S. real property interests may be subject to U.S. federal income tax.

Tax Audits

The General Partner will represent the Co-Investment Partnership at any tax audit as the "tax matters partner" and has considerable authority to make decisions affecting the tax treatment and procedural rights of the Partners. Adjustments by the IRS of the Co-Investment Partnership's items of income, gain, loss, deduction or expense could change a Partner's U.S. federal income tax liabilities and possibly require the filing of amended returns.

Other Taxes

Since the Co-Investment Partnership may invest in foreign securities, foreign withholding or other taxes may be imposed on income received from or gain recognized with respect to such securities. Subject to certain complex limits, Partners may be entitled to foreign tax credits against their U.S. federal income tax liability with respect to such foreign taxes.

FATCA

Certain section of the Code, commonly referred to as "FATCA," impose a 30% withholding tax to certain types of payments made to "foreign financial institutions" (which could include non-U.S. affiliates of the Partnership) and certain other non-U.S. entities. FATCA generally imposes a 30% withholding tax on "withholdable payments" paid to a foreign financial institution, unless the foreign financial institution enters into an agreement with the United States Treasury requiring, among other things, that it undertake to (i) identify accounts (which would include interests in such non-U.S. Alternative Investment Vehicle or Parallel Vehicle) held by certain U.S. persons or foreign entities owned by U.S. persons ("U.S. Investors"), (ii) annually report certain information about such accounts, and (iii) withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. "Withholdable payments" include, but are not limited to, U.S. source dividends, interest and gross proceeds from the sale of any property of a type that can produce U.S. source interest and dividends (generally equity or debt instruments of U.S. issuers). Under Treasury Regulations, the 30% withholding tax currently applies (subject to certain grandfathering rules that are not expected to apply to the Co-Investment Partnership) to interest, dividends

and certain other "fixed or determinable, annual or periodic" payments made after June 30, 2014, and will apply to gross proceeds from a sale or disposition made after December 31, 2016. The General Partner intends to cause any non-U.S. affiliate of the Partnership (each, an "Affected Vehicle") to enter into such an agreement if the General Partner determines in its sole discretion that it is appropriate to do so. In that event, the Affected Vehicle would, among other obligations, be required to disclose to the United States Treasury the identity of, and other information relating to, U.S. Investors who are beneficial owners of such non-U.S. Alternative Investment Vehicle or Parallel Vehicle.

The Co-Investment Partnership may be required to withhold 30% of distributions to Limited Partners that are non-U.S. partnerships or corporations unless those Limited Partners provide the Co-Investment Partnership with information regarding their U.S. partners or shareholders, which information will be required to be disclosed to the United States Treasury. **Prospective investors should consult their tax advisers regarding this legislation.**

Any individual owning an interest in "specified foreign financial assets," including a foreign investment fund such as any non-U.S. Separate Investment Vehicle or Parallel Vehicle, the value of which in the aggregate exceeds $50,000, is required to attach to his or her tax return for the year detailed disclosure of such assets. Substantial penalties are imposed for the failure to make such disclosure, and for any understatement of tax from undisclosed foreign financial assets.

United States State and Local Taxes

A Partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Co-Investment Partnership operates, as well as in such Partner's own state or locality of residence or domicile. In addition, the Co-Investment Partnership itself may be subject to tax liability in certain jurisdictions in which it operates and a Partner may be subject to tax treatment in such Partner's own state or locality of residence or domicile different than that described above with respect to its Co-Investment Interest in the Co-Investment Partnership.

Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Co-Investment Interests in the Co-Investment Partnership. This summary is based on the assumptions that:

(i) none of the assets (including, without limitation, the Investments and the Investments made by the Investment Joint Venture) of the Co-Investment Partnership have been, are or will be located, deposited or otherwise reside in, or had, have or will have a connection with (including a connection as a result of one of such assets constituting a share of a corporation or an interest in a partnership or trust where such share or interest derives its value directly or indirectly from property that is located, deposited or otherwise residing in, or connected with) Canada (or any subdivision thereof);

(ii) none of the Co-Investment Partnership, the General Partner, nor the Investment Manager had, have or will have any business, operations or other activities in Canada (or any subdivision thereof) (other than the act of forming the Co-Investment Partnership under the laws of Alberta); and

(iii) none of the General Partner, the Investment Manager, any member of the General Partner, any member of the investment committee of the General Partner, any of the purchasers of Co-Investment Interests, or the employees or agents of, or consultants to, the Co-Investment Partnership has been, is or will be resident in Canada for purposes of the *Income Tax Act*

(Canada).

Based on such assumptions above and based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively the "Tax Act"), and our understanding of the current published administrative positions of the Canada Revenue Agency, and taking into account all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assuming that all such proposed amendments will be enacted substantially in the form proposed, but not otherwise taking into account or anticipating any changes in law, whether by legislative action or judicial decision, or any changes in the administrative positions of the Canada Revenue Agency:

(a) the Co-Investment Partnership itself will not be subject to taxation in Canada provided no investment in the Co-Investment Partnership is listed or traded on a stock exchange or other public market (for this purpose, an investment in the Co-Investment Partnership includes a Co-Investment Interest in the Co-Investment Partnership, any right which may reasonably be considered to replicate a return on, or the value of, a Co-Investment Interest in the Co-Investment Partnership, and any right conferred by the Co-Investment Partnership or an entity affiliated with the Co-Investment Partnership to receive an amount that can reasonably be regarded as all or any part of the capital, revenue or income of the Co-Investment Partnership, and an entity will be considered to be affiliated with the Co-Investment Partnership if (among other reasons) that entity, or persons that control that entity or are controlled by that entity or are under common control with that entity, is or are entitled to more than 50% of the income or capital of the Co-Investment Partnership); and

(b) a Limited Partner who is not resident (and is not deemed to be resident) in Canada for purposes of the Tax Act and who does not use or hold (and is not deemed to use or hold) its Co-Investment Interest in carrying on a business in Canada will not be subject to taxation in Canada solely as a result of acquiring, holding (including being allocated amounts or receiving distributions in respect thereof) or disposing of such Co-Investment Interest.

IV. RISK FACTORS AND CONFLICTS OF INTEREST

Certain Risks

Investment in the Co-Investment Partnership entails a high degree of risk and is suitable only for sophisticated individuals and institutions for whom an investment in the Co-Investment Partnership does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Co-Investment Partnership. Prospective investors should carefully consider the following risk factors, among others, in determining whether an investment in the Co-Investment Partnership is a suitable investment. There can be no assurance that the Co-Investment Partnership will be able to achieve its investment objective, and investment results may vary substantially on an annual basis. For a detailed discussion with regard to risks and conflicts of interest generally applicable to the Co-Investment Partnership and the Partnership, please see Section IX "Risk Factors and Conflicts of Interest" of the Memorandum.

Risks Associated with Investing in the Co-Investment Partnership. The risks and conflicts of interest described in the Memorandum with respect to the Partnership and its limited partnership interests apply generally to the Co-Investment Partnership and the Co-Investment Interests issued by it. Moreover, without limiting the application or generality of the foregoing, the Co-Investment Partnership will be a newly formed entity (i) that will not be registered under the 1940 Act, (ii) that will issue illiquid securities that are not registered under the 1933 Act or any U.S. State or non-U.S. laws, (iii) that will not register under the Exchange Act and (iv) with respect to which, investors may lose the entire amount of their capital commitments.

Currency Risk Associated with Investing in the Co-Investment Partnership. Co-Investment Interests in the Co-Investment Partnership will be denominated in U.S. dollars and investors subscribing for such interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions where the Memorandum is being issued. Each prospective investor in the Co-Investment Partnership should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests of the Co-Investment Partnership.

Investment in the Investment Joint Venture. The Co-Investment Partnership intends to seek to achieve its investment objective by investing generally substantially all of its assets through the Investment Joint Venture, which will invest solely in the Investment. Changes in governmental regulation, political structure, local economies and tax laws (U.S. or non-U.S.) may adversely impact the Co-Investment Partnership's investment in the Investment Joint Venture and/or the Investment Joint Venture's investment in the Investment

Limited Liability and Alberta Law Governing Limited Partnerships. The Co-Investment Partnership will be an Alberta limited partnership. A limited partner will generally not be personally liable for the debts of a limited partnership, such as the Co-Investment Partnership, except as provided in the limited partnership agreement of such limited partnership, and as provided under the Act; under Alberta law, a limited partner may be liable as a general partner for debts or obligations of a limited partnership if it takes part in the control of the business of the limited partnership. Whether a Limited Partner takes part in the control of the business of the Co-Investment Partnership (whether or not as contemplated by the Co-Investment Partnership Agreement) is a question of fact.

In addition, under Alberta Law, a Limited Partner is liable to the Co-Investment Partnership for the Capital Commitment of that Limited Partner, at the time and on the conditions, if any, stated in the certificate of limited partnership with respect to the Co-Investment Partnership; and where the Limited Partner has rightfully received the return of all or part of a Capital Contribution made by the Limited Partner to the Co-Investment Partnership, the Limited Partner is nevertheless liable to the Co-Investment Partnership for any sum, not in excess of the amount of such Capital Contribution that has been so returned to such Limited Partner with interest, necessary to discharge the liabilities of the Co-Investment Partnership to all creditors

who extended credit or whose claims otherwise arose before the return of such Capital Contribution; and a Limited Partner holds as trustee for the Co-Investment Partnership money or other property wrongfully paid or conveyed to the Limited Partner on account of the Limited Partner's Capital Contribution to the Co-Investment Partnership.

Alberta law also provides that if the certificate of limited partnership for the Co-Investment Partnership contains a false or misleading statement, any person suffering a loss as a result of relying upon the statement may hold liable as a general partner every party to the certificate who knew, when the party signed the certificate, that the statement relied on was false, or who became aware, subsequent to the time when the party signed the certificate, but within a sufficient time before the false statement was relied on to enable the party to cancel or amend the certificate or to commence proceedings in accordance with the Act for the cancellation or amendment of the certificate, that the statement relied on was false.

Investing in the Co-Investment Partnership involves significant risks. Investors should refer to the section entitled "Risk Factors and Conflicts of Interest" contained within the Memorandum for additional information. Australian investors should also refer to the section entitled "Notice to Investors" contained within the Memorandum and to the section entitled "Other Notices – Notice to Residents of Australia" for information concerning their eligibility to purchase Co-Investment Interests under U.S. securities laws.

V. Other Notices

Notice to Residents of Australia

The offer of interests contained in this Memorandum is directed only to persons who qualify as "wholesale clients" within the meaning of section 761g of the Corporations Act 2001 (the "**CTH**"). If the Interests are to be on sold to investors in Australia without a product disclosure statement, within 12 months of their issue, they may only be on sold to persons in Australia who are 'wholesale clients' under section 761g of the CTH. Each recipient of this Memorandum warrants that it is, and at all times will be a 'wholesale client.'

This Memorandum is not a product disclosure statement or other disclosure document for the purposes of the Corporations Act 2001 (CTH). This Memorandum has not been, and will not be, reviewed by, nor lodged with, the Australian securities and investments commission and does not contain all the information that a product disclosure statement or other disclosure document is required to contain. The distribution of this Memorandum in Australia has not been authorised by any regulatory authority in Australia.

This Memorandum is provided for information purposes only and does not constitute the provision of any financial product advice or recommendation. This Memorandum does not take into account the investment objectives, financial situation and particular needs of any person and the Co-Investment Partnership is not licensed to provide financial product advice in Australia. You should consider carefully whether the investment is suitable for you. There is no cooling-off regime that applies in relation to the acquisition of any interests in Australia.

Responsibility

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty, or undertaking (express or implied) is made and no responsibilities or liabilities of any kind or nature whatsoever are accepted by the Co-Investment Partnership as to the accuracy or completeness of the information contained in this Co-Investment Memorandum or the Memorandum or any other information provided by the Co-Investment Partnership in connection with the offering of the Co-Investment Interests.

Representations of Purchasers

The purchaser acknowledges that its name, address, telephone number and other specified information, including the amount of Co-Investment Interests it has purchased and the aggregate purchase price paid by the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian laws. By purchasing Co-Investment Interests, the purchaser consents to the disclosure of such information. The purchaser shall make certain representations, warranties and covenants with and to the Co-Investment Partnership and the General Partner in the subscription materials.

Enforcement of Legal Rights

The Co-Investment Partnership is organized under the laws of Alberta, Canada. All or substantially all of the Co-Investment Partnership's mind and management may be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Co-Investment Partnership or such persons. All or a substantial portion of the assets of the Co-Investment Partnership and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgement against the Co-Investment Partnership or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Co-Investment Partnership or persons outside of Canada.

Language of Documents

Upon receipt of this document, each investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

ANNEX A: Freddie Mac Request for Proposal, Series 2015-KF12

Freddie Mac
Multifamily®

Request For Proposal
Series 2015-KF12

October 2015

Subordinate Debt Investment Opportunity

Freddie Mac

Floating Rate Program

Request For Proposal

Subordinate Debt, Series 2015-KF12

Executive Summary

Freddie Mac and its Placement Agents, Barclays Capital Inc. ("Barclays") and Morgan Stanley & Co. LLC ("Morgan Stanley"), are pleased to offer affiliates of ROC Debt Strategies Fund Manager, LLC an opportunity to perform due diligence on a newly originated pool of floating rate, multifamily mortgage loans targeted for securitization.

The Initial Recipient will be provided with a data tape for the entire loan pool, asset summary reports for 28 loans representing approximately 60.5% of the pool balance and final appraisals where available for certain of the assets and is asked to respond to this RFP with a bid to purchase the subordinate debt component of this transaction (Series 2015-KF12) which represents 7.5% of the UPB of the pool.

Freddie Mac Multifamily®

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I. Program and Transaction Highlights

Background

Freddie Mac is a government-sponsored enterprise (GSE) chartered by Congress to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market.

The Multifamily Division of Freddie Mac helps to ensure an ample supply of affordable rental housing by purchasing mortgages secured by apartment buildings with five or more units. We enable the purchase, refinancing and rehabilitation of older buildings and the construction of new affordable apartments. We purchase loans on mid-rise, high-rise, walk-ups, garden-style apartment complexes and co-op buildings (but not individual units). We buy these loans from a network of Freddie Mac-approved Program Plus® Seller/Servicers and Targeted Affordable Housing Correspondents with over 150 branches nationwide.

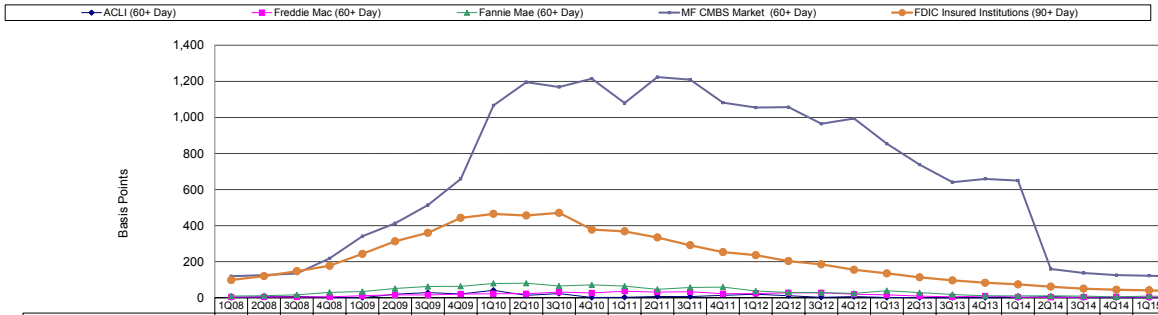
Since 1993, Freddie Mac's multifamily business has provided approximately $369 billion in financing for more than 64,500 multifamily properties. As of June 30, 2015, Freddie Mac had a multifamily whole-loan portfolio of over $54.6 billion, a multifamily investment securities portfolio of over $21.8 billion and a multifamily guarantee portfolio of $102.5 billion.

In 2008, Freddie Mac introduced its K-Series product, which seeks to aggregate and securitize newly-originated multifamily loans made through our Program Plus® Seller/Servicers network. A few highlights of our unique business model are as follows:

- Freddie Mac's multifamily business staff includes approximately 600 experienced professionals in four regional offices (plus headquarters) and various field offices.
- Freddie Mac purchases multifamily mortgages throughout the nation from locally based lenders who have years of lending expertise and proven track records of success. Together, these lenders make up Freddie Mac's Program Plus® network.
- Three quarters of borrowers are repeat customers of Freddie Mac.
- Underwriting and credit review is completed by Freddie Mac.

Freddie Mac's primary motivation is to create an alternative to our existing portfolio execution and expand our access to capital, thereby increasing our ability to provide liquidity to the multifamily mortgage market. Freddie Mac believes the strength and credit quality of our multifamily lending programs are well demonstrated through the following historical delinquency rates:

Freddie Mac Multifamily vs. CMBS Delinquency Rates



	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
ACLI (60+ Day)	1	5	7	2	0	19	28	21	41	13	23	1	2	7	6	13	19	11	2	6	1	0	0	0	0	7	0	0	0	1
Freddie Mac (60+ Day)	4	4	4	5	11	16	15	20	22	22	31	26	36	31	33	22	23	27	27	19	16	9	5	9	4	2	3	4	3	3
Fannie Mae (60+ Day)	9	11	16	30	34	51	62	63	79	80	65	71	64	46	57	59	37	29	28	24	39	28	18	10	10	10	9	5	9	5
MF CMBS Market (60+ Day)	119	125	134	218	341	413	514	659	1,067	1,196	1,169	1,215	1,080	1,224	1,210	1,082	1,055	1057	965	994	854	738	641	659	650	159	137	125	122	116
FDIC Insured Institutions (90+ Day)	98	120	147	177	243	313	360	443	465	456	471	378	368	334	291	253	236	203	185	155	135	113	96	83	74	61	50	44	41	34

Sources: FDIC Insured Institutions: FDIC Quarterly Banking Profile - Loan Performance Data.
MF CMBS Market: Trepp - Excludes REO's
Fannie Mae: Monthly Summary on investor section of company website
Freddie Mac: Inclusive of guarantee of the Series A certificates issued in connection with securitizations
ACLI: ACLI Investment Bulletin.

Freddie Mac Multifamily®

I. Program and Transaction Highlights

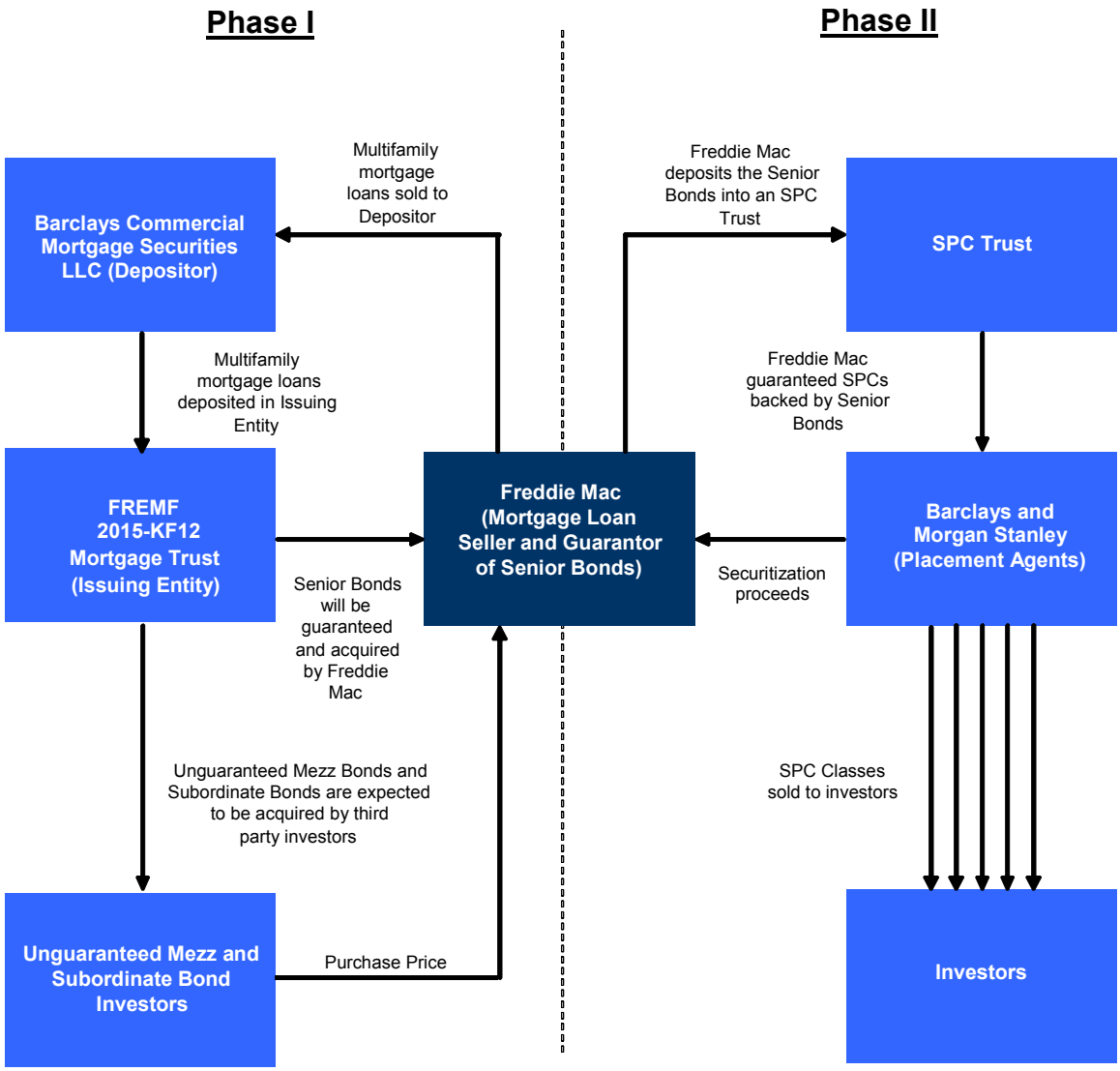
General Floating Rate Mortgage Standards and Terms

Generally, the following are the guidelines for Freddie Mac's program subject to certain exceptions:

Property Types:	■ Multifamily loans secured by occupied, stabilized, and completed properties ■ Limited amount of senior housing, student housing, cooperative housing, manufactured housing communities and Section 8 housing assistance payments (HAP) contracts
Loan Terms:	■ 5, 7 and 10 year loan terms with a maximum amortization of 30 years ■ May contain initial interest only periods of 1-5 years ■ Limited exposure to full term interest only loans
LTV and DSCR:	■ Maximum LTV of 80%, Minimum DSCR of 1.00x at cap ■ Floating rate loans are required to satisfy an internal fixed-rate equivalent DSCR test
Index:	■ 1-month LIBOR Index
Interest Rate Cap:	■ Freddie Mac embedded Interest Rate Cap or third-party interest rate cap ■ Third party LIBOR caps that expire prior to related mortgage maturity date are required to be replaced. Replacement cap funds are escrowed at 125% of replacement cost and are recalculated on either an annual or semi-annual basis
Underwriting:	■ Effective Gross Income is calculated based on trailing three months actual rent collections or the annualized current rent roll minus a 5% vacancy rate ■ Expenses are calculated based on trailing 12 months plus an inflation factor ■ Real Estate Taxes and Insurance are based on actual annual expenses ■ Property Values are based on third party appraisals and internal value confirmation ■ Replacement Reserves are typically required and are generally equal to the higher of an engineer's recommendation or $250 per unit ■ Taxes and Insurance Escrows are generally required ■ Other third party reports are required (Phase I ESA, Property Condition, etc.)
Borrowers:	■ SPE is required for almost all loans greater than or equal to $5 million ■ An independent director will be required for large loans on a case by case basis ■ A warm-body carve-out guarantor is generally required ■ Established large institutional borrowers with substantial prior experience with Freddie Mac mortgage programs may have more customized documents
Supplemental Financing:	■ Eligible 1 year after origination of the first mortgage exclusively from Freddie Mac ■ Requires (i) lower of 80% LTV of Original LTV and (ii) Minimum DSCR of 1.10x at cap (amortizing) ■ Re-underwriting required based on current property performance, financials and Freddie Mac credit policy ■ Monthly escrows for taxes, insurance and replacement reserves required. If First Mortgage allowed for deferral of Escrows, the supplemental will trigger collection ■ Subject to a pre-approved intercreditor agreement (attached as *EXHIBIT B*)

I. Program and Transaction Highlights

Series 2015-KF12 – Overall Structure



I. Program and Transaction Highlights

Series 2015-KF12 – Timeline

October						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holidays:

10/12	Columbus Day
11/11	Veterans' Day
11/26	Thanksgiving
12/25	Christmas

Key Date
Federal Holiday
Settlement

Date(s)	Task
10/7	**Distribute BBuyer RFP**
10/12	***Columbus Day***
10/13	**BBuyer feedback due**
10/13	**Engage BBuyer**
Week of 10/13	Distribute legal docs (IC, PSA, MLPA, Reps) - External (all parties)
10/23	Draft exceptions to reps & warranties - External
10/26	Due diligence files delivered - 100%
11/6	**99% Final Comforted Tape delivered to BBuyer**
11/11	***Veterans' Day***
11/12	**BBuyer due diligence completed / collateral pool finalized**
11/13 - 11/16	Finalize Term Sheet & Offering Documents
11/16	**Print Red**
11/17	**Reds delivered to investors**
11/17 - 11/19	Marketing period for wrapped securities
11/19	**Pricing of wrapped securities**
11/26	***Thanksgiving***
12/1	Print Black
12/8	**Settlement**
12/25	***Christmas***

Freddie Mac Multifamily®

I. Program and Transaction Highlights

Series 2015-KF12 – Collateral Pool

The following are summary characteristics of the Series 2015-KF12 collateral pool as of October 7, 2015. The pool consists of loans that have floating interest rates. For more detailed information please see Section IV – Loan Stratification Tables in this RFP and the accompanying preliminary Series 2015-KF12 data tape (please note all collateral information is preliminary, has not been comforted and is subject to change):

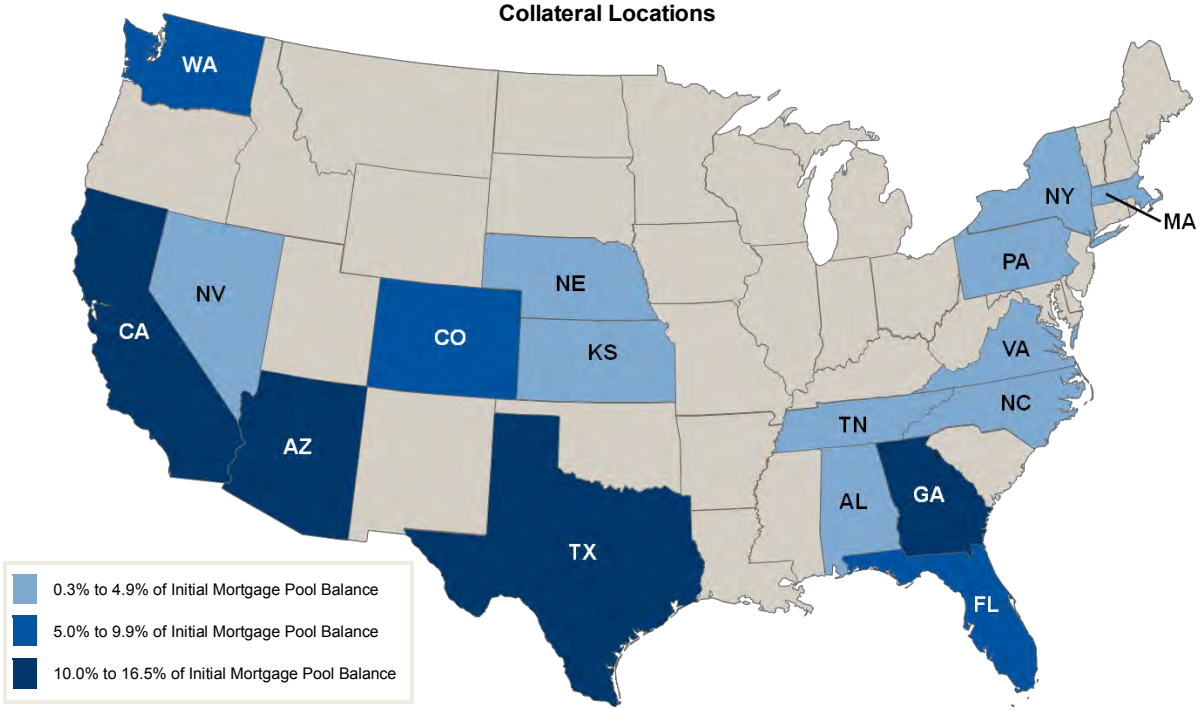
— Number of loans / properties:	81 / 81
— Pool cut-off date balance:	$1,364,821,751
— Average loan balance:	$16,849,651
— 10 largest loans as a % of pool:	31.5%
— Weighted average cut-off date balance LTV[(1)]:	72.6%
— Weighted average maturity date balance LTV[(1)]:	65.3%
— Weighted average underwritten NCF DSCR[(1)(2)]:	1.77x
— Weighted average underwritten NCF DSCR at Cap[(3)]:	1.09x
— Weighted average mortgage rate[(1)]:	2.299%

(1) Projected interest rate for calculations and amortization cycles is based on an assumed 1-Month LIBOR of 0.200%.
(2) Assuming amortizing payments if applicable.
(3) Third party LIBOR strike rate plus margin.

Ten Largest Underlying Mortgage Loans

Loan Name	Number of Mortgaged Properties	Property Sub-Type	Location	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Underwritten DSCR	Underwritten DSCR at Cap	Cut-off Date LTV Ratio	Margin
Park 83 Apartments	1	Garden	Roswell, GA	$64,270,000	4.7%	1.52x	1.01x	79.9%	1.970%
Promenade Terrace Apartments	1	Garden	Corona, CA	59,250,000	4.4	1.51x	1.03x	73.3%	2.310%
Aqua At Deerwood Apartments	1	Garden	Jacksonville, FL	46,720,000	3.4	1.56x	1.01x	69.1%	2.190%
Del Arte Lofts and Flats	1	Garden	Aurora, CO	41,800,000	3.1	1.55x	1.05x	79.8%	2.280%
Park Grove	1	Garden	Garden Grove, CA	39,685,000	2.9	1.55x	1.02x	70.0%	2.280%
The Crossings At Bear Creek	1	Garden	Lakewood, CO	37,705,000	2.8	1.50x	1.00x	77.3%	2.400%
Parkside At Craig Ranch	1	Mid Rise	McKinney, TX	36,251,000	2.7	3.21x	1.30x	64.8%	2.120%
Watervue Apartments	1	Garden	Keller, TX	35,960,000	2.6	1.49x	1.00x	72.5%	2.260%
1250 West	1	Garden	Marietta, GA	32,880,000	2.4	1.61x	1.11x	80.0%	2.250%
Somerfield At Lakeside	1	Garden	Elk Grove, CA	32,769,000	2.4	1.47x	1.00x	79.7%	2.550%
Top 10 - Total / Wtd. Average	**10**			**$427,290,000**	**31.5%**	**1.67x**	**1.05x**	**74.7%**	**2.241%**

Collateral Locations



II. Summary Term Sheet

FREDDIE MAC
STRUCTURED PASS-THROUGH SECURITIES, SERIES K-F12

SUMMARY TERM SHEET

This Summary Term Sheet describes only certain aspects of this transaction. For more information regarding the terms of K-series transactions, including: required legal documentation and legal opinions; terms of the Mortgages, the Certificates and the Trust; fees; servicing; duties of the Trustee, Custodian and Certificate Administrator; indemnification rights; auditing rights and due diligence reviews; Rule 15Ga-1 and Rule 17g-5 reporting requirements; and related definitions, you should consult the K-Deal Program Term Sheet available at http://www.freddiemac.com/multifamily/pdf/k_deal_program_term_sheet.pdf

TRANSACTION PARTIES

Co-Lead Managers and Placement Agents:	Barclays Capital Inc. and Morgan Stanley & Co. LLC (together, the "**Placement Agents**").
Depositor:	Barclays Commercial Mortgage Securities LLC
B-Piece Buyer:	To be determined by Freddie Mac.
Master Servicer:	To be determined by Freddie Mac, in consultation with the Placement Agents.
Special Servicer:	To be determined by the B-Piece Buyer, in consultation with Freddie Mac.
Trustee:	To be determined by Freddie Mac, in consultation with the Placement Agents.
Certificate Administrator:	If applicable, to be determined by Freddie Mac, in consultation with the Placement Agents.
Accountants:	To be determined by Freddie Mac.
Rating Agencies:	Will not be rated.

K-DEAL TRUST

FREMF Trust:	FREMF 2015-KF12 Mortgage Trust.

RELEVANT TRANSACTION DATES

Cut-off Date:	December 1, 2015.
Expected Closing Date:	December 8, 2015.

II. Summary Term Sheet (cont'd)

SERVICING

Servicing Standard of Care:

In addition to servicing the Mortgages in accordance with the loan documents, applicable law, the PSA and market servicing practices, the Master Servicer, any Sub-Servicer and/or the Special Servicer shall be required to apply Freddie Mac servicing practices (the "Freddie Mac Servicing Practices") when servicing Mortgages other than REO Loans, REO Properties and Specially Serviced Loans; provided, however, that, the Master Servicer must obtain Freddie Mac's consent prior to determining that a Mortgage will be specially serviced under clause (c) of the definition of "Servicing Transfer Event" in the PSA.

"Freddie Mac Servicing Practices" shall mean servicing and administering the Mortgages other than REO Loans and Specially Serviced Loans in the same manner in which, and with the same care, skill, prudence and diligence with which, Freddie Mac services and administers multifamily mortgage loans owned by it, which shall include, without limitation, servicing and administering such performing Mortgages and/or REO Properties in accordance with the Freddie Mac Guide and any Freddie Mac written policies, procedures or other communications made available in writing by Freddie Mac to the Master Servicer, such Sub-Servicer or Special Servicer, as applicable, including communications from Freddie Mac as Servicing Consultant pursuant to the PSA.

In the absence of guidance from the loan documents, applicable law, the PSA or Freddie Mac Servicing Practices, the Master Servicer, any Sub-Servicer and/or the Special Servicer shall apply market servicing practices. In servicing REO Loans and Specially Serviced Loans, the Special Servicer shall be required to give due consideration to Freddie Mac Servicing Practices when applying market servicing practices.

If the Master Servicer, any Sub-Servicer and/or the Special Servicer is required to comply with Freddie Mac Servicing Practices, in the event of any conflict between Freddie Mac Servicing Practices and market servicing practices, Freddie Mac Servicing Practices shall govern.

The Master Servicer, Special Servicer, Directing Certificateholder Servicing Consultant and any Sub-Servicer may consult with Freddie Mac, in its capacity as Servicing Consultant, with respect to the application of the Servicing Standard to any matters related to non-Specially Serviced Loans and/or REO Properties. The Servicing Consultant may contact the related Borrower to request any necessary documentation from such Borrower in order to provide consultation to the Master Servicer, the Directing Certificateholder Servicing Consultant or any Sub-Servicer with respect to the proper application of Freddie Mac Servicing Practices (a copy of such documentation shall also be provided by Freddie Mac to the Master Servicer, to the extent not already provided by such Borrower).

Master Servicer Surveillance Fee:

The Master Servicer shall be entitled to receive from general collections a Master Servicer Surveillance Fee to be split equally between the Sub-Servicer and Master Servicer. The Master Servicer Surveillance Fee for each Distribution Date shall be equal to the Master Servicer Surveillance Fee Rate multiplied by the stated principal balance of each Loan that is not a Defeased Loan, a Specially Serviced Loan or an REO Loan. The right of the Master Servicer to receive the Master Servicer Surveillance Fee may not be transferred in whole or in part except in connection with the transfer of all of the Master Servicer's responsibilities and obligations under the PSA. The right of any Sub-Servicer to receive 50% of the Master Servicer Surveillance Fee may not be transferred in whole or in part. If any Sub-Servicer transfers

II. Summary Term Sheet (cont'd)

all of its responsibilities and obligations under its respective Sub-Servicing Agreement, then 100% of the Master Servicer Surveillance Fee will be provided to the Master Servicer.

Master Servicer Surveillance Fee Rate: The Master Servicer Surveillance Fee Rate shall be 0.01% per annum with respect to each Loan that is not a Defeased Loan, a Specially Serviced Loan or an REO Loan.

Special Servicer Surveillance Fee: The Special Servicer shall be entitled to receive from general collections a Special Servicer Surveillance Fee. The Special Servicer Surveillance Fee for each Distribution Date shall be equal to the Special Servicer Surveillance Fee Rate multiplied by the stated principal balance of each Loan that is not a Defeased Loan, a Specially Serviced Loan or an REO Loan. The right of the Special Servicer to receive the Special Servicer Surveillance Fee may not be transferred in whole or in part except in connection with the transfer of all of the Special Servicer's responsibilities and obligations under the PSA.

Special Servicer Surveillance Fee Rate: The Special Servicer Surveillance Fee Rate shall be determined at such time as the initial mortgage pool balance is finalized and shall be a rate that when multiplied by the initial mortgage pool balance equates to approximately $125,000 and shall reduce over time as the mortgage pool declines.

INDEMNIFICATION RIGHTS

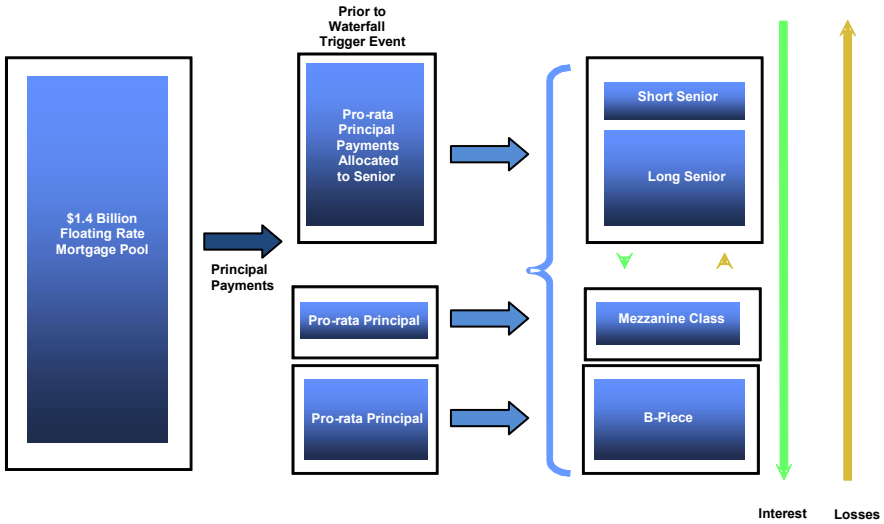
Indemnification of Parties: **Freddie Mac shall be entitled to indemnification for its duties as Servicing Consultant as described in the Pooling and Servicing Agreement in a manner similar to the other parties to such agreement.** Indemnification of parties to the transaction (other than Freddie Mac, in its capacity as Servicing Consultant) from the Trust shall be subject to annual caps. Amounts owed in excess of such annual cap are eligible for reimbursement in subsequent years, subject to the same annual cap.

Indemnification Caps Termination Date: The earlier to occur of (a) the Determination Date in December 2021 and (b) any determination date on which the Master Servicer determines that the aggregate amount of Unreimbursed Indemnification Expenses (with interest thereon) and other outstanding Advances (with interest thereon), Nonrecoverable Advances (with interest thereon), Workout-Delayed Reimbursement Amounts (with interest thereon) and Additional Trust Fund Expenses (excluding special servicing fees, liquidation fees and workout fees) equals or exceeds an amount equal to 50% of the outstanding principal balance of the mortgage pool on such determination date (after the application of all payments of principal and/or interest collected during the related due period).

III. Instructions for Proposal and Evaluation Criteria

The exact structure of the transaction has yet to be determined and will be based upon discussions among Freddie Mac, Barclays, Morgan Stanley and the successful bidder of the subordinate debt component. Therefore, for the purposes of responding to this RFP, initial recipient is requested to assume and/or provide the following for evaluation purposes:

- ✓ Generally, principal collected or advanced on non-specially serviced loans (and Excluded Specially Serviced Mortgage Loans) is distributed pro rata, unless a Waterfall Trigger Event has occurred and is continuing. Principal collected or advanced on specially serviced loans (other than Excluded Specially Serviced Mortgage Loans) at all times is distributed sequentially in order of priority



  - A Waterfall Trigger Event occurs when (i) the number of non-specially serviced loans remaining in the pool is 10 or less or (ii) the total outstanding principal balance of the non-specially serviced loans is less than 15% of the initial total pool balance
  - Excluded Specially Serviced Mortgage Loans are generally specially serviced loans which the borrower has not failed to make the monthly payment in full since the loan became a specially serviced loan. A specially serviced loan ceases to be an Excluded Specially Serviced Mortgage Loan no later than the next distribution date to occur after the loan became an Excluded Specially Serviced Mortgage Loan
- ✓ Rating Agencies: None of the classes issued will be rated.
- ✓ All bids should be presented on a non-loss adjusted basis, with an assumed flat 1-month LIBOR curve of 0.200% and Actual/360 interest payments
- ✓ Bidders should provide a stated discount margin based on a par or as close to par dollar price (i.e. no discount) assuming the subordinate debt component represents 7.5% of the total pool UPB]

III. Instructions for Proposal and Evaluation Criteria (cont'd)

- Cash flows and price/yield tables will be made available to certain third party information providers (e.g., Bloomberg, Trepp, Intex, Thomson Reuters, etc.) for the life of the transaction for each class of certificates issued.
- With the exception of Atria Maplewood Place, loans in the pool are recent originations that Freddie Mac has not previously attempted to sell or securitize.
- Acknowledgement that the party that is the ultimate owner and/or controls the holder of the subordinate debt component may be disclosed in the offering documents.
- Confirmation that *EXHIBIT A – Form Representations and Warranties*, *EXHIBIT B – Form Intercreditor Agreement* (revised as of August 13, 2015), *EXHIBIT C – Servicer Task List* and the *K Deal Program Term Sheet* have been reviewed and are acceptable.
- Access to the Freddie Mac Guide through AllRegs.com will be provided to the parties upon request.
- Identification of the proposed Special Servicer and its experience level with Freddie Mac's lending programs, servicers and products. If not identified, please clarify your criteria for selection of the Special Servicer. Freddie Mac reserves the right to provide final consent. Additionally, Freddie Mac policy prohibits an economic affiliation between the Special Servicer and the subordinate debt investor, subject to certain exceptions set forth in the PSA. Any exceptions to this policy are made at Freddie Mac's sole discretion.
- The following changes were made to certain servicing and fee related items:
  - In an effort to streamline the approval process relating to loan modifications, waivers, amendments and consents, the Master Servicer will provide the consent package to both the Directing Certificateholder and Special Servicer simultaneously. The Special Servicer will no longer be required to provide a recommendation in these circumstances.
  - With respect to arms-length assumptions, the Directing Certificateholder will receive 40% of relevant fees for performing loans, while the Special Servicer will no longer share in these fees. (See *EXHIBIT C - Servicer Task List* for additional details)
  - The Special Servicer for the transaction will be paid a surveillance fee for performing loans and will not be permitted to share in fees paid by the borrowers on performing loans after securitization. The Special Servicer will also be explicitly prohibited from sharing the surveillance fee with the subordinate debt investor.
  - The Directing Certificateholder will now only be required to consent to a property manager change if the property manager is not on the pre-approved list maintained by Freddie Mac for significant loans. In the past, this consent was required for all significant loans.
  - Freddie Mac will approve and not seek subordinate debt investor approval for (1) modification and extension requests relating to repair escrow and repair agreements unless the request is material (generally exceeds 10% of the UPB of the mortgage loan), and (2) pre-approved transfers meeting the requirements of the mortgage loan documents. Subordinate debt investor will be notified of any such approvals and/or transfers, and, if necessary, such actions will be reflected in the representation and warranty exceptions for the transaction.
  - Prior to the closing date of the transaction, subordinate debt investor approval will continue to be requested for material modifications or extension requests and proposed transfers not made pursuant to the terms of the mortgage loan documents.
- Identification of any expected adjustments to the pool composition based on preliminary due diligence.
- Confirmation of ability to complete due diligence and final collateral sign-off on or before **November 12, 2015**.
- Confirmation of financial ability to close.

III. Instructions for Proposal and Evaluation Criteria (cont'd)

To be considered valid, the proposal in response to this RFP is to be submitted to Freddie Mac, Barclays and Morgan Stanley by **5:00pm ET on Tuesday, October 13th, 2015** and will be evaluated by Freddie Mac based upon a number of quantitative and qualitative criteria including:

- Demonstrated understanding of Freddie Mac's mission goals and the proposed programmatic ongoing issuance of securities collateralized by loans originated through the Program Plus® Seller/Servicers
- Level of comfort with the K-Series program guidelines and credit characteristics of the pool
- Acceptance of the terms and conditions set forth in *EXHIBIT A – Form Representations and Warranties, EXHIBIT B – Form Intercreditor Agreement* (revised as of August 13, 2015), *EXHIBIT C – Servicer Task List*, the K-Deal Program Term Sheet and Summary Term Sheet
- Demonstration of the financial ability to close the proposed transaction
- Strength, reputation and experience of the proposed Special Servicer
- Overall suitability and potential as an ongoing partner to Freddie Mac with demonstrated understanding and commitment to the multifamily sector

It should be noted that failure of your proposal to be accepted will not impact you in your ongoing relationship with Freddie Mac and will not preclude you from participating in future transactions.

The acceptance in response to this RFP should be directed electronically to the following individuals:

Mitch Resnick	**mitchell_resnick@freddiemac.com**
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IV. Loan Stratification Tables

Mortgage Pool Cut-off Date Principal Balances

Range of Cut-off Date Balances	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
$1,274,862 - $4,999,999	12	$37,141,730	2.7%	1.65x	1.11x	67.6%	2.384%
$5,000,000 - $9,999,999	17	116,478,469	8.5	1.80x	1.14x	71.4%	2.339%
$10,000,000 - $14,999,999	19	240,408,999	17.6	1.83x	1.12x	71.7%	2.356%
$15,000,000 - $19,999,999	7	123,886,946	9.1	1.66x	1.11x	75.0%	2.317%
$20,000,000 - $29,999,999	14	357,980,606	26.2	1.71x	1.10x	71.8%	2.342%
$30,000,000 - $39,999,999	8	276,885,000	20.3	2.03x	1.08x	72.3%	2.254%
$40,000,000 - $49,999,999	2	88,520,000	6.5	1.56x	1.03x	74.2%	2.232%
$50,000,000 - $64,270,000	2	123,520,000	9.1	1.52x	1.02x	76.7%	2.133%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Geographic Distribution

Property Location	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
California	11	$225,102,503	16.5%	1.77x	1.07x	71.2%	2.352%
Southern California	*9*	*182,703,503*	*13.5*	*1.84x*	*1.08x*	*69.5%*	*2.317%*
Northern California	*2*	*42,399,000*	*3.1*	*1.48x*	*1.01x*	*78.6%*	*2.505%*
Georgia	12	206,149,277	15.1	1.64x	1.07x	76.9%	2.177%
Texas	11	160,631,443	11.8	1.95x	1.13x	70.0%	2.281%
Arizona	11	156,416,000	11.5	2.24x	1.09x	68.7%	2.282%
Colorado	5	133,305,000	9.8	1.54x	1.03x	78.8%	2.353%
Florida	7	107,263,481	7.9	1.62x	1.08x	69.6%	2.272%
Washington	3	82,520,000	6.0	1.61x	1.08x	70.9%	2.336%
Alabama	5	59,850,000	4.4	1.55x	1.06x	74.8%	2.555%
Virginia	4	50,331,043	3.7	1.72x	1.06x	74.1%	2.175%
North Carolina	3	36,150,000	2.6	1.56x	1.10x	75.8%	2.489%
Nevada	2	35,954,596	2.6	1.56x	1.00x	70.5%	2.347%
New York	2	27,175,854	2.0	1.62x	1.22x	70.4%	2.248%
Kansas	1	24,760,606	1.8	2.39x	1.63x	64.3%	2.300%
Tennessee	1	19,920,000	1.5	1.70x	1.12x	80.0%	2.080%
Nebraska	1	18,697,169	1.4	1.76x	1.21x	77.9%	2.380%
Massachusetts	1	15,869,777	1.2	2.04x	1.26x	65.3%	2.140%
Pennsylvania	1	4,725,000	0.3	1.62x	1.01x	77.5%	2.490%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Property Sub-Type

Property Sub-Type	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Garden	68	$1,164,923,231	85.4%	1.72x	1.07x	73.5%	2.305%
Mid Rise	3	75,475,000	5.5	2.31x	1.18x	68.2%	2.125%
Assisted Living	3	58,548,777	4.3	1.84x	1.22x	67.5%	2.343%
Independent Living	2	37,711,460	2.8	2.20x	1.51x	66.8%	2.413%
Townhome	2	12,585,000	0.9	1.64x	1.01x	70.9%	2.224%
Student	2	12,575,691	0.9	1.59x	1.03x	72.1%	2.316%
Age Restricted	1	3,002,591	0.2	2.05x	1.45x	52.7%	2.570%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Note: The information is preliminary, has not been comforted and is subject to change.
All DSCR calculations are based on amortizing debt service payments (with the exception of six interest only loans) and assume LIBOR of 0.200%.
Amortization cycles to determine Maturity Date LTVs are calculated based on actual LIBOR or 0.200%, as applicable.
Third party LIBOR strike rate plus margin used for Underwritten DSCR at Cap, as applicable.

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IV. Loan Stratification Tables (cont'd)

Mortgage Pool Underwritten Debt Service Coverage Ratios

Range of Underwritten DSCRs	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
1.43x - 1.49x	10	$177,326,000	13.0%	1.47x	1.03x	74.7%	2.427%
1.50x - 1.59x	31	657,846,000	48.2	1.53x	1.03x	74.9%	2.309%
1.60x - 1.69x	15	184,980,282	13.6	1.63x	1.09x	73.0%	2.250%
1.70x - 1.79x	8	115,842,689	8.5	1.72x	1.15x	73.0%	2.296%
1.80x - 1.99x	5	50,498,357	3.7	1.85x	1.14x	71.0%	2.405%
2.00x - 2.99x	8	91,647,423	6.7	2.55x	1.41x	62.4%	2.303%
3.00x - 3.99x	2	49,766,000	3.6	3.38x	1.26x	63.3%	2.060%
4.00x - 4.58x	2	36,915,000	2.7	4.14x	1.32x	59.4%	1.940%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Cut-off Date Loan-to-Value Ratios

Range of Cut-off Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
50.0% - 59.9%	10	$94,158,049	6.9%	3.17x	1.24x	58.7%	2.102%
60.0% - 64.9%	5	93,889,606	6.9	2.80x	1.37x	64.0%	2.229%
65.0% - 69.9%	10	199,275,777	14.6	1.62x	1.09x	67.7%	2.255%
70.0% - 74.9%	25	374,174,480	27.4	1.59x	1.06x	72.1%	2.330%
75.0% - 80.0%	31	603,323,838	44.2	1.55x	1.05x	78.1%	2.336%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Maturity Date Loan-to-Value Ratios

Range of Maturity Date LTV Ratios	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Maturity Date LTV Ratio	Weighted Average Margin
44.8% - 59.9%	19	$206,537,894	15.1%	2.46x	1.26x	56.6%	2.196%
60.0% - 64.9%	24	378,471,019	27.7	1.86x	1.10x	62.6%	2.298%
65.0% - 69.9%	24	400,568,838	29.3	1.56x	1.05x	66.5%	2.341%
70.0% - 73.0%	14	379,244,000	27.8	1.53x	1.04x	71.6%	2.312%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**65.3%**	**2.299%**

Mortgage Pool Margins

Range of Margins	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
1.890% - 1.999%	6	$154,664,000	11.3%	2.25x	1.08x	69.9%	1.928%
2.000% - 2.249%	16	242,640,417	17.8	1.97x	1.14x	69.0%	2.157%
2.250% - 2.499%	42	754,042,027	55.2	1.67x	1.09x	73.6%	2.331%
2.500% - 2.749%	15	178,747,307	13.1	1.56x	1.08x	75.9%	2.584%
2.750% - 2.790%	2	34,728,000	2.5	1.47x	1.05x	73.1%	2.787%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool LIBOR Cap Strike Price Plus Margin

LIBOR Cap Strike Price Plus Margin	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
3.700% - 4.999%	1	$14,225,000	1.0%	1.43x	1.16x	69.4%	1.900%
5.000% - 5.999%	50	833,736,322	61.1	1.76x	1.12x	73.4%	2.293%
6.000% - 6.999%	24	437,457,330	32.1	1.57x	1.03x	73.1%	2.365%
7.000% - 8.000%	6	79,403,099	5.8	3.04x	1.11x	63.0%	2.074%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Note: The information is preliminary, has not been comforted and is subject to change.
All DSCR calculations are based on amortizing debt service payments (with the exception of six interest only loans) and assume LIBOR of 0.200%.
Amortization cycles to determine Maturity Date LTVs are calculated based on actual LIBOR or 0.200%, as applicable.
Third party LIBOR strike rate plus margin used for Underwritten DSCR at Cap, as applicable.

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IV. Loan Stratification Tables (cont'd)

Mortgage Pool Original Term to Maturity

Original Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
60	4	$108,050,000	7.9%	3.14x	1.19x	62.6%	1.971%
84	77	1,256,771,751	92.1	1.65x	1.09x	73.5%	2.328%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Remaining Term to Maturity

Remaining Term to Maturity (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
55 - 57	4	$108,050,000	7.9%	3.14x	1.19x	62.6%	1.971%
73 - 74	5	46,699,639	3.4	1.77x	1.14x	70.8%	2.126%
75 - 76	6	91,658,282	6.7	1.55x	1.03x	76.4%	2.050%
77 - 83	66	1,118,413,830	81.9	1.66x	1.09x	73.4%	2.359%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Original Amortization Term

Original Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Interest Only	6	$126,211,000	9.2%	3.47x	1.29x	61.8%	2.116%
360	75	1,238,610,751	90.8	1.60x	1.07x	73.7%	2.318%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Remaining Amortization Term

Remaining Amortization Term (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Interest Only	6	$126,211,000	9.2%	3.47x	1.29x	61.8%	2.116%
349 - 359	15	147,833,751	10.8	1.88x	1.25x	70.5%	2.344%
360	60	1,090,777,000	79.9	1.56x	1.05x	74.2%	2.314%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Seasoning

Seasoning (months)	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
1 - 3	37	$773,809,176	56.7%	1.79x	1.08x	72.7%	2.325%
4 - 5	18	252,777,654	18.5	1.87x	1.16x	72.3%	2.363%
6 - 7	15	199,877,000	14.6	1.66x	1.08x	71.6%	2.274%
8 - 11	11	138,357,921	10.1	1.62x	1.06x	74.5%	2.076%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Amortization Type

Amortization Type	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Partial IO	60	$1,090,777,000	79.9%	1.56x	1.05x	74.2%	2.314%
Balloon	15	147,833,751	10.8	1.88x	1.25x	70.5%	2.344%
Interest Only	6	126,211,000	9.2	3.47x	1.29x	61.8%	2.116%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Note: The information is preliminary, has not been comforted and is subject to change.
All DSCR calculations are based on amortizing debt service payments (with the exception of six interest only loans) and assume LIBOR of 0.200%.
Amortization cycles to determine Maturity Date LTVs are calculated based on actual LIBOR or 0.200%, as applicable.
Third party LIBOR strike rate plus margin used for Underwritten DSCR at Cap, as applicable.

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IV. Loan Stratification Tables (cont'd)

Mortgage Pool Year Built / Renovated

Most Recent Year Built / Renovated	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
1962 - 1979	15	$142,747,661	10.5%	2.00x	1.15x	70.6%	2.313%
1980 - 1989	13	153,722,888	11.3	1.69x	1.15x	70.9%	2.317%
1990 - 1999	10	158,994,854	11.6	1.54x	1.05x	76.9%	2.526%
2000 - 2004	4	61,266,582	4.5	1.85x	1.14x	73.0%	2.221%
2005 - 2009	10	211,801,880	15.5	2.06x	1.09x	69.2%	2.253%
2010 - 2015	29	636,287,886	46.6	1.69x	1.07x	73.6%	2.258%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Current Occupancy

Range of Current Occupancy	Number of Mortgaged Properties	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
72.3% - 85.0%	2	$48,475,000	3.6%	1.67x	1.14x	70.3%	2.327%
85.1% - 90.0%	4	53,842,691	3.9	1.56x	1.05x	77.5%	2.330%
90.1% - 95.0%	30	534,014,185	39.1	1.73x	1.09x	72.8%	2.316%
95.1% - 100.0%	45	728,489,876	53.4	1.82x	1.09x	72.3%	2.283%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Loan Purpose

Loan Purpose	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Refinance	39	$730,650,466	53.5%	1.77x	1.11x	71.7%	2.289%
Acquisition	42	634,171,285	46.5	1.77x	1.07x	73.7%	2.311%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Pool Prepayment Protection

Prepayment Protection	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Lockout Followed by 1% Penalty	76	$1,296,557,293	95.0%	1.78x	1.09x	72.9%	2.304%
Lockout then Open	3	55,184,862	4.0	1.53x	1.07x	69.6%	2.191%
Lockout Followed by 2% then 1% Penalty	1	10,679,596	0.8	1.71x	1.01x	59.7%	2.220%
1% Penalty	1	2,400,000	0.2	1.51x	1.06x	72.7%	2.560%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Mortgage Loan Originator

Originator	Number of Mortgage Loans	Cut-off Date Principal Balance	% of Initial Mortgage Pool Balance	Weighted Average Underwritten DSCR	Weighted Average Underwritten DSCR at Cap	Weighted Average Cut-off Date LTV Ratio	Weighted Average Margin
Walker & Dunlop, LLC	13	$241,610,010	17.7%	1.56x	1.05x	75.9%	2.378%
KeyBank National Association	10	191,706,860	14.0	2.15x	1.08x	68.5%	2.181%
Berkadia Commercial Mortgage LLC	10	135,781,596	9.9	1.55x	1.04x	69.5%	2.386%
Greystone Servicing Corporation, Inc.	6	133,724,000	9.8	1.57x	1.05x	77.0%	2.249%
Holliday Fenoglio Fowler, L.P.	5	122,305,000	9.0	1.55x	1.04x	78.8%	2.324%
Wells Fargo Bank, National Association	3	102,326,043	7.5	1.55x	1.04x	74.5%	2.266%
CBRE Capital Markets, Inc.	4	86,576,000	6.3	2.23x	1.13x	69.9%	2.282%
PNC Bank, National Association	7	63,833,307	4.7	2.51x	1.28x	63.8%	2.382%
NorthMarq Capital, LLC	2	53,735,606	3.9	2.03x	1.39x	65.9%	2.397%
Jones Lang LaSalle, L.L.C.	3	50,469,000	3.7	1.99x	1.20x	70.8%	2.165%
Capital One Multifamily Finance, LLC	4	50,423,503	3.7	1.56x	1.02x	76.9%	2.296%
Oak Grove Commercial Mortgage, LLC	6	45,521,048	3.3	1.65x	1.12x	72.4%	2.269%
Financial Federal Bank	2	22,850,000	1.7	1.56x	1.14x	77.8%	2.634%
Centerline Mortgage Partners Inc.	2	21,700,000	1.6	1.55x	1.03x	72.3%	2.248%
Berkeley Point Capital LLC	1	15,869,777	1.2	2.04x	1.26x	65.3%	2.140%
RICHMAC Funding LLC	1	14,225,000	1.0	1.43x	1.16x	69.4%	1.900%
Grandbridge Real Estate Capital LLC	1	7,440,000	0.5	1.53x	1.01x	71.5%	2.150%
Arbor Commercial Mortgage, LLC	1	4,725,000	0.3	1.62x	1.01x	77.5%	2.490%
Total / Wtd. Average	**81**	**$1,364,821,751**	**100.0%**	**1.77x**	**1.09x**	**72.6%**	**2.299%**

Note: The information is preliminary, has not been comforted and is subject to change.
All DSCR calculations are based on amortizing debt service payments (with the exception of six interest only loans) and assume LIBOR of 0.200%.
Amortization cycles to determine Maturity Date LTVs are calculated based on actual LIBOR or 0.200%, as applicable.
Third party LIBOR strike rate plus margin used for Underwritten DSCR at Cap, as applicable.

V. EXHIBIT A
Form Representations and Warranties

EXHIBIT A

DRAFT K-F12 DTD. 09-25-2015

LONG FORM DTD. 09-01-15

REPRESENTATIONS AND WARRANTIES OF MORTGAGE LOAN SELLER REGARDING THE LOANS

For purposes of these representations and warranties, the phrase "to the knowledge of the Mortgage Loan Seller" or "to the Mortgage Loan Seller's knowledge" will mean, except where otherwise expressly set forth below, the actual state of knowledge of the Mortgage Loan Seller or any servicer acting on its behalf regarding the matters referred to, (a) after the Mortgage Loan Seller's having conducted such inquiry and due diligence into such matters as would be customarily required by the Mortgage Loan Seller's underwriting standards represented in the Multifamily Seller/Servicer Guide (the "Guide") and the Mortgage Loan Seller's credit policies and procedures, at the time of the Mortgage Loan Seller's acquisition of the particular Loan; and (b) subsequent to such acquisition, utilizing the monitoring practices customarily utilized by the Mortgage Loan Seller and its servicer pursuant to the Guide. All information contained in documents which are part of or required to be part of a Mortgage File will be deemed to be within the knowledge of the Mortgage Loan Seller. Wherever there is a reference to receipt by, or possession of, the Mortgage Loan Seller of any information or documents, or to any action taken by the Mortgage Loan Seller or not taken by the Mortgage Loan Seller, such reference will include the receipt or possession of such information or documents by, or the taking of such action or the not taking of such action by, either the Mortgage Loan Seller or any servicer acting on its behalf.

The Mortgage Loan Seller represents and warrants, subject to the exceptions set forth in the Exception Report attached as Schedule V, with respect to each Loan, that as of the date specified below or, if no date is specified, as of the Representation and Warranty Date, the following representations and warranties are true and correct in all material respects:

[CHOOSE ONE SECTION 1]

IF A FIXED RATE LOAN POOL, INSERT THE FOLLOWING:

(1) Fixed Rate.

Each Loan bears interest at a fixed rate.

IF A FLOATING RATE LOAN POOL, INSERT THE FOLLOWING:

(1) Floating Rate.

Each Loan bears interest at a floating rate based on LIBOR, resets on a monthly basis, and accrues interest on an Actual/360 Basis.

(2) Crossed Loans.

No Loan is cross-collateralized or cross-defaulted with any other loan not being transferred to the Depositor.

(3) Subordinate Loans.

Except as set forth in the Mortgage Loan Schedule and except as set forth in the Loan Documents regarding future permitted subordinate debt, there are no subordinate mortgages encumbering the related Mortgaged Property and Mortgage Loan Seller has no knowledge of any mezzanine debt related to such Mortgaged Property.

(4) Single Purpose Entity.

(a) The Loan Documents executed in connection with each Loan with an original principal balance of $5,000,000 or more require the Borrower to be a Single Purpose Entity (defined below) for at least as long as the Loan is outstanding, except in cases where the related Mortgaged Property is a residential cooperative property.

(b) To the Mortgage Loan Seller's knowledge, each such Borrower is a Single Purpose Entity.

For this purpose, a "Single Purpose Entity" will mean an entity (not an individual) which meets all of the following requirements:

(i) An entity whose organizational documents provide and which entity represented in the related Loan Documents, substantially to the effect that each of the following is true with respect to each Borrower:

(A) it was formed or organized solely for the purpose of owning and operating one or more of the Mortgaged Properties securing the Loans, and

(B) it is prohibited from engaging in any business unrelated to such Mortgaged Property or Properties.

(ii) An entity whose organizational documents provide or which entity represented in the related Loan Documents, substantially to the effect that all the following are true with respect to each Borrower:

(A) it does not have any assets other than those related to its interest in and operation of such Mortgaged Property or Properties,

(B) it does not have any indebtedness other than as permitted by the related Mortgage(s) or the other related Loan Documents,

(C) it has its own books and records and accounts separate and apart from any other Person (other than a Borrower for a Loan that is cross-collateralized and cross-defaulted with the related Loan), and

(D) it holds itself out as a legal entity, separate and apart from any other Person.

(c) Each Loan with an original principal balance of $25,000,000 or more has a counsel's opinion regarding non-consolidation of the Borrower in any insolvency proceeding involving any other party.

(d) To the Mortgage Loan Seller's actual knowledge, each Borrower has fully complied with the requirements of the related Loan Documents and the Borrower's organizational documents regarding Single Purpose Entity status.

(e) The Loan Documents executed in connection with each Loan with an original principal balance of less than $5,000,000 prohibit the related Borrower from doing either of the following:

(i) having any assets other than those related to its interest in the related Mortgaged Property or its financing, or

(ii) engaging in any business unrelated to such property and the related Loan.

(5) Licenses, Permits and Authorization.

(a) As of the Origination Date, to Mortgage Loan Seller's knowledge, based on the related Borrower's representations and warranties in the related Loan Documents, the Borrower, commercial lessee and/or operator of the Mortgaged Property was in possession of all material licenses, permits, and authorizations required for use of the related Mortgaged Property as it was then operated.

(b) Each Borrower covenants in the related Loan Documents that it will remain in material compliance with all material licenses, permits and other legal requirements necessary and required to conduct its business.

(6) Condition of Mortgaged Property.

To the Mortgage Loan Seller's knowledge, based solely upon due diligence customarily performed in connection with the origination of comparable loans, one of the following is applicable:

(a) each related Mortgaged Property is free of any material damage that would materially and adversely affect the use or value of such Mortgaged Property as security for the Loan (other than normal wear and tear), or

(b) to the extent a prudent lender would so require, the Mortgage Loan Seller has required a reserve, letter of credit, guaranty, insurance coverage or other mitigant with respect to the condition of the Mortgaged Property.

(7) Access, Public Utilities and Separate Tax Parcels.

All of the following are true and correct with regard to each Mortgaged Property:

(a) each Mortgaged Property is located on or adjacent to a dedicated road, or has access to an irrevocable easement permitting ingress and egress,

(b) each Mortgaged Property is served by public utilities and services generally available in the surrounding community or otherwise appropriate for the use in which the Mortgaged Property is currently being utilized, and

(c) each Mortgaged Property constitutes one or more separate tax parcels. In certain cases, if such Mortgaged Property is not currently one tax parcel, an application has been made to the applicable governing authority for creation of separate tax parcels, in which case the Loan Documents require the Borrower to escrow an amount sufficient to pay taxes for the existing tax parcel of which the Mortgaged Property is a part until the separate tax parcels are created.

(d) Any requirement described in clauses (a), (b) or (c) will be satisfied if such matter is covered by an endorsement or affirmative insurance under the related Title Policy (defined in Paragraph 11).

(8) Taxes and Assessments.

One of the following is applicable:

(a) there are no delinquent or unpaid taxes, assessments (including assessments payable in future installments) or other outstanding governmental charges affecting any Mortgaged Property that are or may become a lien of priority equal to or higher than the lien of the related Mortgage, or

(b) an escrow of funds has been established in an amount (including all ongoing escrow payments to be made prior to the date on which taxes and assessments become delinquent) sufficient to cover the payment of such unpaid taxes and assessments.

For purposes of this representation and warranty, real property taxes and assessments will not be considered unpaid until the date on which interest or penalties would be first payable.

(9) Ground Leases.

No Loan is secured in whole or in part by the related Borrower's interest as lessee under a ground lease of the related Mortgaged Property without also being secured by the related fee interest in such Mortgaged Property.

(10) Valid First Lien.

(a) Each related Mortgage creates a valid and enforceable first priority lien on the related Mortgaged Property, subject to Permitted Encumbrances (defined below) and except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) If the related Loan is a Crossed Loan, however, the related Mortgage encumbering the related Mortgaged Property also secures one or more other Loans.

(c) The related Mortgaged Property is free and clear of any mechanics' and materialmen's liens which are prior to or equal with the lien of the related Mortgage, except those which are bonded over, escrowed for or insured against by a Title Policy.

(d) A UCC financing statement has been filed and/or recorded (or sent for filing or recording) (or, in the case of fixtures, the Mortgage constitutes a fixture filing) in all places (if any) necessary at the time of origination of the Loan to perfect a valid security interest in the personal property owned by Borrower and reasonably necessary to operate the related Mortgaged Property in its current use other than for any of the following:

(i) non-material personal property,

(ii) personal property subject to purchase money security interests, and

(iii) personal property that is leased equipment, to the extent a security interest may be created by filing or recording.

Notwithstanding the foregoing, no representation is made as to the perfection of any security interest in rents or other personal property to the extent that possession or control of such items or actions other than the filing of UCC financing statements are required in order to effect such perfection.

(e) Any security agreement or equivalent document related to and delivered in connection with the Loan establishes and creates a valid and enforceable lien on the property described therein (other than on healthcare licenses or on payments to be made under Medicare, Medicaid or similar federal, state or local third party payor programs that are not assignable without governmental approval), subject to Permitted Encumbrances and except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the

enforcement of creditors' rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(11) Title Insurance.

(a) Each Mortgaged Property is covered by an ALTA lender's title insurance policy (or its equivalent as set forth in the applicable jurisdiction), a pro forma policy or a marked-up title insurance commitment (on which the required premium has been paid) that evidences such title insurance policy (collectively, a "Title Policy"), in the original principal amount of the related Loan (or the allocated loan amount of the portions of the Mortgaged Property that are covered by such Title Policy).

(b) Each Title Policy insures that the related Mortgage is a valid first priority lien on the related Mortgaged Property, subject only to Permitted Encumbrances.

(c) Each Title Policy (or, if it has yet to be issued, the coverage to be provided by such Title Policy) is in full force and effect and all premiums have been paid.

(d) Each Title Policy contains no exclusion for or affirmatively insures (except for any Mortgaged Property located in a jurisdiction where such affirmative insurance is not available) each of the following:

(i) there is access to a public road,

(ii) the area shown on the survey is the same as the property legally described in the Mortgage,

(iii) the lien of the Mortgage is superior to a lien created by any applicable statute relating to environmental remediation, and

(iv) to the extent that the Mortgaged Property consists of two or more adjoining parcels, such parcels are contiguous.

(e) No material claims have been made or paid under the Title Policy.

(f) The Mortgage Loan Seller has not done, by act or omission, anything that would materially impair or diminish the coverage under the Title Policy, and has no knowledge of any such action or omission.

(g) Immediately following the transfer and assignment of the related Loan to the Trustee, the Title Policy (or, if it has yet to be issued, the coverage to be provided by such Title Policy) will inure to the benefit of the Trustee without the consent of or notice to the insurer of the Title Policy.

(h) The Mortgage Loan Originator, the Mortgage Loan Seller and its successors and assigns are the sole named insureds under the Title Policy.

(i) To the Mortgage Loan Seller's knowledge, the insurer of the Title Policy is qualified to do business in the jurisdiction in which the related Mortgaged Property is located.

"Permitted Encumbrances" will mean:

(i) the lien of current real property taxes, ground rents, water charges, sewer rents and assessments not yet delinquent,

(ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record specifically identified in the Title Policy, none of which, individually or in the aggregate, materially interferes with any of the following:

(A) the current use of the Mortgaged Property,

(B) the security in the collateral intended to be provided by the lien of such Mortgage,

(C) the related Borrower's ability to pay its obligations when they become due, or

(D) the value of the Mortgaged Property,

(iii) exceptions (general and specific) and exclusions set forth in such Title Policy, none of which, individually or in the aggregate, materially interferes with any of the following:

(A) the current use of the Mortgaged Property,

(B) the security in the collateral intended to be provided by the lien of such Mortgage,

(C) the related Borrower's ability to pay its obligations when they become due, or

(D) the value of the Mortgaged Property,

(iv) the rights of tenants, as tenants only, under leases, including subleases, pertaining to the related Mortgaged Property,

(v) other matters to which similar properties are commonly subject, none of which, individually or in the aggregate, materially interferes with any of the following:

(A) the current use of the Mortgaged Property,

(B) the security in the collateral intended to be provided by the lien of such Mortgage,

(C) the related Borrower's ability to pay its obligations when they become due, or

(D) the value of the Mortgaged Property, and

(vi) if the related Loan is a Crossed Loan, the lien of any Loan that is cross-collateralized with such Crossed Loan.

(12) Encroachments.

(a) To the Mortgage Loan Seller's knowledge (based upon surveys and/or the Title Policy obtained in connection with the origination of the Loans), as of the related Origination Date of each Loan, all of the material improvements on the related Mortgaged Property that were considered in determining the appraised value of the Mortgaged Property lay wholly within the boundaries and building restriction lines of such property and there are no encroachments of any part of any building over any easement, except for one or more of the following:

(i) encroachments onto adjoining parcels that are insured against by the related Title Policy,

(ii) encroachments that do not materially and adversely affect the operation, use or value of such Mortgaged Property or the security intended to be provided by the Mortgage,

(iii) violations of the building restriction lines that are covered by ordinance and law coverage in amounts customarily required by prudent multifamily mortgage lenders for similar properties,

(iv) violations of the building restriction lines that are insured against by the related Title Policy, or

(v) violations of the building restriction lines that do not materially and adversely affect the operation, use or value of such Mortgaged Property or the security intended to be provided by the Mortgage.

(b) To the Mortgage Loan Seller's knowledge (based on surveys and/or the Title Policy obtained in connection with the origination of the Loans), as of the related Origination Date of each Loan, no improvements on adjoining properties materially encroached upon such Mortgaged Property so as to materially and adversely affect the operation, use or value of such Mortgaged Property or the security intended to be provided by the Mortgage, except those encroachments that are insured against by the related Title Policy.

(13) Zoning.

Based upon the "Zoning Due Diligence" (defined below) one of the following is applicable to each Mortgaged Property:

(a) the improvements located on or forming part of each Mortgaged Property materially comply with applicable zoning laws and ordinances, or

(b) the improvements located on or forming part of each Mortgaged Property constitute a legal non-conforming use or structure and one of the following is true:

(i) the non-compliance does not materially and adversely affect the value of the related Mortgaged Property, or

(ii) ordinance and law coverage was provided in amounts customarily required by prudent multifamily mortgage lenders for similar properties.

The foregoing may be based upon one or more of the following ("Zoning Due Diligence"):

(a) a statement of full restoration by a zoning authority,

(b) copies of legislation or variance permitting full restoration of the Mortgaged Property,

(c) a damage restoration statement along with an evaluation of the Mortgaged Property,

(d) a zoning report prepared by a company acceptable to the Mortgage Loan Seller,

(e) an opinion of counsel, and/or

(f) other due diligence considered reasonable by prudent multifamily mortgage lenders in the lending area where the subject Mortgaged Property is located (such reasonable due diligence includes, but is not limited to, ordinance and law coverage as specified in clause (b)(ii) above).

(14) Environmental Conditions.

(a) As of the Origination Date, each Borrower represented and warranted in all material respects that to its knowledge, such Borrower has not used, caused or permitted to exist (and will not use, cause or permit to exist) on the related Mortgaged Property any Hazardous Materials in any manner which violates federal, state or local laws, ordinances, regulations, orders, directives or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials or other environmental laws, subject to each of the following:

(i) exceptions set forth in certain Environmental Reports,

(ii) Hazardous Materials that are commonly used in the operation and maintenance of properties of similar kind and nature to the Mortgaged Property,

(iii) Hazardous Materials that are commonly used in accordance with prudent management practices and applicable law, and

(iv) Hazardous Materials that are commonly used in a manner that does not result in any contamination of the Mortgaged Property that is not permitted by law).

(b) Each Mortgage requires the related Borrower to comply, and to cause the related Mortgaged Property to be in compliance, with all Hazardous Materials Laws applicable to the Mortgaged Property.

(c) Each Borrower (or an Affiliate thereof) has agreed to indemnify, defend and hold the lender and its successors and assigns harmless from and against losses, liabilities, damages, injuries, penalties, fines, expenses, and claims of any kind whatsoever (including attorneys' fees and costs) paid, incurred or suffered by, or asserted against, any such party resulting from a breach of the foregoing representations or warranties given by the Borrower in connection with such Loan.

(d) A Phase I Environmental Report and, in the case of certain Loans, a Phase II Environmental Report (in either case meeting ASTM International standards), was conducted by a reputable environmental consulting firm with respect to the related Mortgaged Property within 12 months of the Closing Date.

(e) If any material non-compliance or material existence of Hazardous Materials was indicated in any Phase I Environmental Report or Phase II Environmental Report, then at least one of the following statements is true:

(i) funds reasonably estimated to be sufficient to cover the cost to cure any material non-compliance with applicable environmental laws or material existence of Hazardous Materials have been escrowed, or a letter of credit in such amount has been provided, by the related Borrower and held by the Mortgage Loan Seller or its servicer,

(ii) if the Environmental Report recommended an operations and maintenance plan, but not any material expenditure of funds, the related Borrower has been required to maintain an operations and maintenance plan,

(iii) the environmental condition identified in the related Environmental Report was remediated or abated in all material respects,

(iv) a no further action or closure letter was obtained from the applicable governmental regulatory authority (or the environmental issue affecting

the related Mortgaged Property was otherwise listed by such governmental authority as "closed"),

(v) such conditions or circumstances identified in the Phase I Environmental Report were investigated further and, based upon such additional investigation, an environmental consultant recommended no further investigation or remediation,

(vi) a party with financial resources reasonably estimated to be adequate to cure the condition or circumstance provided a guaranty or indemnity to the related Borrower or lender to cover the costs of any required investigation, testing, monitoring or remediation, or

(vii) the reasonably estimated costs of such remediation do not exceed 2% of the outstanding principal balance of the related Loan.

(f) To the best of the Mortgage Loan Seller's knowledge, in reliance on such Environmental Reports and except as set forth in such Environmental Reports, each Mortgaged Property is in material compliance with all Hazardous Materials Laws, and to the best of the Mortgage Loan Seller's knowledge, no notice of violation of such laws has been issued by any governmental agency or authority, except, in all cases, as indicated in such Environmental Reports or other documents previously provided to the Depositor.

(g) The Mortgage Loan Seller has not taken any action which would cause the Mortgaged Property not to be in compliance with all Hazardous Materials Laws.

(h) All such Environmental Reports or any other environmental assessments of which the Mortgage Loan Seller has possession have been disclosed to Depositor.

(i) With respect to the Mortgaged Properties securing the Loans that were not the subject of an environmental site assessment within 12 months prior to the Cut-off Date:

(i) no Hazardous Material is present on such Mortgaged Property such that (A) the value of such Mortgaged Property is materially and adversely affected or (B) under applicable federal, state or local law,

(1) such Hazardous Material could be required to be eliminated at a cost materially and adversely affecting the value of the Mortgaged Property before such Mortgaged Property could be altered, renovated, demolished or transferred, or

(2) the presence of such Hazardous Material could (upon action by the appropriate governmental authorities) subject the owner of such Mortgaged Property, or the holders of a security interest therein, to liability for the cost of eliminating such Hazardous Material or the

hazard created thereby at a cost materially and adversely affecting the value of the Mortgaged Property, and

(ii) such Mortgaged Property is in material compliance with all applicable federal, state and local laws pertaining to Hazardous Materials or environmental hazards, any noncompliance with such laws does not have a material adverse effect on the value of such Mortgaged Property, and neither Mortgage Loan Seller nor, to Mortgage Loan Seller's knowledge, the related Borrower or any current tenant thereon, has received any notice of violation or potential violation of any such law.

"Hazardous Materials" means

(i) petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls ("PCBs") and compounds containing them,

(ii) lead and lead-based paint,

(iii) asbestos or asbestos-containing materials in any form that is or could become friable,

(iv) underground or above-ground storage tanks that are not subject to a "no further action" letter from the regulatory authority in the related property jurisdiction, whether empty or containing any substance,

(v) any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority,

(vi) any substance that requires special handling and any other "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," or "pollutant" by or within the meaning of any Hazardous Materials Law, or

(vii) any substance that is regulated in any way by or within the meaning of any Hazardous Materials Law.

"Hazardous Materials Law" means

(i) any federal, state, and local law, ordinance and regulation and standard, rule, policy and other governmental requirement, administrative ruling and court judgment and decree in effect now or in the future and including all amendments, that relate to Hazardous Materials or the protection of human health or the environment and apply to the Borrower or to the Mortgaged Property, and

(ii) Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et. seq., and their state analogs.

(15) Insurance.

(a) Each related Mortgaged Property is insured by each of the following:

(i) a property damage insurance policy, issued by an insurer meeting the requirements of the Loan Documents and the Guide, in an amount not less than

(A) the lesser of (1) the outstanding principal amount of the related Loan and (2) the replacement cost (with no deduction for physical depreciation) of the Mortgaged Property, and

(B) the amount necessary to avoid the operation of any co-insurance provisions with respect to the related Mortgaged Property,

(ii) business income or rental value insurance covering no less than the effective gross income, as determined by the Mortgage Loan Seller, attributable to the Mortgaged Property for 12 months,

(iii) comprehensive general liability insurance in amounts generally required by prudent multifamily mortgage lenders for similar properties, and

(iv) if windstorm and related perils and/or "Named Storm" is excluded from the property damage insurance policy, the Mortgaged Property is insured by a separate windstorm insurance policy or endorsement covering damage from windstorm and related perils and/or "Named Storm" in an amount not less than:

(A) the lesser of (1) the outstanding principal amount of the related Loan and (2) the replacement cost (with no deduction for physical depreciation) of the Mortgaged Property, and

(B) the amount necessary to avoid the operation of any co-insurance provisions with respect to the related Mortgaged Property.

(b) All Mortgaged Properties located in seismic zones 3 or 4 have had a seismic assessment done for the sole purpose of assessing the probable maximum loss ("PML") for the Mortgaged Property in the event of an earthquake. In such instance, the PML was based upon a 475-year lookback with a 10% probability of

exceedance in a 50-year period. If a seismic assessment concluded that the PML on a Mortgaged Property would exceed 20% of the amount of the replacement costs of the improvements, earthquake insurance was required in an amount not less than 150% of an amount equal to the difference between the projected loss for the Mortgaged Property using the actual PML and the projected loss for the Mortgaged Property using a 20% PML.

(c) Each insurance policy requires at least 10 days prior notice to the lender of termination or cancellation by the insurer arising because of non-payment of a premium and at least 30 days prior notice to the lender of termination or cancellation by the insurer arising for any reason other than non-payment of a premium, and no such notice has been received by the Mortgage Loan Seller.

(d) All premiums on such insurance policies required to be paid have been paid.

(e) Each insurance policy contains a standard mortgagee clause and loss payee clause in favor of lender and names the mortgagee as an additional insured in the case of liability insurance policies (other than with respect to professional liability policies).

(f) Based solely on a flood zone determination, if any material portion of the improvements on the Mortgaged Property, exclusive of any parking lots, is located in an area identified by the Federal Emergency Management Agency as a special flood hazard area, then the Borrower is required to maintain flood insurance for such portion of the improvements located in a special flood hazard area in an amount equal to the maximum amount available under the National Flood Insurance Program, plus such additional excess flood coverage in an amount generally required by prudent multifamily mortgage lenders for similar properties.

(g) The related Loan Documents for each Loan obligate the related Borrower to maintain all such insurance and, if the Borrower fails to do so, authorize the lender to maintain such insurance at the Borrower's cost and expense and to seek reimbursement for such insurance from the Borrower.

(h) None of the Loan Documents contains any provision that expressly excuses the related Borrower from obtaining and maintaining insurance coverage for acts of terrorism.

(i) The related Loan Documents for each Loan contain customary provisions consistent with the practices of prudent multifamily mortgage lenders for similar properties requiring the related Borrower to obtain such other insurance as the lender may require from time-to-time.

(16) Grace Periods.

For any Loan that provides for a grace period with respect to delinquent Monthly Payments, such grace period is no longer than 10 days from the applicable payment date.

(17) Due on Encumbrance.

Each Loan prohibits the related Borrower from doing either of the following:

(a) from mortgaging or otherwise encumbering the Mortgaged Property without the prior written consent of the lender or the satisfaction of debt service coverage and other criteria specified in the related Loan Documents, and

(b) from carrying any additional indebtedness, except as set forth in the Loan Documents or in connection with trade debt and equipment financings incurred in the ordinary course of Borrower's business.

(18) Carveouts to Non-Recourse.

(a) The Loan Documents for each Loan provide that:

(i) the related Borrower will be liable to the lender for any losses incurred by the lender due to any of the following:

(A) the misapplication or misappropriation of rents (after a demand is made after an event of default), insurance proceeds or condemnation awards,

(B) any breach of the environmental covenants contained in the related Loan Documents,

(C) fraud by such Borrower in connection with the application for or creation of the Loan or in connection with any request for any action or consent by the lender, and

(ii) the Loan will become full recourse in the event of a voluntary bankruptcy filing by the Borrower.

(b) A natural person is jointly and severally liable with the Borrower with respect to (a)(i) and (a)(ii).

(19) Financial Statements.

Each Loan requires the Borrower to provide the owner or holder of the Mortgage with quarterly and annual operating statements, rent rolls and related information and annual financial statements.

(20) Due on Sale.

(a) Each Loan contains provisions for the acceleration of the payment of the unpaid principal balance of such Loan if, without the consent of the holder of the Mortgage and/or if not in compliance with the requirements of the related Loan Documents, the related Mortgaged Property or a controlling interest in the related Borrower is directly or indirectly transferred or sold, except with respect to any of the following transfers:

(i) transfers of certain interests in the related Borrower to Persons already holding direct or indirect interests in such Borrower, their family members, affiliated companies and other estate planning related transfers that satisfy certain criteria specified in the related Loan Documents (which criteria are consistent with the practices of prudent multifamily mortgage lenders),

(ii) transfers of less than a controlling interest in a Borrower,

(iii) transfers of common stock in publicly traded companies, or

(iv) if the related Mortgaged Property is a residential cooperative property, transfers of stock of the related Borrower in connection with the assignment of a proprietary lease for a unit in the related Mortgaged Property by a tenant-shareholder of the related Borrower to other Persons who by virtue of such transfers become tenant-shareholders in the related Borrower.

(b) The Mortgage requires the Borrower to pay all fees and expenses associated with securing the consent or approval of the holder of the Mortgage for all actions requiring such consent or approval under the Mortgage including the cost of counsel opinions relating to REMIC or other securitization and tax issues.

(21) Assignment of Leases.

(a) Each Mortgage File contains an Assignment of Leases that is part of the related Mortgage.

(b) Each such Assignment of Leases creates a valid present assignment of, or a valid first priority lien or security interest in, certain rights under the related lease or leases, subject only to a license granted to the related Borrower to exercise certain rights and to perform certain obligations of the lessor under such lease or leases, including the right to operate the related leased property, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(c) No Person other than the related Borrower owns any interest in any payments due under the related lease or leases that is superior to or of equal priority with the lender's interest.

(d) The related Mortgage provides for the appointment of a receiver for rents or allows the holder thereof to enter into possession to collect rents or provides for rents to be paid directly to the mortgagee in the event of a default under the Loan or Mortgage.

(22) Insurance Proceeds and Condemnation Awards.

(a) Each Loan provides that insurance proceeds and condemnation awards will be applied to one of the following:

(i) restoration or repair of the related Mortgaged Property,

(ii) restoration or repair of the related Mortgaged Property, with any excess insurance proceeds or condemnation awards after restoration or repair being paid to the Borrower, or

(iii) reduction of the principal amount of the Loan.

(b) In the case of all casualty losses or condemnations resulting in proceeds or awards in excess of a specified dollar amount or percentage of the Loan amount that a prudent multifamily lender would deem satisfactory and acceptable, the lender or a trustee appointed by it (if the lender does not exercise its right to apply the insurance proceeds or condemnation awards (including proceeds from settlement of condemnation actions) to the principal balance of the related Loan in accordance with the Loan Documents) has the right to hold and disburse such proceeds or awards as the repairs or restoration progresses.

(c) To the Mortgage Loan Seller's knowledge, there is no proceeding pending for the total or partial condemnation of such Mortgaged Property that would have a material adverse effect on the use or value of the Mortgaged Property.

(23) Customary Provisions.

(a) The Note or Mortgage for each Loan, together with applicable state law, contains customary and enforceable provisions so as to render the rights and remedies of the holder of such Note or Mortgage adequate for the practical realization against the related Mortgaged Property of the principal benefits of the security in the collateral intended to be provided by such Note or the lien of such Mortgage, including realization by judicial or if applicable, non-judicial foreclosure, except as the enforcement of the Mortgage may be limited by bankruptcy, insolvency, reorganization, moratorium, redemption or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) No Borrower is a debtor in, and no Mortgaged Property is the subject of, any state or federal bankruptcy or insolvency proceeding, and, as of the Origination Date, no guarantor was a debtor in any state or federal bankruptcy or insolvency proceeding.

(24) Litigation.

To the knowledge of the Mortgage Loan Seller, there are no actions, suits or proceedings before any court, administrative agency or arbitrator concerning any Loan, Borrower or related Mortgaged Property, an adverse outcome of which would reasonably be expected to materially and adversely affect any of the following:

(a) title to the Mortgaged Property or the validity or enforceability of the related Mortgage,

(b) the value of the Mortgaged Property as security for the Loan,

(c) the use for which the Mortgaged Property was intended, or

(d) the Borrower's ability to perform under the related Loan.

(25) Escrow Deposits.

(a) Except as previously disbursed pursuant to the Loan Documents, all escrow deposits and payments relating to each Loan that are required to be deposited or paid, have been deposited or paid.

(b) All escrow deposits and payments required pursuant to each Loan are in the possession, or under the control, of the Mortgage Loan Seller or its servicer.

(c) All such escrow deposits that have not been disbursed pursuant to the Loan Documents are being conveyed by the Mortgage Loan Seller to the Depositor and identified with appropriate detail.

(26) Valid Assignment.

(a) Each related assignment of Mortgage and related assignment of Assignment of Leases, if any, from the Mortgage Loan Seller to the Depositor is in recordable form and constitutes the legal, valid and binding assignment from the Mortgage Loan Seller to the Depositor, except as enforcement may be limited by bankruptcy, insolvency, reorganization, liquidation, receivership, moratorium or other laws relating to or affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) Each related Mortgage and Assignment of Leases, if any, is freely assignable without the consent of the related Borrower.

(27) Appraisals.

Each Servicing File contains an appraisal for the related Mortgaged Property that is dated within 12 months of the Closing Date and that satisfies the guidelines set forth in Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

(28) Inspection of Mortgaged Property.

The Mortgage Loan Seller (or if the Mortgage Loan Seller is not the Mortgage Loan Originator, the Mortgage Loan Originator) inspected or caused to be inspected each Mortgaged Property in connection with the origination of the related Loan and within 12 months of the Closing Date.

(29) Qualification To Do Business.

To the extent required under applicable law, as of the Cut-off Date or as of the date that such entity held the Note, each holder of the Note was authorized to transact and do business in the jurisdiction in which the related Mortgaged Property is located, or the failure to be so authorized did not materially and adversely affect the enforceability of such Loan.

(30) Ownership.

(a) Immediately prior to the transfer to the Depositor of the Loans, the Mortgage Loan Seller had good title to, and was the sole owner of, each Loan.

(b) The Mortgage Loan Seller has full right, power and authority to transfer and assign each of the Loans to the Depositor and has validly and effectively conveyed (or caused to be conveyed) to the Depositor or its designee all of the Mortgage Loan Seller's legal and beneficial interest in and to the Loans free and clear of any and all liens, pledges, charges, security interests and/or other encumbrances of any kind.

(31) Deed of Trust.

If the Mortgage is a deed of trust, each of the following is true:

(a) a trustee, duly qualified under applicable law to serve as trustee, currently serves as trustee and is named in the deed of trust (or has been or may be substituted in accordance with applicable law by the related lender), and

(b) such deed of trust does not provide for the payment of fees or expenses to such trustee by the Mortgage Loan Seller, the Depositor or any transferee of the Mortgage Loan Seller or Depositor.

(32) Validity of Loan Documents.

(a) Each Note, Mortgage or other agreement that evidences or secures the related Loan and was executed by or for the benefit of the related Borrower or any guarantor is the legal, valid and binding obligation of the signatory, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) There is no valid offset, defense, counterclaim, or right of rescission, abatement or diminution available to the related Borrower or any guarantor with respect to such Note, Mortgage or other agreement, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights or by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(c) To Mortgage Loan Seller's knowledge, no offset, defense, counterclaim or right of rescission, abatement or diminution has been asserted by Borrower or any guarantor.

(33) Compliance with Usury Laws.

As of the Origination Date, the Mortgage Rate (exclusive of any default interest, late charges, yield maintenance charge, or prepayment premiums) of each Loan was in compliance with, or was exempt from, applicable state or federal laws, regulations and other requirements pertaining to usury.

(34) No Shared Appreciation.

No Loan has shared appreciation rights with respect to such Loan (it being understood that equity holdings, including without limitation, preferred equity holdings, will not be considered shared appreciation rights with respect to a Loan), any other contingent interest feature or a negative amortization feature.

(35) Whole Loan.

Each Loan is a whole loan and is not a participation interest in such Loan.

(36) Loan Information.

The information set forth in the Mortgage Loan Schedule is true, complete and accurate in all material respects.

(37) Full Disbursement.

The proceeds of the Loan have been fully disbursed and there is no requirement for future advances.

(38) No Advances.

No advance of funds has been made by the Mortgage Loan Seller to the related Borrower (other than mezzanine debt and the acquisition of preferred equity interests by the preferred equity interest holder, as disclosed in the Mortgage Loan Schedule), and no advance of funds have, to the Mortgage Loan Seller's knowledge, been received (directly or indirectly) from any Person other than the related Borrower for or on account of payments due on the Loan.

(39) All Collateral Transferred.

All collateral that secures the Loans is being transferred to the Depositor as part of the Loans (other than healthcare licenses, Medicare, Medicaid or similar federal, state or local third party payor programs, including housing assistance payments contracts, that are not transferable without governmental approval).

(40) Loan Status; Waivers and Modifications.

Since the Origination Date and except pursuant to written instruments set forth in the related Mortgage File or as described in the Pooling and Servicing Agreement as a Freddie Mac Pre-Approved Servicing Request, all of the following are true and correct:

(a) the material terms of such Mortgage, Note and related Loan Documents have not been waived, impaired, modified, altered, satisfied, canceled, subordinated or rescinded in any respect,

(b) no related Mortgaged Property or any portion thereof has been released from the lien of the related Mortgage in any manner which materially interferes with the security intended to be provided by such Mortgage or the use, value or operation of such Mortgaged Property, and

(c) neither Borrower nor guarantor has been released from its obligations under the Loan.

(41) Defaults.

(a) There exists no monetary default (other than payments due but not yet more than 30 days past due) or, to Mortgage Loan Seller's knowledge, material non-monetary default, breach, violation or event of acceleration under the related Loan.

(b) To Mortgage Loan Seller's knowledge, there exists no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a material default, breach, violation or event of acceleration under such Loan; provided, however, that the representations and warranties set forth in this Paragraph 41 do not address or otherwise cover any default, breach, violation or event of acceleration that specifically pertains to any matter otherwise covered by any other representation or warranty made by the Mortgage Loan Seller in this Exhibit A; and, provided, further, that a breach by the Borrower of any representation or warranty contained in any Loan Document (each, a "Borrower Representation") will not constitute a material non-monetary default, breach, violation or event of acceleration for purposes of this Paragraph 41 if the subject matter of such Borrower Representation is covered by any exception to any representation or warranty made by the Mortgage Loan Seller in this Exhibit A.

(c) Since the Origination Date, except as set forth in the related Mortgage File, neither the Mortgage Loan Seller nor any servicer of the Loan has waived any material default, breach, violation or event of acceleration under any of the Loan Documents.

(d) Pursuant to the terms of the Loan Documents, no Person or party other than the holder of the Note and Mortgage may declare an event of default or accelerate the related indebtedness under such Loan Documents.

(42) Payments Current.

No scheduled payment of principal and interest under any Loan was more than 30 days past due as of the Cut-off Date, and no Loan was more than 30 days delinquent in the twelve-month period immediately preceding the Cut-off Date.

(43) Qualified Loan.

Each Loan constitutes a "qualified mortgage" within the meaning of Section 860G(a)(3) of the Code (but without regard to the rule in Treasury Regulation Section 1.860G-2(f)(2) that treats a defective obligation as a "qualified mortgage" or any substantially similar successor provision). Any prepayment premiums and yield maintenance charges payable upon a voluntary prepayment under the terms of such Loan constitute "customary prepayment penalties" within the meaning of Treasury Regulation Section 1.860G-1(b)(2).

(44) Prepayment Upon Condemnation.

For all Loans originated after December 6, 2010, in the event of a taking of any portion of a Mortgaged Property by a State or any political subdivision or authority thereof, whether by legal proceeding or by agreement, if the fair market value of the real property constituting the remaining Mortgaged Property immediately after the release of such portion of the Mortgaged Property from the lien of the related Mortgage (but taking into account any planned restoration and reduced by (a) the outstanding principal balance of all senior indebtedness secured by the Mortgaged Property and (b) a proportionate amount of all indebtedness secured by the Mortgaged Property that is at the same level of priority as the Loan, as applicable), is not equal to at least 80% of the remaining principal amount of the Loan, the related Borrower can be required to apply the award with respect to such taking to prepay the Loan or to prepay the Loan in the amount required by the REMIC Provisions and such amount may not, to such extent, be used to restore the related Mortgaged Property or be released to the related Borrower.

[CHOOSE ONE SECTION 45]

IF A FIXED RATE LOAN POOL, INSERT THE FOLLOWING:

(45) Defeasance. Only with respect to the Loans for which the related Loan Documents permit defeasance:

(a) no Loan provides that it can be defeased prior to the date that is two years following the Closing Date,

(b) no Loan provides that it can be defeased with any property other than government securities (as defined in Section 2(a)(16) of the Investment Company Act of 1940, as amended),

(c) the related Loan Documents provide that the related Borrower is responsible for the payment of all reasonable costs and expenses of the lender, including any rating agency fees, incurred in connection with (i) the defeasance of such Loan and the release of the related Mortgaged Property and (ii) the approval of an assumption of such Loan, and

(d) the related Loan Documents require delivery of all of the following:

(i) an opinion to the effect that the lender has a valid and perfected lien and security interest of first priority in the defeasance collateral,

(ii) an accountant's certificate as to the adequacy of the defeasance collateral to make all scheduled payments, and

(iii) an opinion to the effect that the defeasance complies with applicable REMIC Provisions.

IF AN ADJUSTABLE RATE LOAN POOL, INSERT THE FOLLOWING:

(45) [Reserved].

(46) Releases of Mortgaged Property.

(a) No Loan requires the lender to release all or any portion of the related Mortgaged Property from the lien of the related Mortgage, except as in compliance with the REMIC Provisions and one of the following:

(i) upon payment in full of all amounts due under the related Loan,

(ii) in connection with a full or partial defeasance pursuant to provisions in the related Loan Documents,

(iii) unless such portion of the Mortgaged Property was not considered material for purposes of underwriting the Loan, was not included in the appraisal for such Mortgaged Property or does not generate income,

(iv) upon the payment of a release price at least equal to the allocated loan amount or, if none, the appraised value of the released parcel and any related prepayment, or

(v) with respect to any Crossed Loans or Loans secured by multiple Mortgaged Properties, in connection with the release of any cross-collateralization pursuant to provisions in the related Loan Documents.

(b) With respect to clauses (iii), (iv) and (v) above, for all Loans originated after December 6, 2010, if the fair market value of the real property constituting the remaining Mortgaged Property immediately after the release of such portion of the Mortgaged Property from the lien of the related Mortgage is not equal to at least 80% of the remaining principal amount of the Loan, the related Borrower is required to prepay the Loan in an amount equal to or greater than the amount required by the REMIC Provisions.

(47) Origination and Servicing.

The origination, servicing and collection practices used by the Mortgage Loan Seller or, to the Mortgage Loan Seller's knowledge, any prior holder or servicer of each Loan have been in compliance with all applicable laws and regulations, and substantially in accordance with the practices of prudent multifamily mortgage lenders with respect to similar mortgage loans and in compliance with the Guide in all material respects.

VI. EXHIBIT B
Form Intercreditor Agreement

INTERCREDITOR AGREEMENT

by and between

[_____]

as Senior Lender

and

[_____]

as Junior Lender

Dated as of _____, 20__

Premises: _____
_____

Freddie Mac Loan Number: _____
Property Name: _____

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (this "**Agreement**") is dated as of _____, 20__, by and between _____, a _____, having an office at _____, _____, _____ ("**Senior Lender**"), and _____ a _____, having an office at _____ ("**Junior Lender**").

RECITALS

WHEREAS, Senior Lender is the current holder of a loan to _____, a _____ ("**Borrower**"), in the original principal amount of $_____ (the "**Senior Loan**"), which Senior Loan is evidenced by a certain Multifamily Note dated as of _____, 20__ (the "**Senior Note**") made by Borrower to _____ ("**Initial Senior Lender**"), and secured by, among other things, a Multifamily **[Mortgage/Deed of Trust]**, Assignment of Rents and Security Agreement, dated as of _____, 20__ (the "**Senior Security Instrument**"), which Senior Security Instrument encumbers the real property described on Exhibit A attached hereto and made a part hereof, and all improvements thereon and appurtenances thereto (collectively, the "**Premises**"); and

WHEREAS, Initial Senior Lender sold and assigned the Senior Loan to Federal Home Loan Mortgage Corporation ("**Freddie Mac**"), which in turn sold and assigned the Senior Loan to Senior Lender; and

WHEREAS, Junior Lender is the owner and holder of a loan to Borrower in the original principal amount of $_____ (the "**Junior Loan**"), which Junior Loan is evidenced by a certain Multifamily Note, dated as of _____, 20__, made by Borrower in favor of Junior Lender (the "**Junior Note**"), and secured by, among other things, a Multifamily **[Mortgage/Deed of Trust]**, Assignment of Rents and Security Agreement, dated as of _____, 20__ (the "**Junior Security Instrument**"), which Junior Security Instrument encumbers the Premises; and

WHEREAS, Senior Lender and Junior Lender desire to enter into this Agreement to provide for the relative priority of the Senior Loan Documents (as such term is hereinafter defined) and the Junior Loan Documents (as such term is hereinafter defined) on the terms and conditions set forth below, and to evidence certain agreements with respect to the relationship between the Junior Loan and the Junior Loan Documents, on the one hand, and the Senior Loan and the Senior Loan Documents, on the other hand.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Senior Lender and Junior Lender hereby agree as follows:

Section 1. Certain Definitions; Rules of Construction.

(a) As used in this Agreement, the following capitalized terms shall have the following meanings:

"Affiliate" means, as to any particular Person, any Person directly or indirectly, through one or more intermediaries, Controlling, Controlled by or under common Control with the Person or Persons in question.

"Agreement" means this Agreement, as the same may be amended, modified and in effect from time to time, pursuant to the terms hereof.

"Award" has the meaning provided in Section 9(d) hereof.

"Bankruptcy Code" has the meaning provided in Section 10(d) hereof.

"Borrower" has the meaning provided in the Recitals hereto.

"Borrower Group" has the meaning provided in Section 10(c) hereof.

"Business Day" means any day other than a Saturday, a Sunday or any other day on which Junior Lender or any national banking associations are not open for business.

"CDO" has the meaning provided in the definition of the term "Qualified Transferee."

"CDO Asset Manager" with respect to any Securitization Vehicle which is a CDO, shall mean the entity which is responsible for managing or administering the Junior Loan or an interest therein as an underlying asset of such Securitization Vehicle or, if applicable, as an asset of any Intervening Trust Vehicle (including, without limitation, the right to exercise any consent and control rights available to the holder of the Junior Loan).

"Certificates" means any securities (including all classes thereof) representing beneficial ownership interests in the Senior Loan or in a pool of mortgage loans including the Senior Loan issued in connection with a Securitization.

"Continuing Senior Loan Event of Default" means an Event of Default under the Senior Loan for which (i) Senior Lender has provided notice of such Event of Default to Junior Lender in accordance with Section 11(a) of this Agreement and (ii) the cure period provided to Junior Lender in Section 11(a) of this Agreement has expired.

"Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. "Controlled by," "Controlling" and "under common Control with" shall have the respective correlative meaning thereto.

"Directing Junior Lender" has the meaning provided in Section 4(c) hereof.

"Eligibility Requirements" means, with respect to any Person, that such Person (i) has total assets (in name or under management) in excess of $600,000,000 and (except with respect to a pension advisory firm or similar fiduciary) capital/statutory surplus or shareholder's equity of $250,000,000 and (ii) is regularly engaged in the business of making or owning commercial real estate loans or interests therein (including, without limitation, "B notes", participations and mezzanine loans with respect to commercial real estate) or operating commercial mortgage properties.

"Enforcement Action" means any (i) judicial or non-judicial foreclosure proceeding, the exercise of any power of sale, the taking of a deed or assignment in lieu of foreclosure, the obtaining of a receiver or the taking of any other enforcement action against the Premises or Borrower, including, without limitation, the taking of possession or control of the Premises, (ii) acceleration of, or demand or action taken in order to collect, all or any indebtedness secured by the Premises (other than giving of notices of default and statements of overdue amounts) or (iii) exercise of any right or remedy available to Senior Lender under the Senior Loan Documents, at law, in equity or otherwise with respect to Borrower and/or the Premises or exercise of any right or remedy available to Junior Lender under the Junior Loan Documents, at law, in equity or otherwise with respect to Borrower and/or the Premises, as applicable.

"Event of Default" as used herein means (i) with respect to the Senior Loan and the Senior Loan Documents, any Event of Default thereunder which has occurred, is continuing (*i.e.*, has not been cured by Borrower or by the Junior Lender in accordance with the terms of this Agreement) and (ii) with respect to the Junior Loan and the Junior Loan Documents, any Event of Default thereunder which has occurred and is continuing (*i.e.*, has not been cured by Borrower).

"Fitch" means Fitch, Inc.

"Freddie Mac" has the meaning provided in the Recitals hereto.

"Intervening Trust Vehicle" with respect to any Securitization Vehicle which is a CDO, shall mean a trust vehicle or entity which holds the Junior Loan or an interest therein as collateral securing (in whole or in part) any obligation or security held by such Securitization Vehicle as collateral for the CDO.

"Junior Crossed Pool" means a pool of mortgages from Junior Lender to Borrower or Affiliates of Borrower that includes the Junior Loan that have been cross-defaulted and cross-collateralized with the Senior Crossed Pool.

"Junior Lender" has the meaning provided in the first paragraph of this Agreement.

"Junior Loan" has the meaning provided in the Recitals hereto.

"Junior Loan Documents" means the Junior Note and the Junior Security Instrument, together with the instruments and documents set forth on Exhibit C hereto, as any of the foregoing may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement.

"Junior Loan Modification" has the meaning provided in Section 7(b) hereof.

"Junior Note" has the meaning provided in the Recitals hereto.

"Junior Security Instrument" has the meaning provided in the Recitals hereto.

"Moody's" means Moody's Investors Service, Inc.

"Morningstar" means Morningstar Credit Ratings, LLC, or any of its successors in interest, assigns, and/or changed entity name or designation or other similar entity of Morningstar Credit Ratings, LLC.

"Permitted Fund Manager" means any Person that on the date of determination is (i) (A) one of the entities listed on Exhibit D, or the successor in interest thereto or a Person Controlling, Controlled by or under common Control with any such entity, or any other nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate, (B) approved by the Rating Agencies (for the purposes of this Agreement) as a "Permitted Fund Manager", as evidenced by Rating Agency Confirmation, or (C) an entity that is otherwise a Qualified Transferee under clause (iii)(A), (iii)(B), (iii)(C) or (iii)(D) of the definition thereof, (ii) investing through a fund with committed capital of at least $250,000,000 and (iii) not subject to a bankruptcy, insolvency or similar proceeding.

"Person" means any individual, sole proprietorship, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, association, joint stock company, bank, trust, estate unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof) endowment fund or any other form of entity.

"Premises" has the meaning provided in the Recitals hereto.

"Proceeding" has the meaning provided in Section 10(c) hereof.

"Property Jurisdiction" has the meaning provided in Section 35 hereof.

"Property Manager" means _____ or any successor thereto as property manager of the Premises.

"Protective Advances" means all sums advanced for the purpose of payment of real estate taxes (including special payments in lieu of real estate taxes), maintenance costs, insurance premiums or other items (including capital items) reasonably necessary to protect the Premises from forfeiture, casualty, loss or waste, including, with respect to the Junior Loan, amounts advanced by Junior Lender pursuant to Sections 9 or 11 hereof.

"Purchase Option Event" has the meaning provided in Section 13(a) hereof.

"Qualified Manager" shall mean a property manager of the Premises which (i) is a reputable management company having at least five (5) years' experience in the management of multifamily properties with similar uses as the Premises and in the jurisdiction in which the Premises are located, (ii) has, for at least five (5) years prior to its engagement as property manager, managed at least (5) properties of the same property type as the Premises, (iii) at the time of its engagement as property manager has units of the same property type as the Premises equal to the lesser of (A) 10,000 units and (B) five (5) times the number of units of the Premises and (iv) is not the subject of a bankruptcy or similar insolvency proceeding.

"Qualified Transferee" means (i) Junior Lender, (ii) Freddie Mac, or (iii) one or more of the following:

(A) a real estate investment trust, bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, provided that any such Person referred to in this clause (A) satisfies the Eligibility Requirements;

(B) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended, provided that any such Person referred to in this clause (B) satisfies the Eligibility Requirements;

(C) an institution substantially similar to any of the foregoing entities described in clauses (iii)(A) or (iii)(B) that satisfies the Eligibility Requirements;

(D) any entity Controlled by, or under common Control with, any of the entities described in clause (i) or clauses (iii)(A), (iii)(B) or (iii)(C) above;

(E) a Qualified Trustee (or in the case of a CDO, a single purpose bankruptcy-remote entity which contemporaneously pledges all or a portion of its interest in the Junior Loan to a Qualified Trustee) in connection with (I) a securitization of, (II) the creation of collateralized debt obligations ("CDO") secured by, or (III) a financing through an "owner trust" of, a Junior Loan or any interest therein (any of the foregoing, a "Securitization Vehicle"), provided that (1) in the case of a Securitization Vehicle that is not a CDO, the special servicer of such Securitization Vehicle has a Required Special Servicer Rating from at least (2) two nationally recognized statistical rating agencies (such entity, an "Approved Servicer") and such Approved Servicer is required to service and administer such Junior Loan or any interest therein in accordance with servicing

arrangements for the assets held by the Securitization Vehicle which require that such Approved Servicer act in accordance with a servicing standard notwithstanding any contrary direction or instruction from any other Person; and (2) in the case of a Securitization Vehicle that is a CDO, the CDO Asset Manager (and, if applicable, each Intervening Trust Vehicle that is not administered and managed by a Qualified Trustee, or a CDO Asset Manager which is a Qualified Transferee) are each a Qualified Transferee under clauses (iii)(A), (iii)(B), (iii)(C) or (iii)(D) of this definition; or

(F) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager or an entity that is otherwise a Qualified Transferee under clauses (iii)(A), (iii)(B), (iii)(C) or (iii)(D) of this definition investing through a fund with committed capital of at least $250,000,000 acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Qualified Transferees under clauses (iii)(A), (iii)(B), (iii)(C) or (iii)(D) of this definition.

"Qualified Trustee" means (i) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, having a combined capital and surplus of at least $100,000,000 and subject to supervision or examination by federal or state authority, (ii) an institution insured by the Federal Deposit Insurance Corporation or (iii) an institution whose long-term senior unsecured debt is rated either of the then-in-effect top two rating categories of each of Fitch and S&P or Baa3 by Moody's.

"Rating Agency" shall mean, any of S&P, Moody's, Fitch, Morningstar or any other nationally-recognized statistical rating agency which provides ongoing rating services with respect to any of the Certificates.

"Rating Agency Confirmation" means, at any time that the Senior Loan is a part of a Securitization, each of the Rating Agencies, if any, shall have confirmed in writing that the occurrence of the event with respect to which such Rating Agency Confirmation is sought shall not result in a downgrade, qualification or withdrawal of the applicable rating or ratings ascribed by such Rating Agency to any of the Certificates then outstanding and for which such rating agency provides ongoing rating services, unless such Rating Agency has elected to waive its right to issue a Rating Agency Confirmation. In the event that no Certificates are outstanding, the Senior Loan is not part of a Securitization or a Securitization has occurred but no Rating Agency provides ongoing rating services with respect to any of the Certificates, any action that would otherwise require a Rating Agency Confirmation shall require the consent of the Senior Lender, which consent shall not be unreasonably withheld or delayed.

"Required Special Servicer Rating" means (i) a rating of "CSS3" in the case of Fitch, (ii) on S&P's Select Servicer list as a U.S. Commercial Mortgage Special Servicer in the case of S&P, (iii) a ranking of "MOR CS3" as a special servicer in the case of Morningstar and/or (iv) in the case of Moody's, such special servicer is acting as special servicer in a commercial mortgage loan securitization that was rated by Moody's within the twelve (12)

month period prior to the date of determination, and Moody's has not downgraded or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer of such commercial mortgage securities.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Securitization" means the sale or securitization of the Senior Loan (or any portion thereof) in one or more transactions through the issuance of securities, which securities may be assigned ratings by the Rating Agencies.

"Securitization Vehicle" has the meaning provided in the definition of "Qualified Transferee."

"Senior Crossed Pool" means a pool of mortgages that have been cross-defaulted and cross-collateralized with the Senior Loan and with other loans that have been sold to Senior Lender and that are a part of a Securitization that includes the Senior Loan.

"Senior Lender" has the meaning provided in the first paragraph of this Agreement.

"Senior Loan" has the meaning provided in the Recitals hereto.

"Senior Loan Cash Management Agreement" means any cash management agreement or agreements executed in connection with, or the cash management provisions of, the Senior Loan Documents, including any rental achievement agreements or debt service escrow agreements.

"Senior Loan Default Notice" has the meaning provided in Section 11(a) hereof.

"Senior Loan Documents" means the Senior Note and the Senior Security Instrument, together with the instruments and documents set forth on Exhibit B hereto, as any of the foregoing may be modified, amended, extended, supplemented, restated or replaced from time to time, subject to the limitations and agreements contained in this Agreement.

"Senior Loan Liabilities" shall mean, collectively, all of the indebtedness, liabilities and obligations of Borrower evidenced by the Senior Loan Documents and all amounts due or to become due pursuant to the Senior Loan Documents, including interest thereon and any other amounts payable in respect thereof or in connection therewith, including, without limitation, any late charges, default interest, prepayment fees or premiums, yield maintenance charges, exit fees, advances and post-petition interest.

"Senior Loan Modification" has the meaning provided in Section 7(a) hereof.

"Senior Note" has the meaning provided in the Recitals hereto.

"Senior Security Instrument" has the meaning provided in the Recitals hereto.

["SPE Equity Owner" means _____ **[list any entity required to be a single purpose entity pursuant to the terms of the Senior Loan Documents. If not applicable, delete references throughout Agreement]**]

"Transfer" means any assignment, pledge, conveyance, sale, transfer, mortgage, encumbrance, grant of a security interest, issuance of a participation interest, or other disposition, either directly or indirectly, by operation of law or otherwise.

(b) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(i) all capitalized terms defined in the recitals to this Agreement shall have the meanings ascribed thereto whenever used in this Agreement and the terms defined in this Agreement have the meanings assigned to them in this Agreement, and the use of any gender herein shall be deemed to include the other genders;

(ii) terms not otherwise defined herein shall have the meaning assigned to them in the Senior Security Instrument;

(iii) all references in this Agreement to designated Sections, Subsections, Paragraphs, Articles, Exhibits, Schedules and other subdivisions or addenda without reference to a document are to the designated sections, subsections, paragraphs and articles and all other subdivisions of and exhibits, schedules and all other addenda to this Agreement, unless otherwise specified;

(iv) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall apply to Paragraphs and other subdivisions;

(v) the terms "includes" or "including" shall mean without limitation by reason of enumeration;

(vi) the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision;

(vii) the words "to Junior Lender's knowledge" or "to the knowledge of Junior Lender" (or words of similar meaning) shall mean to the actual knowledge of officers of Junior Lender with direct oversight responsibility for the Junior Loan without independent investigation or inquiry and without any imputation whatsoever; and

(viii) the words "to Senior Lender's knowledge" or "to the knowledge of Senior Lender" (or words of similar meaning) shall mean to the actual knowledge of officers of Senior Lender with direct oversight responsibility for the Senior Loan without independent investigation or inquiry and without any imputation whatsoever.

Section 2. Approval of Loans and Loan Documents.

(a) Junior Lender hereby acknowledges that (i) it has received and reviewed and, subject to the terms and conditions of this Agreement, hereby consents to and approves of, all of the terms and provisions of the Senior Loan Documents, (ii) the performance of the Senior Loan Documents will not constitute a default or an event which, with the giving of notice or the lapse of time, or both, would constitute a default under the Junior Loan Documents, and (iii) any application or use of the proceeds of the Senior Loan for purposes other than those provided in the Senior Loan Documents shall not affect, impair or defeat the terms and provisions of this Agreement or the Senior Loan Documents.

(b) Senior Lender hereby acknowledges that (i) it has received and reviewed, and, subject to the terms and conditions of this Agreement, hereby consents to and approves of the making of the Junior Loan and, subject to the terms and provisions of this Agreement, all of the terms and provisions of the Junior Loan Documents, (ii) the execution, delivery and performance of the Junior Loan Documents will not constitute a default or an event which, with the giving of notice or the lapse of time, or both, would constitute a default under the Senior Loan Documents, (iii) Junior Lender is under no obligation or duty to, nor has Junior Lender represented that it will, see to the application of the proceeds of the Junior Loan by Borrower or any other Person to whom Junior Lender disburses such proceeds and (iv) any application or use of the proceeds of the Junior Loan for purposes other than those provided in the Junior Loan Documents shall not affect, impair or defeat the terms and provisions of this Agreement or the Junior Loan Documents. Senior Lender hereby acknowledges and agrees that any conditions precedent to Senior Lender's consent to supplemental financing as set forth in the Senior Loan Documents or any other agreements with the Borrower, as they apply to the Junior Loan Documents or the making of the Junior Loan, have been either satisfied or waived.

Section 3. Representations and Warranties.

(a) Junior Lender hereby represents and warrants as follows:

(i) Exhibit C attached hereto and made a part hereof is a true, correct and complete listing of all of the Junior Loan Documents as of the date hereof. To Junior Lender's knowledge, there currently exists no default or event which, with the giving of notice or the lapse of time, or both, would constitute a default under any of the Junior Loan Documents.

(ii) Junior Lender is the legal and beneficial owner of the entire Junior Loan free and clear of any lien, security interest, option or other charge or encumbrance, except as permitted under Section 4(a).

(iii) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(iv) Junior Lender has, independently and without reliance upon Senior Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement.

(v) Junior Lender is duly organized and is validly existing under the laws of the jurisdiction under which it was organized with full power to execute, deliver, and perform this Agreement and consummate the transactions contemplated hereby.

(vi) All actions necessary to authorize the execution, delivery, and performance of this Agreement on behalf of Junior Lender have been duly taken, and all such actions continue in full force and effect as of the date hereof.

(vii) Junior Lender has duly executed and delivered this Agreement and this Agreement constitutes the legal, valid, and binding agreement of Junior Lender enforceable against Junior Lender in accordance with its terms subject to (x) applicable bankruptcy, reorganization, insolvency and moratorium laws, and (y) general principles of equity which may apply regardless of whether a proceeding is brought in law or in equity.

(viii) To Junior Lender's knowledge, no consent of any other Person and no consent, license, approval, or authorization of, or exemption by, or registration or declaration or filing with, any governmental authority, bureau or agency is required in connection with the execution, delivery or performance by Junior Lender of this Agreement or consummation by Junior Lender of the transactions contemplated by this Agreement.

(ix) None of the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated by this Agreement will (v) violate or conflict with any provision of the organizational or governing documents of Junior Lender, (w) to Junior Lender's knowledge, violate, conflict with, or result in the breach or termination of, or otherwise give any other Person the right to terminate, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a default under the terms of any contract, mortgage, lease, bond, indenture, agreement, or other instrument to which Junior Lender is a party or to which any of its properties are subject, (x) to Junior Lender's knowledge, result in the creation of any lien, charge, encumbrance, mortgage, lease, claim, security interest, or other right or interest upon the properties or assets of Junior Lender pursuant to the terms of any such contract, mortgage, lease, bond, indenture, agreement, franchise, or other instrument, (y) violate any judgment, order, injunction, decree, or award of any court, arbitrator, administrative agency or governmental or regulatory body of which Junior Lender has knowledge against, or binding upon, Junior Lender or any of the securities, properties, assets, or business of Junior Lender or (z) to Junior Lender's knowledge, constitute a violation by Junior Lender of any statute, law or regulation that is applicable to Junior Lender.

(x) **CHOOSE ONE:** [The Junior Loan is not cross-defaulted or cross-collateralized with any loan other than the Senior Loan. The Premises do not secure any loan from Junior Lender to Borrower or any other Affiliate of Borrower other than the Junior Loan.] **OR** [The Junior Loan is cross-defaulted and cross-collateralized with the Senior Crossed Pool and the Junior Crossed Pool and is not cross-defaulted or cross-collateralized with any other loan. The Premises secure the Junior Crossed Pool and the Senior Crossed Pool and do not secure any other loan.]

(b) Senior Lender hereby represents and warrants as follows:

(i) Exhibit B attached hereto and made a part hereof is a true, correct and complete listing of the Senior Loan Documents as of the date hereof. To Senior Lender's knowledge, there currently exists no default or event which, with the giving of notice or the lapse of time, or both, would constitute a default under any of the Senior Loan Documents.

(ii) Senior Lender is the legal and beneficial owner of the Senior Loan free and clear of any lien, security interest, option or other charge or encumbrance.

(iii) There are no conditions precedent to the effectiveness of this Agreement that have not been satisfied or waived.

(iv) Senior Lender has, independently and without reliance upon Junior Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement.

(v) Senior Lender is duly organized and is validly existing under the laws of the jurisdiction under which it was organized with full power to execute, deliver, and perform this Agreement and consummate the transactions contemplated hereby.

(vi) All actions necessary to authorize the execution, delivery, and performance of this Agreement on behalf of Senior Lender have been duly taken, and all such actions continue in full force and effect as of the date hereof.

(vii) Senior Lender has duly executed and delivered this Agreement and this Agreement constitutes the legal, valid, and binding agreement of Senior Lender enforceable against Senior Lender in accordance with its terms subject to (x) applicable bankruptcy, reorganization, insolvency and moratorium laws and (y) general principles of equity which may apply regardless of whether a proceeding is brought in law or in equity.

(viii) To Senior Lender's knowledge, no consent of any other Person and no consent, license, approval, or authorization of, or exemption by, or registration or declaration or filing with, any governmental authority, bureau or agency is required in connection with the execution, delivery or performance by Senior Lender of this Agreement or consummation by Senior Lender of the transactions contemplated by this Agreement.

(ix) None of the execution, delivery or performance of this Agreement nor the consummation of the transactions contemplated by this Agreement will (v) violate or conflict with any provision of the organizational or governing documents of Senior Lender, (w) to Senior Lender's knowledge, violate, conflict with, or result in the breach or termination of, or otherwise give any other Person the right to terminate, or constitute (or with the giving of notice or lapse of time, or both, would constitute) a default under the terms of any contract, mortgage, lease, bond, indenture, agreement, or other instrument to which Senior Lender is a party or to which any of its properties are subject, (x) to Senior Lender's knowledge, result in the creation of any lien, charge, encumbrance,

mortgage, lease, claim, security interest, or other right or interest upon the properties or assets of Senior Lender pursuant to the terms of any such contract, mortgage, lease, bond, indenture, agreement, franchise or other instrument, (y) violate any judgment, order, injunction, decree or award of any court, arbitrator, administrative agency or governmental or regulatory body of which Senior Lender has knowledge against, or binding upon, Senior Lender or any of the securities, properties, assets, or business of Senior Lender or (z) to Senior Lender's knowledge, constitute a violation by Senior Lender of any statute, law or regulation that is applicable to Senior Lender.

(x) **CHOOSE ONE:** [The Senior Loan is not cross-defaulted or cross-collateralized with any loan other than the Junior Loan. The Premises do not secure any loan from Senior Lender to Borrower or any other Affiliate of Borrower other than the Senior Loan.] **OR** [The Senior Loan is cross-defaulted and cross-collateralized with the Senior Crossed Pool and the Junior Crossed Pool and is not cross-defaulted or cross-collateralized with any other loan. The Premises secure the Senior Crossed Pool and the Junior Crossed Pool and do not secure any other loan.]

Section 4. Transfer of Junior Loan or Senior Loan.

(a) Junior Lender shall not Transfer more than 49% of its beneficial interest in the Junior Loan unless (i) such Transfer is to a Qualified Transferee or (ii) a Rating Agency Confirmation has been given with respect to such Transfer, in which case the related transferee shall thereafter be deemed to be a "Qualified Transferee" for all purposes of this Agreement. Any such transferee must assume in writing the obligations of Junior Lender hereunder and agree to be bound by the terms and provisions hereof. Such proposed transferee shall also remake each of the representations and warranties contained herein for the benefit of the Senior Lender.

(b) At least five (5) days prior to a transfer to a Qualified Transferee, the Junior Lender shall provide to Senior Lender and, if any Certificates are outstanding, to the Rating Agencies, a certification that such transfer will be made in accordance with this Section 4, such certification to include the name and contact information of the Qualified Transferee.

(c) If more than one Person shall hold a direct interest in the Junior Loan, the holder(s) of more than 50% of the principal amount of the Junior Loan shall designate by written notice to Senior Lender one of such Persons (the "**Directing Junior Lender**") to act on behalf of all such Persons holding an interest in the Junior Loan. The Directing Junior Lender shall have the sole right to receive any notices which are required to be given or which may be given to Junior Lender pursuant to this Agreement and to exercise the rights and power given to Junior Lender hereunder, including any approval rights of Junior Lender; provided, that until the Directing Junior Lender has been so designated, the last Person known to the Senior Lender to hold more than 50% of the principal amount of the Junior Loan shall be deemed to be the Directing Junior Lender. Once the Directing Junior Lender has been designated hereunder, Senior Lender shall be entitled to rely on such designation until it has received written notice from the holder(s) of more than 50% of the principal amount of the Junior Loan of the designation of a different Person to act as the Directing Junior Lender.

(d) Junior Lender acknowledges that any Rating Agency Confirmation may be granted or denied by the Rating Agencies in their sole and absolute discretion and that such Rating Agencies may charge customary fees in connection with any such action.

(e) Senior Lender may, from time to time, in its sole discretion Transfer all or any of the Senior Loan or any interest therein, and notwithstanding any such Transfer or subsequent Transfer, the Senior Loan and the Senior Loan Documents shall be and remain a senior obligation in the respects set forth in this Agreement with respect to the Junior Loan and the Junior Loan Documents in accordance with the terms and provisions of this Agreement.

(f) Notwithstanding anything in this Agreement to the contrary, Junior Lender may, from time to time, in its sole discretion, Transfer all of the Junior Loan to Freddie Mac. If the Junior Loan is transferred to Freddie Mac, Freddie Mac hereby agrees Junior Lender shall not be required to comply with Section 4(a) or (b), and the terms of this Section 4 shall be deemed to have been satisfied with respect to such Transfer to Freddie Mac and Freddie Mac hereby agrees, for the benefit of the Senior Lender, to be bound by and accept the terms and conditions of this Agreement as Junior Lender with respect to the Junior Loan on and after the date of such Transfer of the Junior Loan to Freddie Mac.

Section 5. Intentionally Omitted.

Section 6. Notice of Rating Confirmation. Junior Lender promptly shall notify Senior Lender of any intended action relating to the Junior Loan which would require Rating Agency Confirmation pursuant to this Agreement and shall cooperate with Senior Lender in obtaining such confirmation. Senior Lender promptly shall notify Junior Lender of any intended action relating to the Senior Loan which would require Rating Agency Confirmation pursuant to this Agreement and shall cooperate with Junior Lender in obtaining such confirmation. If Borrower is not required to pay all fees and expenses of the Rating Agencies in connection with any request for any Rating Agency Confirmation pursuant to the Senior Loan Documents or the Junior Loan Documents, Junior Lender shall pay all fees and expenses of the Rating Agencies in connection with any request for any Rating Agency Confirmation pursuant to this Agreement.

Section 7. Modifications, Amendments, Etc.

(a) Senior Lender shall have the right without the consent of Junior Lender in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a "**Senior Loan Modification**") of the Senior Loan or the Senior Loan Documents; provided, that no such Senior Loan Modification shall (i) increase the interest rate or principal amount of the Senior Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the Senior Loan Documents, (iii) extend or shorten the scheduled maturity date of the Senior Loan (except that Senior Lender may permit Borrower to exercise any extension options in accordance with the terms and provisions of the Senior Loan Documents), (iv) convert or exchange the Senior Loan into or for any other indebtedness or subordinate any of the Senior Loan to any indebtedness of Borrower, (v) amend or modify the provisions limiting transfers of interests in the Borrower or the Premises, (vi) modify or amend the terms and provisions of the Senior Loan Cash Management Agreement with respect to the manner, timing and method of the application

of payments under the Senior Loan Documents, (vii) cross default the Senior Loan with any other indebtedness, (viii) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of the Senior Loan, (ix) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the Premises (or other similar equity participation), or (x) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, premium or yield maintenance charge; provided, however, in no event shall Senior Lender be obligated to obtain Junior Lender's consent to a Senior Loan Modification in the case of a work-out or other surrender, compromise, release, renewal, or modification of the Senior Loan during the existence of a Continuing Senior Loan Event of Default, except that under all conditions Senior Lender shall obtain Junior Lender's consent to a Senior Loan Modification with respect to clause (i) (with respect to increasing the principal amount of the Senior Loan only) and clause (x). Notwithstanding the foregoing provisions of this Section 7(a), any amounts funded by the Senior Lender under the Senior Loan Documents as a result of (A) the making of any Protective Advances or other advances by the Senior Lender, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 7(a).

Subject only to the foregoing provisions of this Section 7(a) and notwithstanding anything to the contrary in the Senior Loan Documents or in the Junior Loan Documents, including without limitation, the Senior Security Instrument, the Junior Security Instrument, the Senior Note and the Junior Note, no party, including Senior Lender, Borrower or any other party, shall be required to obtain the consent of Junior Lender in connection with any Senior Loan Modification of the Senior Loan or the Senior Loan Documents.

(b) Junior Lender shall have the right without the consent of Senior Lender in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a "**Junior Loan Modification**") of the Junior Loan or the Junior Loan Documents; provided, that no such Junior Loan Modification shall (i) increase the interest rate or principal amount of the Junior Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the Junior Loan Documents, (iii) extend or shorten the scheduled maturity date of the Junior Loan (except that Junior Lender may permit Borrower to exercise any extension options in accordance with the terms and provisions of the Junior Loan Documents), (iv) convert or exchange the Junior Loan into or for any other indebtedness or subordinate any of the Junior Loan to any indebtedness of Borrower, (v) amend or modify the provisions limiting transfers of interests in the Borrower or the Premises, (vi) consent to a higher strike price with respect to any new or extended interest rate cap agreement entered into in connection with the extended term of the Junior Loan, (vii) cross default the Junior Loan with any other indebtedness, (viii) obtain any contingent interest, additional interest or so-called "kicker" measured on the basis of the cash flow or appreciation of the Premises (or other similar equity participation), or (ix) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, premium or yield maintenance charge; provided, however, in no event shall Junior Lender be obligated to obtain Senior Lender's consent to a modification or amendment to the Junior Loan Documents in the case of a work-out or other surrender,

compromise, release, renewal, or modification of the Junior Loan if an Event of Default has occurred and is continuing under the Junior Loan Documents, except that under all conditions Junior Lender shall obtain Senior Lender's consent to a Junior Loan Modification with respect to clause (i) (with respect to increasing the principal amount of the Junior Loan only), clause (ii), clause (iii) (with respect to shortening the scheduled maturity date of the Junior Loan only), clause (iv), clause (viii) and clause (ix). In addition and notwithstanding the foregoing provisions of this Section 7(b), any amounts funded by the Junior Lender under the Junior Loan Documents as a result of (A) the making of any Protective Advances or other advances by the Junior Lender, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 7(b).

(c) Senior Lender shall deliver to Junior Lender copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the Senior Loan Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by Senior Lender) within a reasonable time after any of such applicable instruments have been executed by Senior Lender.

(d) Junior Lender shall deliver to Senior Lender copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the Junior Loan Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by Junior Lender) within a reasonable time after any of such applicable instruments have been executed by Junior Lender.

(e) Junior Lender acknowledges that the subordination of the Junior Loan Documents to the Senior Loan Documents shall in no way be limited, diminished, impaired or otherwise affected by an amendment or modification to the Senior Loan Documents.

Section 8. Subordination of Junior Loan and Junior Loan Documents.

(a) Junior Lender hereby subordinates and makes junior the Junior Loan, the Junior Loan Documents and the liens and security interests created thereby, and all rights, remedies, terms and covenants contained therein to (i) the Senior Loan, (ii) the liens and security interests created by the Senior Loan Documents and (iii) all of the terms, covenants, conditions, rights and remedies contained in the Senior Loan Documents, and no amendments or modifications to the Senior Loan Documents or waivers of any provisions thereof shall affect the subordination thereof as set forth in this Section 8(a).

(b) Each and every Junior Loan Document shall be subject and subordinate to each and every Senior Loan Document and all extensions, modifications, consolidations, supplements, amendments, replacements and restatements of and/or to the Senior Loan Documents.

(c) Neither Junior Lender nor any party affiliated with or related to Junior Lender shall provide any "debtor-in possession" financing to Borrower unless Senior Lender consents in writing to such financing and all its terms. If Junior Lender or any affiliated or

related person violates the preceding sentence, then without limiting Senior Lender's other rights or remedies, any and all liens and payments the Junior Lender receives for or under such financing shall be void and assigned to Senior Lender.

Section 9. Payment Subordination.

(a) Except as otherwise expressly provided in this Agreement, all of Junior Lender's rights to payment of the Junior Loan (including, but not limited to, payment of principal, interest, and prepayment fees) and the obligations evidenced by the Junior Loan Documents are hereby subordinated to all of Senior Lender's rights to payment by Borrower of the Senior Loan and the obligations secured by the Senior Loan Documents, including any Protective Advances by the Senior Lender. If a Proceeding shall have occurred or a Continuing Senior Loan Event of Default shall have occurred and be continuing, then (i) Junior Lender shall not accept or receive payments (including, without limitation, whether in cash or other property and whether received directly, indirectly or by set-off, counterclaim or otherwise) from Borrower, from the Premises or from any other source unless all obligations under the Senior Loan Documents are paid, and (ii) Senior Lender shall be entitled to receive payment and performance in full of all amounts due or owing from Borrower or guarantor before Junior Lender is entitled to receive any payment on account of the Junior Loan. All payments or distributions upon or with respect to the Junior Loan which are received by Junior Lender contrary to the provisions of this Agreement shall be received and held in trust by the Junior Lender for the benefit of Senior Lender and shall be paid over to Senior Lender in the same form as so received (with any necessary endorsement) to be applied to (in the case of cash), or held as collateral for (in the case of non-cash property or securities), the payment or performance of the Senior Loan in accordance with the terms of the Senior Loan Documents. Nothing contained herein shall prohibit the Junior Lender from making Protective Advances (and adding the amount thereof to the principal balance of the Junior Loan) notwithstanding the existence of a default under the Senior Loan at such time.

(b) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 9(a), so long as a Proceeding has not occurred or a Continuing Senior Loan Event of Default is not outstanding, Junior Lender may accept payments of any amounts due and payable from time to time that Borrower is obligated to pay to Junior Lender in accordance with the terms and conditions of the Junior Loan Documents and Junior Lender shall have no obligation to pay over to Senior Lender any such amounts.

(c) Prior to commencing any Enforcement Action, Junior Lender shall (i) give the Senior Lender written notice of the default which would permit Junior Lender to commence such Enforcement Action, (ii) obtain Senior Lender's prior written consent, which consent may be granted or withheld in Senior Lender's sole and absolute discretion, to such Enforcement Action, and (iii) provide Senior Lender with copies of any and all material notices, pleadings, agreements, motions and briefs served upon, delivered to or with any party to any Enforcement Action and otherwise keep Senior Lender reasonably apprised as to the status of any Enforcement Action.

(d) In the event of a casualty to the buildings or improvements constructed on any portion of the Premises or a condemnation or taking under a power of eminent domain of all

or any portion of the Premises, Senior Lender shall have a first and prior interest in and to any payments, awards, proceeds, distributions, or consideration arising from any such event (the "**Award**"). If (x) the amount of the Award is in excess of all amounts owed to Senior Lender under the Senior Loan Documents, however, and (y) either the Senior Loan has been paid in full or Borrower is entitled to a remittance of same under the Senior Loan Documents other than to repair or restore the Premises, such excess Award or portion to be so remitted to Borrower shall, to the extent permitted in the Senior Loan Documents, be paid to or at the direction of Junior Lender, unless other Persons have claimed the right to such Award, in which case Senior Lender shall only be required to provide notice to Junior Lender of such excess Award and of any other claims thereto. In the event of any competing claims for any such excess Award, Senior Lender shall continue to hold such excess Award until Senior Lender receives an agreement signed by all Persons making a claim to the excess Award or a final order of a court of competent jurisdiction directing Senior Lender as to how and to which Person(s) the excess Award is to be distributed. Notwithstanding the foregoing, in the event of a casualty or condemnation, Senior Lender shall release the Award from any such event to the Borrower if and to the extent required by the terms and conditions of the Senior Loan Documents in order to repair and restore the Premises in accordance with the terms and provisions of the Senior Loan Documents. Any portion of the Award made available to the Borrower for the repair or restoration of the Premises shall not be subject to attachment by Junior Lender.

Section 10. Rights of Subrogation; Bankruptcy.

(a) Each of Junior Lender and Senior Lender hereby waives any requirement for marshaling of assets thereby in connection with any foreclosure of any security interest or any other realization upon collateral in respect of the Senior Loan Documents or the Junior Loan Documents, as applicable, or any exercise of any rights of set-off or otherwise. Each of Junior Lender and Senior Lender assumes all responsibility for keeping itself informed as to the condition (financial or otherwise) of Borrower, the condition of the Premises and all other collateral and other circumstances and, except for notices expressly required by this Agreement, neither Senior Lender nor Junior Lender shall have any duty whatsoever to obtain, advise or deliver information or documents to the other relative to such condition, business, assets and/or operations. Junior Lender agrees that Senior Lender owes no fiduciary duty to Junior Lender in connection with the administration of the Senior Loan and the Senior Loan Documents and Junior Lender agrees not to assert any such claim. Senior Lender agrees that Junior Lender owes no fiduciary duty to Senior Lender in connection with the administration of the Junior Loan and the Junior Loan Documents and Senior Lender agrees not to assert any such claim.

(b) No payment or distribution to Senior Lender pursuant to the provisions of this Agreement and no Protective Advance by Junior Lender shall entitle Junior Lender to exercise any right of subrogation in respect thereof prior to the payment in full of the Senior Loan Liabilities, and Junior Lender agrees that, except with respect to the enforcement of its remedies under the Junior Loan Documents permitted hereunder, prior to the satisfaction of all Senior Loan Liabilities it shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in any portion of the Premises or any other collateral now securing the Senior Loan or the proceeds therefrom that is or may be prior to, or of equal priority to, any of the Senior Loan Documents or the liens, rights, estates and interests created thereby.

(c) Subject to Section 30 of this Agreement, the provisions of this Agreement shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action against Borrower [or any SPE Equity Owner] under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors (a "**Proceeding**"). For as long as the Senior Loan shall remain outstanding, Junior Lender shall not, and shall not solicit any person or entity to, and shall not direct or cause Borrower to solicit any entity which Controls Borrower (the "**Borrower Group**") to: (i) commence any Proceeding; (ii) institute proceedings to have Borrower [or any SPE Equity Owner] adjudicated bankrupt or insolvent; (iii) consent to, or acquiesce in, the institution of bankruptcy or insolvency proceedings against Borrower [or any SPE Equity Owner]; (iv) file a petition or consent to the filing of a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief by or on behalf of Borrower [or any SPE Equity Owner]; (v) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for Borrower [or any SPE Equity Owner], the Premises (or any portion thereof) or any other collateral securing the Senior Loan (or any portion thereof); (vi) make an assignment for the benefit of any creditor of Borrower [or any SPE Equity Owner]; (vii) seek to consolidate the Premises (or any portion thereof) or any other assets of the Borrower [or any SPE Equity Owner] with the assets of any member of the Borrower Group in any proceeding relating to bankruptcy, insolvency, reorganization or relief of debtors; or (viii) take any action in furtherance of any of the foregoing.

(d) Junior Lender agrees that (i) it shall not make any election, give any consent, commence any action or file any motion, obligation, notice or application or take any other action in any Proceeding by or against the Borrower [or any SPE Equity Owner] without the prior consent of Senior Lender, (ii) Senior Lender may vote in any such Proceeding any and all claims of Junior Lender, and Junior Lender hereby appoints the Senior Lender as its agent, and grants to the Senior Lender an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the Junior Lender in connection with any case by or against the Borrower [or any SPE Equity Owner] in any Proceeding, including without limitation, the right to vote to accept or reject a plan or to make any election under Section 1111(b) of the United States Bankruptcy Code (the "**Bankruptcy Code**"); provided, however, that with respect to any proposed plan of reorganization in respect of which creditors are voting, Senior Lender may vote on behalf of Junior Lender only if the proposed plan would result in Senior Lender being "impaired" (as such term is defined in the Bankruptcy Code) and (iii) Junior Lender shall not challenge the validity or amount of any claim submitted in such Proceeding by Senior Lender in good faith or any valuations of the Premises or other Senior Loan collateral submitted by Senior Lender in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Senior Lender's enforcement of its claim or receipt of "adequate protection" (as such term is defined in the Bankruptcy Code). Notwithstanding anything to the contrary in this Agreement, Junior Lender may prepare and file its own proof of claim in a Proceeding.

Section 11. Rights of Cure.

(a) Subject to the rights of any mezzanine lender with respect to any mezzanine loan related to the Senior Loan, prior to Senior Lender commencing any Enforcement Action under the Senior Loan Documents, Senior Lender shall provide written notice of the

default which would permit the Senior Lender to commence such Enforcement Action to Junior Lender, whether or not Senior Lender is obligated to give notice thereof to Borrower (each such notice, a "**Senior Loan Default Notice**") and shall permit Junior Lender an opportunity to cure such default in accordance with the provisions of this Section 11(a). In the case of a monetary default relating to a liquidated sum of money, Junior Lender shall have until ten (10) Business Days after the later of (i) the giving by Senior Lender of the Senior Loan Default Notice and (ii) the expiration of Borrower's cure provision, if any, to cure such monetary default; provided, however, in the event Junior Lender elects to cure any such monetary default, Junior Lender shall reimburse the Senior Lender for any interest charged by Senior Lender on any required (pursuant to the applicable pooling and servicing agreement for a Securitization) advances for monthly payments of principal and/or interest on the Senior Loan and/or on any Protective Advances. Junior Lender shall not be required, in order to effect a cure hereunder (other than the cure by Junior Lender of a default in the payment of the Senior Loan in full on the maturity date thereof or the reimbursement of interest on such advances for monthly payments of principal and/or interest on the Senior Loan and/or on any Protective Advances, as aforesaid), to pay any interest calculated at the default rate under the Senior Loan Documents to the extent the same is in excess of the rate of interest which would have been payable by Borrower in the absence of such default (and irrespective of any cure of such default by Junior Lender pursuant to the provisions of this Agreement), and no interest shall accrue at the default rate as against Junior Lender for such period. Junior Lender shall not have the right to cure as hereinabove set forth with respect to monthly scheduled debt service payments on the Senior Loan for a period of more than four (4) consecutive months.

Subject to the next paragraph, in the case of a non-monetary default, Junior Lender shall have the same period of time as the Borrower under the Loan Documents to cure such non-monetary default; provided, however, if such non-monetary default is susceptible of cure but cannot reasonably be cured within such period and if curative action was promptly commenced and is being continuously and diligently pursued by Junior Lender, Junior Lender shall be given an additional period of time as is reasonably necessary for Junior Lender in the exercise of due diligence to cure such non-monetary default for so long as (i) Borrower makes or causes to be made timely payment of Borrower's regularly scheduled monthly principal and/or interest payments under the Senior Loan and any other amounts due under the Senior Loan Documents, (ii) such additional period of time does not exceed thirty (30) days, unless such non-monetary default is of a nature that can not be cured within such thirty (30) day period, in which case, Junior Lender shall have such additional time as is reasonably necessary to cure such non-monetary default, (iii) such default is not caused by a bankruptcy, insolvency or assignment for the benefit of creditors of Borrower and (iv) during such non-monetary cure period, there is no material impairment to the value, use or operation of the Premises. Any additional cure period granted to Junior Lender hereunder shall automatically terminate upon the bankruptcy (or similar insolvency) of Borrower.

Notwithstanding the immediately prior paragraph, with respect to a non-monetary default of a ground lease related to the Premises, where the Junior Lender is (i) determining whether to cure such non-monetary default or (ii) in the process of curing such non-monetary default, if the Senior Lender determines, in its sole discretion, that the Junior Lender's actions or inactions relative to such non-monetary default creates an unacceptable level of risk relative to the Premises, or Senior Lender's secured position relative to the Premises, then during such cure

periods described in the immediately prior paragraph, Senior Lender may exercise all available rights and remedies to protect and preserve the Premises and the rents, revenues and other proceeds from the Premises.

(b) So long as no Event of Default shall have occurred and be continuing under the Senior Loan Documents, all funds held and applied pursuant to the Senior Loan Cash Management Agreement, shall continue to be applied pursuant thereto and shall not be applied by Senior Lender to prepay outstanding principal balance of the Senior Loan.

Section 12. No Actions; Restrictive Provisions. Senior Lender consents to Junior Lender's right, pursuant to the Junior Loan Documents, under certain circumstances, to cause the termination of the Property Manager. In the event that both Junior Lender and Senior Lender have such rights at any time, and Senior Lender fails to exercise such rights, Junior Lender may exercise such rights; provided, that such exercise may be superseded by any subsequent exercise of such rights by Senior Lender pursuant to the Senior Loan Documents. Upon the occurrence of any event which would entitle Junior Lender to cause the termination of the Property Manager pursuant to the Junior Loan Documents, Junior Lender shall have the right to select, or cause the selection, of a replacement property manager (including any asset manager) or leasing agent for the Premises, which replacement manager, asset manager and/or leasing agent shall either (a) be subject to Senior Lender's reasonable approval and, if any Certificates with respect to which a Rating Agency provides ongoing rating services are then outstanding, Rating Agency Confirmation from such Rating Agency or (b) be a Qualified Manager. Notwithstanding anything in this Section 12 to the contrary, if an Event of Default under the Senior Loan then exists or any other event shall have occurred pursuant to which Senior Lender has the right to select any replacement manager, asset manager and/or leasing agent pursuant to the Senior Loan Documents, Senior Lender shall have the sole right to select any replacement manager, asset manager and/or leasing agent, whether or not a new manager or agent was retained by Junior Lender.

Section 13. Right to Purchase Senior Loan.

(a) Subject to the rights of any mezzanine lender with respect to any mezzanine loan related to the Senior Loan, if (w) a monetary default under the Senior Loan has occurred and has been continuing for more than sixty (60) days, (x) the Senior Lender has provided a Senior Loan Default Notice to Junior Lender, (y) any Enforcement Action has been commenced and is continuing under the Senior Loan Documents, or (z) the Senior Loan is a "specially serviced mortgage loan" under the applicable pooling and servicing agreement for a Securitization (each of the foregoing, a "**Purchase Option Event**"), Junior Lender shall have the right to purchase, in whole but not in part, the Senior Loan pursuant to the terms of the applicable pooling and servicing agreement executed by the Senior Lender in connection with the Securitization of the Senior Loan.

(b) Junior Lender covenants not to enter into any agreement with Borrower or any Affiliate thereof to purchase the Senior Loan pursuant to Section 13(a) or in connection with any refinancing of the Senior Loan in any manner designed to avoid or circumvent the provisions of the Senior Loan Documents which require the payment of a prepayment premium or fee or yield maintenance charge in connection with a prepayment of the Senior Loan by Borrower.

Junior Lender covenants not to Transfer the Junior Loan to Borrower or to any known Affiliate of Borrower.

Section 14. Notices of Transfer; Consent. For as long as the Junior Loan remains outstanding, Senior Lender promptly shall notify Junior Lender if Borrower seeks or requests a release of the lien of the Senior Loan or seeks or requests Senior Lender's consent to, or take any action in connection with or in furtherance of, a sale or Transfer of all or any material portion of the Premises, the granting of a further mortgage, deed of trust or similar encumbrance against the Premises or a prepayment or refinancing of the Senior Loan. In the event of a request by Borrower for Senior Lender's consent to either (i) the sale or Transfer of all or any material portion of the Premises or (ii) the granting of a further mortgage, deed of trust or similar encumbrance against the Premises, Senior Lender shall, if Senior Lender has the right to consent, obtain the prior written consent of Junior Lender prior to Senior Lender's granting of its consent or agreement thereto; provided, however, if an Event of Default shall have occurred and be continuing under the Senior Loan Documents, Senior Lender shall not be required to obtain the prior written consent of Junior Lender; and, provided, further, Senior Lender shall not be required to obtain Junior Lender's consent in the event of a request by Borrower for Senior Lender's consent to the granting of a further mortgage, deed of trust or similar encumbrance against the Premises that is intended to be purchased by Junior Lender.

Section 15. Intentionally Omitted.

Section 16. Intentionally Omitted.

Section 17. Obligations Hereunder Not Affected.

(a) All rights, interests, agreements and obligations of Senior Lender and Junior Lender under this Agreement shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of the Senior Loan Documents or the Junior Loan Documents or any other agreement or instrument relating thereto;

(ii) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to or departure from any guaranty, for all or any portion of the Senior Loan or the Junior Loan;

(iii) any manner of application of collateral, or proceeds thereof, to all or any portion of the Senior Loan or the Junior Loan, or any manner of sale or other disposition of any collateral for all or any portion of the Senior Loan or the Junior Loan or any other assets of Borrower or any other Affiliates of Borrower;

(iv) any change, restructuring or termination of the corporate structure or existence of Borrower or any other Affiliates of Borrower; or

(v) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Borrower or a subordinated creditor or the Senior Lender subject to the terms hereof.

(b) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any portion of the Senior Loan is rescinded or must otherwise be returned by Senior Lender or Junior Lender upon the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made.

Section 18. Notices. All notices, demands, requests, consents, approvals or other communications required, permitted, or desired to be given hereunder shall be in writing sent by facsimile (with answer back acknowledged) or by registered or certified mail, postage prepaid, return receipt requested, or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 18. Any such notice, demand, request, consent, approval or other communication shall be deemed to have been received: (a) three (3) Business Days after the date mailed, (b) on the date of sending by facsimile if sent during business hours on a Business Day (otherwise on the next Business Day), (c) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day) and (d) on the next Business Day if sent by an overnight commercial courier, in each case addressed to the parties as follows:

To Junior Lender:

_____
_____
_____
Attention: _____
Telecopy: (___) _____-_____

With a copy to:

_____
_____
_____
Attention: _____
Telecopy: (___) _____-_____

To Freddie Mac:

_____
_____
_____
Attention: _____
Telecopy: (___) _____-_____

With a copy to:

_____
_____
_____

Attention: _____
Telecopy: (___) _____-_____

To Senior Lender:

_____
_____
_____
Attention: _____
Telecopy: (___) _____-_____

With a copy to:

_____
_____
_____
Attention: _____
Telecopy: (___) _____-_____

Section 19. Estoppel.

(a) Junior Lender shall, within ten (10) days following a request from Senior Lender, provide Senior Lender with a written statement setting forth the then-current outstanding principal balance of the Junior Loan, the aggregate accrued and unpaid interest under the Junior Loan, and stating whether to Junior Lender's knowledge any default or Event of Default exists under the Junior Loan.

(b) Senior Lender shall, within ten (10) days following a request from Junior Lender, provide Junior Lender with a written statement setting forth the then-current outstanding principal balance of the Senior Loan, the aggregate accrued and unpaid interest under the Senior Loan, and stating whether to Senior Lender's knowledge any default or Event of Default exists under the Senior Loan.

Section 20. Further Assurances. So long as all or any portion of the Senior Loan and the Junior Loan remains unpaid and the Senior Security Instrument encumbers the Premises, Junior Lender and Senior Lender will each execute, acknowledge and deliver in recordable form and upon demand of the other, any other instruments or agreements reasonably required in order to carry out the provisions of this Agreement or to effectuate the intent and purposes hereof.

Section 21. No Third Party Beneficiaries; No Modification. The parties hereto do not intend the benefits of this Agreement to inure to Borrower or any other Person. This Agreement may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of any change is sought. If any Certificates are outstanding with respect to which any Rating Agency provides ongoing rating services, this Agreement shall not be amended unless a Rating Agency Confirmation has been obtained from such Rating Agency with respect to such amendment.

Section 22. Successors and Assigns. This Agreement shall bind all successors and permitted assigns of Junior Lender and Senior Lender and shall inure to the benefit of all successors and permitted assigns of Senior Lender and Junior Lender.

Section 23. Counterpart Originals. This Agreement may be executed in counterpart originals, each of which shall constitute an original, and all of which together shall constitute one and the same agreement.

Section 24. Legal Construction. In all respects, including, without limitation, matters of construction and performance of this Agreement and the obligations arising hereunder, this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York applicable to agreements intended to be wholly performed within the State of New York.

Section 25. No Waiver; Remedies. No failure on the part of the Senior Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 26. No Joint Venture. Nothing provided herein is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between or among any of the parties hereto.

Section 27. Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference, and are not and shall not be deemed to be a part hereof.

Section 28. Conflicts. In the event of any conflict, ambiguity or inconsistency between the terms and conditions of this Agreement and the terms and conditions of any of the Senior Loan Documents or the Junior Loan Documents, the terms and conditions of this Agreement shall control.

Section 29. No Release. Nothing herein contained shall operate to release Borrower from (a) its obligation to keep and perform all of the terms, conditions, obligations, covenants and agreements contained in the Senior Loan Documents or (b) any liability of Borrower under the Senior Loan Documents or to release Borrower from (x) its obligation to keep and perform all of the terms, conditions, obligations, covenants and agreements contained in the Junior Loan Documents or (y) any liability of Borrower under the Junior Loan Documents.

Section 30. Continuing Agreement. This Agreement is a continuing agreement and shall remain in full force and effect until the earliest of (a) payment in full of the Senior Loan, (b) Transfer of the Premises by foreclosure of the Senior Security Instrument or the exercise of the power of sale contained therein or by deed-in-lieu of foreclosure, or (c) payment in full of the Junior Loan; provided, however, that any rights or remedies of either party hereto arising out of any breach of any provision hereof occurring prior to such date of termination shall survive such termination.

Section 31. Severability. In the event that any provision of this Agreement or the application hereof to any party hereto shall, to any extent, be invalid or unenforceable under any applicable statute, regulation, or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute, regulation or rule of law, and the remainder of this Agreement and the application of any such invalid or unenforceable provisions to parties, jurisdictions or circumstances (other than to those parties, jurisdictions or circumstances to which such provision(s) have been held invalid or unenforceable), shall not be affected thereby nor shall the same affect the validity or enforceability of any other provision of this Agreement.

Section 32. Expenses.

(a) To the extent not paid by Borrower or out of or from any collateral securing the Senior Loan which is realized by Senior Lender, Junior Lender agrees to pay upon demand to Senior Lender the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which Senior Lender may incur in connection with the (i) exercise or enforcement of any of the rights of Senior Lender against Junior Lender hereunder to the extent that Senior Lender is the prevailing party in any dispute with respect thereto or (ii) failure by Junior Lender to perform or observe any of the provisions hereof.

(b) To the extent not paid by Borrower or out of or from any collateral securing the Junior Loan which is realized by Junior Lender, Senior Lender agrees to pay upon demand to Junior Lender the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which Junior Lender may incur in connection with the (i) exercise or enforcement of any of the rights of Junior Lender against Senior Lender hereunder to the extent that Junior Lender is the prevailing party in any dispute with respect thereto or (ii) failure by Senior Lender to perform or observe any of the provisions hereof.

Section 33. Injunction. Each of Senior Lender and Junior Lender acknowledge (and waive any related defense based on a claim) that monetary damages are not an adequate remedy to redress a breach by the other hereunder and that a breach by either Senior Lender or Junior Lender hereunder would cause irreparable harm to the other. Accordingly, each of Senior Lender and Junior Lender agree that upon a breach of this Agreement by the other, the remedies of injunction, declaratory judgment and specific performance shall be available to such non-breaching party.

Section 34. Mutual Disclaimer.

(a) Each of Senior Lender and Junior Lender is a sophisticated lender and/or investor in real estate and its respective decision to enter into the Senior Loan and the Junior Loan, as applicable, is based upon its own independent expert evaluation of the terms, covenants, conditions and provisions of, respectively, the Senior Loan Documents and the Junior Loan Documents and such other matters, materials and market conditions and criteria which Senior Lender and Junior Lender, as applicable, deems relevant. Each of Senior Lender and Junior Lender has not relied in entering into this Agreement and, respectively, the Senior Loan and the

Senior Loan Documents or the Junior Loan and the Junior Loan Documents, upon any oral or written information, representation, warranty or covenant from the other, or any of the other's representatives, employees, Affiliates or agents (other than the representations and warranties of the other contained herein). Each of Senior Lender and Junior Lender further acknowledges that no employee, agent or representative of the other has been authorized to make, and that each of Senior Lender and Junior Lender has not relied upon, any statements, representations, warranties or covenants of the other, other than those specifically contained in this Agreement. Without limiting the foregoing, each of Senior Lender and Junior Lender acknowledges that the other has made no representations or warranties as to the Senior Loan or the Junior Loan, as applicable, or the Premises (including, without limitation, the cash flow of the Premises, the value, marketability, condition or future performance thereof, the existence, status, adequacy or sufficiency of the leases, the tenancies or occupancies of the Premises, or the sufficiency of the cash flow of the Premises to pay all amounts which may become due from time to time pursuant to the Senior Loan or the Junior Loan).

(b) Each of Senior Lender and Junior Lender acknowledges that the Senior Loan and the Junior Loan Documents are distinct, separate transactions and loans, separate and apart from each other.

Section 35. Consent to Jurisdiction and Venue. Junior Lender agrees that if Senior Lender files a judicial foreclosure proceeding with respect to the Senior Loan, Junior Lender consents that such foreclosure proceeding may be litigated in the jurisdiction in which the Premises are located ("**Property Jurisdiction**"). The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have jurisdiction over all controversies that shall arise under or in relation to such foreclosure proceeding. Junior Lender irrevocably consents to service, jurisdiction, and venue of such courts for any such foreclosure proceeding and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

Section 36. Recognition and Non-Disturbance Agreements. The Junior Lender shall enter into recognition and non-disturbance agreements with any tenants under commercial or retail leases to whom the Senior Lender has granted recognition and non-disturbance, on the same terms and conditions given by the Senior Lender.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Senior Lender and Junior Lender have executed this Agreement as of the date and year first set forth above.

SENIOR LENDER:

_____,
a _____

By: _____
Name:
Title:

JUNIOR LENDER:

_____,
a _____

By: _____
Name:
Title:

EXHIBIT A

[Attach Legal Description of Premises]

EXHIBIT B

Senior Loan Documents

1. Senior Note;
2. Senior Security Instrument;
3. UCC Financing Statements;
4. Multifamily Loan and Security Agreement;
5. [Guaranty];
6. [Assignment of Management Agreement];
7. [Insert additional Senior Loan Documents, if applicable]

EXHIBIT C

Junior Loan Documents

1. Junior Note;
2. Junior Security Instrument;
3. UCC Financing Statements;
4. Multifamily Loan and Security Agreement
5. [Guaranty];
6. [Assignment of Management Agreement];
7. [Insert additional Junior Loan Documents, if applicable]

EXHIBIT D

Permitted Fund Managers

None

VII. EXHIBIT C
Servicer Task List

SERVICER TASK LIST FOR FREDDIE MAC'S MULTIFAMILY SECURITZATION PRODUCT (APPLIES AFTER SECURITIZATION)

- Some listed tasks designate more than one party to perform that function by placing an "X" in more than one column. In these instances, the parties shall follow any specific guidance about the allocation of responsibilities in completing the task found in the terms of the Primary Servicing Agreement (including the Exhibits thereto). In the absence of specific allocation of obligations in this chart, the parties shall work in good faith to allocate responsibilities in a fair and equitable manner in accordance with the Primary Servicing Agreement and the Pooling and Servicing Agreement. The Master Servicer will monitor the performance and enforce the obligations of each Primary Servicer pursuant to the terms of the Pooling and Servicing Agreement.
- The Pooling and Servicing Agreement on a particular deal may provide that the Special Servicer has approval rights over a delineated task and therefore, the below chart is subject to the related Pooling and Servicing Agreement insofar as whether the Primary Servicer and Master Servicer will have to obtain and work with the Special Servicer on performing such task.
- The amount of time in which the Primary Servicer has to remit certain reports/information to the Master Servicer may change depending on how long the Master Servicer has to remit the same to the Trustee.
- Freddie Mac does not require Primary Servicers to be rated. Cashiering functions may be performed by both rated and non-rated Primary Servicers. A rated Primary Servicer is a Freddie Mac Program Plus® Seller/Servicer that is rated (1) average or better from Standard & Poor's Ratings Group or (2) CPS3 or higher from Fitch Ratings. All non-cashiering functions are generally limited to collecting financial statements, performing property inspections and preparing the related reports and can be performed by both rated and non-rated Primary Servicers. Non-cashiering Primary Servicers are entitled only to the Primary Servicing Fee; they are not entitled to any additional servicing compensation.
- The Primary Servicing Fee will equal the servicing spread agreed to between Freddie Mac and its Program Plus® Seller/Servicer for each Mortgage.
- Pursuant to the terms of the Pooling and Servicing Agreement, 0.0005% per annum computed on the aggregate outstanding class principal balance of Underlying Securities other than the K Securities (computed on the same basis and in the same manner as interest is computed on such securities), to be paid from trust fund deposits to the Commercial Real Estate Finance Council (CREFC®) on a monthly basis by the Trustee or Certificate Administrator (if any).
- This chart represents Freddie Mac's current expectations as to how servicing functions and servicing fees will be split among the parties listed below. Please note, however, that for each pool of loans that are securitized, Freddie Mac will determine, in its sole discretion, the final designation of servicing functions and servicing fees at the time of each securitization.

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
1.	**Asset Files**					
	Original credit file management		X			
	Original collateral file (security)				X	
	Authorized parties list for request for release of collateral from Trustee	X	X			
	Establish servicing files criteria	X	X			
	Provide access to servicing files and copies of servicing files or of specific docs upon request to the Master Servicer		X			
	Request delivery of files from Trustee upon request and certification of Primary Servicer		X			

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
2.	**Property Taxes (Sections 4.02, 5.08, 5.14, and 6.08 of Loan Agreement)**					
	Preparation and delivery of quarterly tax delinquency reports		X			
	Monitoring of tax status – Loans with/without escrows		X			
	Recommendation of payment of taxes – Loans with/without escrows		X			
	Notification of advance requirement five (5) Business Days prior to advance being required		X			
	Payment of taxes – with sufficient escrows		X			
	Payment of taxes – with escrow shortfall advanced by the Master Servicer	X	X			
3.	**Property Insurance (Sections 4.02 and 6.10 of Loan Agreement)**					
	Preparation and delivery of quarterly insurance tickler reports		X			
	Monitoring of insurance status – Loans with/without escrows		X			
	Ensure insurance carrier meets Pooling and Servicing Agreement qualifications		X			
	Ensure insurance in favor of the Master Servicer on behalf of the Trustee		X			
	Recommendation of payment or force placement of insurance with/without escrow		X			
	Notification of advance requirement or force placement of insurance five (5) Business Days prior to advance being required		X			
	Payment of insurance – with sufficient escrows		X			
	Payment of insurance or force placement – with escrow shortfall advanced by the Master Servicer	X	X			
	Preparation and presentment of claims	X	X			
	Collection of insurance proceeds	X	X			
4.	**UCC Continuation Filings**					
	Preparation and delivery of quarterly UCC tickler report		X			
	Maintain tickler system of re-filing the dates on all Loans		X			
	File UCC Continuation Statements		X			
	Pay recording fees		X			
	Monitor tickler system		X			

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
5.	**Collection/Deposit/Distribution of P&I payments and Principal Prepayments**					
	Calculation, Collection and deposit of loan P&I payments		X			
	Remittance of available Primary Servicer P&I payments (net of Primary Servicing Fee)		X			
	Provide Collection Reports to Master Servicer		X			
	Distribution of P&I payments to the Trustee	X				
	Distribution of Special Servicer compensation	X				
	Approval of Prepayment Premiums	X				
6.	**Collection/Deposit/Disbursement of Reserves (RRA and REA)**					
	Collection and deposit of reserves		X			
	Disbursement of reserves (Master Servicer consent will be required for releases of earnouts and holdbacks and releases related to deferred maintenance extensions)	X	X			
7.	**Customer Billing, Collection and Customer Service**					
	Contact delinquent Borrowers by phone [three (3)] days after delinquent date		X			
	Send delinquent notices & assess default interest and/or late charges in accordance with the Primary Servicing Agreement.		X			
	Send notice of balloon payment to each Borrower one year, 180, and 90 days prior to the related maturity date		X			
	Provide copy of Balloon Mortgage Loan notice to Master Servicer		X			
8.	**Escrows**					
	Setup and monitor Escrow and Reserve Accounts including escrow analysis		X			
	Pay Borrower investment income required		X			
9.	**Loan payment history/calculation**					
	Maintain loan payment history		X			
	Create payoff/reinstatement statements and telecopy to Master Servicer		X			
	Approve payoff calculations and telecopy approval to Primary Servicer within [five (5)] Business Days	X				

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
10.	**Monitoring of Financial and Legal Covenants (Section 6.07 of the Loan Agreement)**					
	Collect and analyze quarterly and annual operating statements, budgets, rent rolls and Borrower financial statements, as applicable		X			
	Deliver Operating Statement Analysis Report, CREFC Financial File and NOI Adjustment Worksheet not later than the earlier of (i) 30 days after receipt of the underlying operating statements from the Borrower or (ii) June 1 of each year		X			
	Deliver one (1) copy of quarterly and annual operating statements, budgets, rent rolls and Borrower financial statement, as applicable, within thirty (30) days of Primary Servicer's receipt		X			
	Complete CREFC Loan Setup File for Mortgage Loans	X	X			
	Complete CREFC Loan Periodic Update File for Mortgage Loans	X	X			
	Complete and deliver CREFC Property File for Mortgage Loans	X	X			
	Complete and deliver quarterly Operating Statement Analysis Report and CREFC Quarterly Financial File within forty-five (45) days following the end of each of the first three (3) calendar quarters (in each year)	X	X			
	CREFC Supplemental Reports					
	• Complete Servicer Watch List		X			
	• Complete Comparative Financial Status Report		X			
	• Delinquent Loan Status Report	X	X			
	• REO Status Report	X		X		
	• Historical Loan Status Report	X				
	• Loan Level Reserve/LOC Report		X			
11.	**Advancing**					
	Determination of Non-Recoverability	X		X		
	Master Servicer Advances P&I payments	X				
12.	**Borrower Inquiries/Performing Loans**					
	Leases:					

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
	• Initial Borrower contact, data gathering, lease review, preparation of lease abstract and recommendation		X			
	• Business Approval of Significant Leases (and related SNDA's) (Section 6.04 of the Loan Agreement)	X		X		X
	• Business Approval of non-Significant Leases (and related SNDA's) (Section 6.04 of the Loan Agreement)		X			
	Performing Loans – respond to routine billing questions		X			
	Assumptions & Due on sale (Article VII of the Loan Agreement):					
	• Initial Borrower contact and data gathering		X			
	• Underwriting analysis and recommendation		X	X		
	• Business Approval of assumption					X
	• Notification of assumption approval to Borrower		X			
	• Close assumption (directly with Borrower)		X			
	Additional Liens that fall within Section 6.14 of the Loan Agreement					
	• Initial Borrower contact and data gathering (i.e., DSCR and LTV used for purposes of approval of the additional lien)		X			
	• Providing Freddie Mac with any information necessary to perform its analysis under the loan documents		X			
	• Entering into an intercreditor agreement with Freddie Mac as the subordinate lender	X				
	• Obtain Freddie Mac's Business Approval	X		X		
	Additional Liens or Monetary Encumbrances that do not fall within Section 6.14 of the Loan Agreement:					
	• Initial Borrower contact and data gathering (i.e., DSCR and LTV used for purposes of approval of the additional lien)		X			

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
	• Providing Master Servicer/Special Servicer with any information necessary to perform its analysis under the loan documents		X			
	• Entering into an intercreditor agreement with the subordinate lender	X				
	• Business Approval					X
	• Consent to Borrower		X	X		
	• Close additional lien or monetary encumbrance (directly with Borrower)		X			
	Modifications (Non-Money Terms), Waivers, Consents and Extensions up to 60 days (not otherwise provided in the Pooling and Servicing Agreement):					
	• Initial Borrower contact and data gathering		X			
	• Underwriting and analysis		X			
	• Business Approval of modification and extensions up to sixty (60) days	X		X		X
	• Business approval to modification and waivers and other consents (not otherwise provided in the Pooling and Servicing Agreement)			X		X
	• Closing Documents and Closing		X	X		
	Modification (Money Terms):					
	• Extensions of Maturity Date (more than 60 days):			X		X
	• Response to request for Discounted Payoffs, Workouts, Restructures, Forbearances and Casualties	X	X			
	Defeasance (Section 11.12 of the Loan Agreement):					
	• Coordinate, analyze and process defeasance request including designation of the successor borrower	X				
	• Consent to defeasance	X				
	• Service Defeasance Loans		X			
	• Collection of Primary Servicing Fees in Defeasance Collateral		X			
13.	**Monthly Reporting (Hardcopy & Electronic mail)**					
	Report of payment/account status (trial balance/transaction detail)		X			

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
	Cash account Reconciliations – including copies of monthly bank statements for all deposit, escrow and reserve accounts with supporting documentation from servicing system delivered within 30-45 days with reconciliation signed by the person who performed reconciliation and signed by a reviewer		X			
	Other Payment and Mortgage Loan Status Reports designated as due Monthly in this Agreement		X			
14.	**Release of Collateral**					
	Initial Borrower contact and data gathering		X			
	Underwriting analysis and recommendation		X			
	Determination if collateral should be released	X				
	Consent to release collateral	X				
	Request delivery of files from Trustee		X			
	Preparation and recordation of release deeds all Loans (full and partial)		X			
15.	**Property Annual Inspections**					
	Conduct site inspection per Pooling and Servicing Agreement requirement		X			
	Provide one (1) copy of site inspection reports to the Master Servicer within thirty (30) days of inspection, but not later than December 15 of each year beginning in 20__		X			
16.	**Preparation of servicing transfer letters**		X			
17.	**Preparation of IRS Reporting (1098s and 1099s or other tax reporting requirements) and delivery of copies to the Master Servicer by January 31 of each year**		X			
18.	**Compensation**					
	Primary Servicer Fee		X			
	Master Servicer Fee	X				
	Special Servicer Fee and Surveillance Fee			X		
	Investment earnings on Primary Servicer Certificate Account		X			
	Investment earnings on tax & insurance reserves not payable to Borrower		X			

		MASTER SERVICER	PRIMARY SERVICER	SPECIAL SERVICER	TRUSTEE	DIRECTING CERTHOLDER
	Investment earnings on reserve accounts not payable to Borrower		X			
	Late charges and default interest to the extent collected from Borrower and accrued while the loan was not a specially serviced loan (offsets advance interest per Pooling and Servicing Agreement)	X				
	Collection and distribution of the CREFC® Intellectual Property Royalty License Fee :				X	
	Administrative processing fee, review fees or fee payable (other than with respect to an assumption fee), including a defeasance fee, by the Borrower (according to loan documents and to the extent actually collected from Borrower) that the Master Servicer is entitled to receive per the Pooling and Servicing Agreement (taking into account any future offsets of such fees per the Pooling and Servicing Agreement). Primary Servicer is entitled to 50% of defeasance fees only if it performs the defeasance function; otherwise 100% of defeasance fees are paid to the Master Servicer.	[50]%	[50]%			
	Assumption fee (*i.e.*, transfer fee payable pursuant to the Loan Agreement—usually 1% of the unpaid principal balance) payable by the Borrower on a non-specially serviced loan (to the extent actually collected). This fee is subject to a cap of $250,000 per loan per assumption.	[30]%	[30]%			[40]%
	Modification fee (modification approved and processed solely by the Special Servicer)			[100]%		
	Modification fee (loan is not being Specially Serviced but modification requires consent of or review by the Directing Certificateholder)	[30]%	[30]%			[40]%

The following concepts shall be included in the Pooling and Servicing Agreement related to a specific transaction:

- The parties hereto acknowledge that the Master Servicer has delegated certain of its obligations and assigned certain of its rights under this Agreement to the Primary Servicer pursuant to the Primary Servicing Agreement;

- The Master Servicer shall not terminate any Primary Servicing Agreement except in accordance with the terms thereof;

- the Primary Servicer's rights and obligations under the Primary Servicing Agreement shall expressly survive a termination of the Master Servicer's servicing rights under the Pooling and Servicing Agreement; provided that the Primary Servicing Agreement has not been terminated in accordance with its provisions; (ii) any successor Master Servicer, including, without limitation, the Trustee (if it assumes the servicing obligations of the Master Servicer) shall be deemed to automatically assume and agree to the then current Primary Servicing Agreement without further action upon becoming the successor Master Servicer and (iii) the Pooling and Servicing Agreement may not be modified in any manner which would increase the obligations or limit the rights of the Primary Servicer hereunder and/or under the Primary Servicing Agreement, without the prior written consent of the Primary Servicer (which consent shall not be unreasonably withheld);

- Any indemnification or release from liability set forth in the Pooling and Servicing Agreement accruing to the benefit of the Master Servicer shall also, to the extent applicable, benefit the Primary Servicer;

- If the Pooling and Servicing Agreement provides that the Master Servicer may not take a subject action without the consent of the Rating Agencies, Controlling Holder and/or the Special Servicer, the Primary Servicer will not be permitted to take such action unless and until such consent is obtained;

- The Primary Servicer may be terminated in accordance with the provisions of the Primary Servicing Agreement for material defaults, which are not cured within the time period specified therein; and

- The Master Servicer shall be required to pay to the Primary Servicer its Primary Servicing Fees.

- The Trustee or Certificate Administrator (if any) shall be required to pay to CREFC® on a monthly basis the CREFC® Intellectual Property Royalty Fee, which is 0.0005% per annum computed on the aggregate outstanding class principal balance of Underlying Securities other than the K Securities (computed on the same basis and in the same manner as interest is computed on such securities), to be paid from trust fund deposits to the Commercial Real Estate Finance Council (CREFC®) on a monthly basis.

- The PSA will require that each Sub-Servicing Agreement must provide that the Sub-Servicer may not waive any assumption, transfer or other borrower paid fees without the consent of the Master Servicer, such consent to be granted or denied in the Master Servicer's sole discretion.

ANNEX B: Confidential Private Placement Memorandum of ROC|Debt Strategies Fund LP

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

THIRD SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

July 2015

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum, dated July 2014, as amended by the First Supplement to the July 2014 Private Placement Memorandum, dated September 16, 2014 and the Second Supplement to the July 2014 Private Placement Memorandum, dated December 11, 2014 (collectively, the "Memorandum") relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this Third Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Members of the General Partner's Investment Committee

Danuel Stanger is hereby replaced on the Investment Management Committee by Christian Young and all references to Danuel Stanger throughout the Memorandum are hereby replaced with Christian Young.

The biographical paragraph on Danuel Stanger in Section VIII of the Memorandum is hereby replaced in its entirety with the following paragraph on Christian Young:

Christian V. Young, Chief Executive Officer – Bridge Investment Group Holdings, LLC, Investment Committee Member and Executive Committee Chairman

Mr. Young brings 25 years of experience in every phase of the real estate process including sourcing, evaluating, acquiring, financing, developing, operating, improving and harvesting commercial investment properties. He has been directly responsible for more than US$1 billion dollars in real estate investments in multi and single family residential, commercial office, resort golf, hotel and storage properties. This track record includes significant double-digit returns even during difficult time periods. Mr. Young is responsible for all strategic and operational aspects of Bridge Investment Group Holdings and its wholly-owned subsidiaries. He is a member of the Company's Board of Directors and heads its Executive Management Committee. His previous experiences include:

- Principal and Board Member of Bridge Investment Group Partners, LLC (a wholly owned subsidiary of Bridge Investment Group Holdings) from 2012 – 2014. Mr. Young was responsible for the strategic initiatives of the company and Asset Management for a portfolio of owned and affiliated multifamily properties.
- Chairman and co-Founder of Bridge Investment Group, LLC (a Bridge Investment Group Partners, LLC affiliate) since 1997. Mr. Young was involved in all phases of developments and investments since inception; approved all commitments, and was primarily responsible for equity capital formation, structuring, legal, operational and strategic facets of the company and its sponsored investments. This included managing relationships with its many institutional joint venture equity partners.
- Founder and President of Acorn Development Company, LLC from 1990 to 1997. Mr. Young invested syndicated equity capital into commercial investment real estate projects in the western United States exclusively identified, underwritten, financed, managed and sold by the predecessors of Bridge Investment Group, LLC.
- Managing Director of Prowswood Equity Management from 1993 – 1994. Mr. Young was responsible for capital formation in multifamily opportunities developed by Prowswood Companies.

- Prior to embarking on his real estate career, Mr. Young was an executive with AT&T and Lucent Technologies from 1982 – 1997 with increasing responsibilities in their business services and international marketing groups.

Mr. Young earned his Bachelor of Science degree, cum laude, in Business Management from the University of Utah in 1981.

B. Update to the Bridge-IGP's national real estate operating and due diligence platform.

Effective as of June 30, 2015, Bridge-IGP and its affiliates now operate a multifamily and commercial office platform in over 40 submarkets in 17 states, and Bridge-IGP and its affiliates have increased its commercial office space platform from 1.4 million to 2.4 million square feet of commercial office space. All references in the Memorandum and this Third Supplement are references to the updated submarkets and states in which Bridge-IGP and its affiliates operate a multifamily and commercial office platform.

C. Update to the Bridge-IGP's due diligence platform.

Bridge-IGP and its affiliates employ approximately 1,009 real estate professionals in over 40 submarkets across 18 states. These employees include 90 property managers and 135 leasing agents, and 599 on-site personnel providing property maintenance and operations.

All references in the Memorandum and this Third Supplement are references to the updated employment statistics described herein.

D. Update to Section I. Executive Summary.

The paragraph titled "Reduced CMBS Lending Capacity in the Banking Sector" in Section I of the Memorandum is hereby deleted and replaced with the following paragraph:

Reduced CMBS Lending Capacity in the Banking Sector

Lax underwriting standards, liberal structuring considerations and other factors resulted in approximately $2 trillion in losses in the banking sector primarily related to commercial and residential real estate debt during and after the recent financial crisis. This has generally resulted in a decreased risk appetite for mortgage products among investors and potential commercial real estate lenders. The balance sheet allocation and headcount of CMBS groups within banks are significantly lower than before the financial crisis. Nine of the top 30 CMBS lenders from 2007 no longer exist, and seven of the top 30 CMBS lenders have exited the business. Lending capacity in the CMBS market is significantly lower than it was in 2007, during which $223 billion in loans were securitized in the United States. In 2013, only $78 billion in CMBS was issued. The Investment Manager therefore believes that the ability of the banks to absorb the coming wave of CMBS maturities is below capacity and would require banks to dramatically increase their CMBS activities in a time when regulatory pressure is also increasing. This supply-demand mismatch is expected to create opportunities for non-CMBS lenders, such as the Fund, to absorb borrower demand.

E. Update to Section IV. Investment Opportunity & Market Environment.

Section IV of the Memorandum is hereby amended by replacing the paragraph titled "CMBS Market Capacity" with the following:

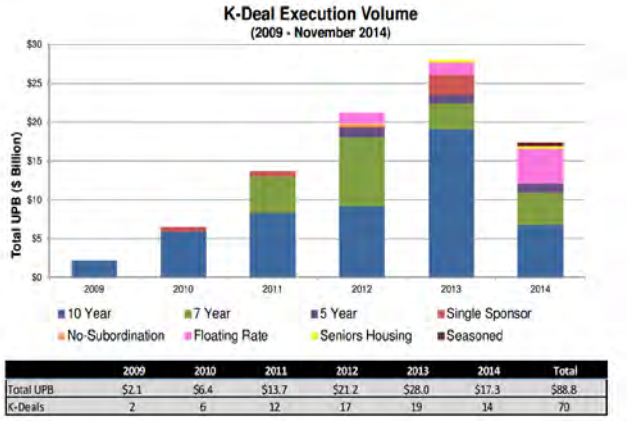
CMBS Market Capacity

The U.S. CMBS market peaked in 2007 with $223 billion of issuance underwritten by 43 different originators. In 2013, new issuance totaled $78 billion underwritten by 29 different originators, representing a decrease of 65% and 37%, respectively. In the last six years, there has been a total of $171 billion of new issuance in the U.S. CMBS market, or $75 billion less than the projected CMBS maturities in 2016 and 2017 alone. In addition, seven of the top 15 CMBS issuers in 2007 are no longer in business, as reflected in the following chart that also shows such issuers' total volume in 2007 at the peak of the CMBS market.

Section IV of the Memorandum is further amended by replacing the paragraph titled "Freddie Mac K-Series" with the following:

Freddie Mac K-Series

Freddie Mac is a government-sponsored enterprise ("GSE") chartered by Congress to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Its statutory mandate is to provide liquidity, stability and affordability to the U.S. housing market. The Multifamily Division of Freddie Mac helps to ensure an ample supply of affordable rental housing by purchasing mortgages secured by apartment buildings with five or more units. It purchases these loans from a network of Freddie Mac-approved Program Plus® Seller/Servicers and Targeted Affordable Housing Correspondents, with over 150 branches nationwide. Underwriting and credit review is performed by Freddie Mac.



	2009	2010	2011	2012	2013	2014	Total
Total UPB	$2.1	$6.4	$13.7	$21.2	$28.0	$17.3	$88.8
K-Deals	2	6	12	17	19	14	70

[1]Total UPB represents the total collateral UPB associated with each transaction, including the portion Freddie Mac does not guarantee.
Source: Freddie Mac Update – December 2014

Since 1993, Freddie Mac's multifamily business has provided more than $332 billion in financing for more than 62,200 multifamily properties. As of September 30, 2014, Freddie Mac had a multifamily whole-loan portfolio of over $51.7 billion, a multifamily investment securities portfolio of over $25.8 billion and a multifamily guarantee portfolio of $84.4 billion. In 2008, Freddie Mac introduced its Capital Markets Execution product, which seeks to aggregate and securitize newly-originated multifamily loans ("CME Loans") made through the Program Plus® Seller/Servicers network. Freddie Mac's primary motivation was to create an alternative to its existing portfolio execution and expand its access to capital, thereby increasing its ability to provide liquidity to the multifamily mortgage market. The lending parameters for Freddie Mac CME Loans are generally summarized below:

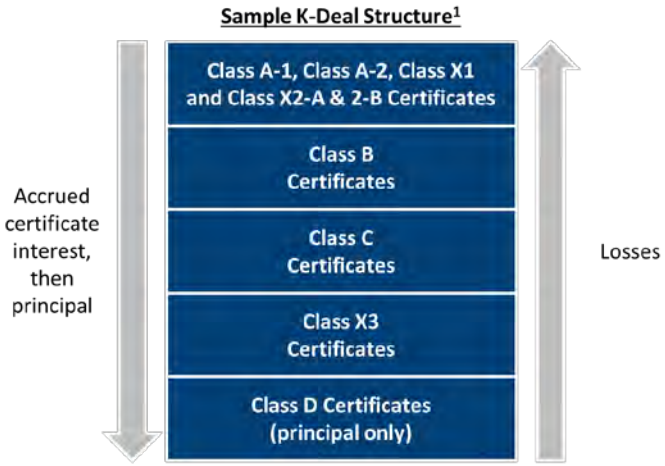
Sources: FFIEC (HMDA), OTS Thrift Financial Report, ACLI Investment Bulletin, MBA Commercial Mortgage Banker Origination Survey, and Freddie Mac.

- Property Types: Multifamily loans secured by occupied, stabilized and completed properties, with a limited amount of senior housing, student housing, cooperative housing and Section 8 housing assistance payments (HAP) contracts.
- Loan Terms: Five-, seven- and 10-year loan terms with maximum amortization of 30 years. May have initial interest-only periods of one to five years. Limited amount of full interest only loans.
- LTV: Maximum LTV of 80% for acquisition and no "cash out" refinance loans. Maximum LTV of 75% for "cash out" refinance loans.

From 2009 through January 2015, Freddie Mac has securitized 74 loan pools totaling approximately $94.18 billion. In 2014, Freddie Mac securitized 14 pools. Given the frequency of these transactions, there is expected to be an ample supply of Freddie Mac K-Series subordinated CMBS available to purchase.

Total multifamily originations are projected to be $210 billion in 2015, which would exceed the 2007 multifamily originations.

The majority of the loans securitized in a K-Series investment consist of fixed rate loans. These securitizations employ a sequential pay structure where principal is distributed to the senior bonds first until they are paid off, and then applied to the next tranche of securities. Losses move in opposite fashion and are applied first to the most subordinated tranche until it is written down and then applied to the next most subordinated tranche. The most junior tranche of the securitization (the "B-piece") is typically structured as a zero coupon bond and is issued at a discount. The buyer of the B-piece usually also purchases an interest-only strip from the trust to provide the B-piece buyer with current income during the term of the loan. The amount of this strip may vary from deal to deal.

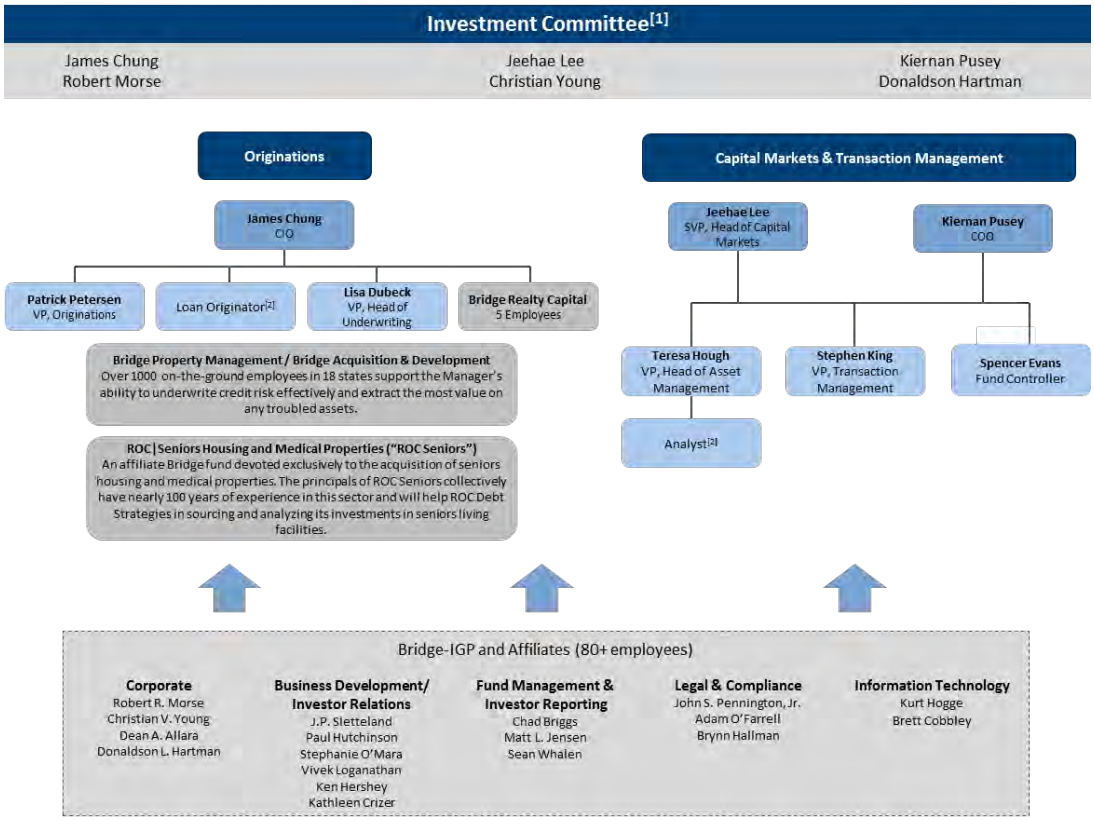


[1] Classes X1, X2A, X2-B and X3 do not receive principal payments. Classes B, C, D, X2-A and X2-B do not have a Freddie Mac

Generally, Freddie Mac limits participation in the auction and auctions negotiation of the terms of subordinated tranches of its K-Series CMBS to buyers with a prior relationship and borrowing history with Freddie Mac and that have deep underlying operational expertise in real estate asset management. The General Partner believes the importance of these qualitative criteria considered by Freddie Mac creates significant competitive advantages for the Fund.

F. Update to Section VII. The General Partner, the Investment Manager and Management

Section VII of the Memorandum is hereby amended by replacing the chart titled "Investment Committee" in the Overview Section with the following:



Source and Notes: [1] Messrs. Chung and Pusey and Ms. Lee are 100% dedicated to ROC|Debt Strategies Fund LP management. Non-dedicated to ROC|Debt Strategies Fund LP; Messrs. Young, Hartman, and Morse, are similarly dedicated to the success for the fund but have IMC responsibilities for Real Estate Opportunity Capital Fund LP (ROC I), Real Estate Opportunity Capital Fund II (ROC II), and ROC Seniors as well. [2] To be hired assuming the Fund reaches its capital target.

G. Update to Section VIII. Detailed Summary of Terms.

Section VIII of the Memorandum is hereby amended by replacing the paragraph titled "Leverage" with the following:

The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately ~~65~~60% of the sum of the acquisition costs of the Investments in the Fund's portfolio.

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

SECOND SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

December 2014

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum, dated July 2014, as amended by the First Supplement to the July 2014 Private Placement Memorandum, dated September 16, 2014 (collectively, the "Memorandum") relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this Second Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Section III. Prior Performance of the Managers

Section III of the Memorandum is hereby amended by replacing the return information for ROC I and ROC II on page 11 of the Memorandum with the following:

Real Estate Opportunity Capital Fund, LP (ROC I) — **March 19, 2009 through September 30, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC I	120.0	71.7	129.6	201.3	81.3	1.68x	17.7%

Real Estate Opportunity Capital Fund II, LP (ROC II) — **April 3, 2012 through September 30, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC II	456.6	35.2	535.9	571.1	114.6	1.25x	21.4%

The Memorandum is also amended by attaching Appendix A attached hereto, which provides further information regarding the investment track record of ROC I, and Appendix B attached hereto, which provides further information regarding the investment track record of ROC II.

B. Update to Section I. Executive Summary

Section I of the Memorandum is hereby amended by adding the following to the end of such section:

PENDING INVESTMENTS AND INVESTMENTS CURRENTLY HELD BY THE PARTNERSHIP

As of the date hereof, the Fund currently holds the investments and expects to complete the transactions described in Appendix C attached hereto. However, no assurance can be given that the Fund will be successful in completing the transactions described in Appendix C or on the terms described therein.

APPENDIX A. Investment Performance ROC I (March 19, 2009 through September 30, 2014)

Real Estate Opportunity Capital Fund, LP
March 19, 2009 through September 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[2]	Unrealized Value[3]	Implied Value[4]	Implied Gain / (Loss)	Return Multiple[5]	IRR[6]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	G	Nov-09	-	1,500,000	1,475,000	25,000	1,896,947	1,921,947	421,947	1.28x	5.3%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,650,000	2,555,000	95,000	4,922,869	5,017,869	2,367,869	1.89x	16.3%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	-	14,554,365	15,590,543	30,144,908	20,144,908	3.01x	33.2%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,958,640	12,437,564	14,396,204	7,896,204	2.21x	23.3%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	302,200	6,086,028	6,388,228	3,488,228	2.20x	26.0%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	A	Apr-11	Jul-14	3,038,248	-	5,285,777	808,101	6,093,878	3,055,630	2.01x	35.7%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,517,065	8,302,491	11,819,556	5,784,556	1.96x	25.9%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,850,000	815,000	2,033,331	2,411,368	4,444,699	2,594,699	2.40x	37.7%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,960,838	6,900,838	1,225,000	23,319,707	24,544,707	17,583,869	3.53x	50.5%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	B	Nov-11	Oct-14	6,485,000	5,623,000	2,247,000	11,332,237	13,579,237	7,094,237	2.09x	33.0%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,425,000	1,357,500	221,500	2,707,622	2,929,122	1,504,122	2.06x	30.3%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	6,450,000	2,249,000	11,792,127	14,041,127	6,766,127	1.93x	29.3%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,325,000	5,275,000	773,000	6,928,349	7,701,349	2,376,349	1.45x	16.7%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	-	2,126,686	(2,826)	2,123,860	623,860	1.42x	20.1%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	468,156	3,612,028	4,080,184	2,580,184	2.72x	62.1%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	230,168	2,258,494	2,488,662	1,156,842	1.87x	44.6%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	353,500	4,209,264	4,562,764	1,772,764	1.64x	39.1%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,880,363	1,880,363	125,518	2,277,707	2,403,225	522,862	1.28x	20.7%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,523	1,838,523	161,263	2,382,622	2,543,885	705,362	1.38x	28.0%
Total Multifamily Investments						**91,352,218**	**52,847,380**	**74,376,473**	**123,273,242**	**197,649,715**	**106,297,498**	**2.16x**	**33.1%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	57,422	4,871,484	(328,516)	0.94x	-2.2%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	171,997	15,661,517	9,625,802	2.59x	48.7%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	419,134	4,097,048	2,007,762	1.96x	43.4%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	394,333	2,889,733	3,284,066	1,534,066	1.88x	33.6%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**31,048,373**	**3,538,286**	**34,586,659**	**14,073,926**	**1.69x**	**26.4%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	14,950,000	14,950,000	-	9,546,283	9,546,283	(5,403,717)	0.64x	-16.0%
Total Short-Term Investments and Reserves						**28,470,871**	**14,950,000**	**15,212,227**	**9,546,283**	**24,758,510**	**(3,712,361)**	**0.87x**	**-11.8%**
Total Net Return on Realized Investments[9]						**71,253,621**	**6,750,000**	**92,987,392**	**18,322,559**	**111,309,951**	**40,056,330**	**1.56x**	**18.5%**
Total Net Return on Unrealized Investments						**88,763,765**	**77,260,650**	**17,486,193**	**111,255,803**	**128,741,997**	**39,978,231**	**1.45x**	**16.8%**
RETURN TO THE FUND[10]						**120,046,948**	**84,010,650**	**78,330,289**	**143,289,860**	**221,620,149**	**101,573,200**	**1.85x**	**21.2%**
TOTAL NET RETURN[11]						**120,046,948**	**84,010,650**	**71,724,801**	**129,578,363**	**201,303,164**	**81,256,217**	**1.68x**	**17.7%**

Notes:

1 See Value Method Key (to the right).
2 Realized Proceeds represent net cash proceeds received in connection with Realized Investments and unrealized investments.
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported, as applicable, by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.
4 Implied value represents the sum of Realized Proceeds and unrealized values.
5 Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to be net of management fees, "carried interest", taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership.
6 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
7 The fund realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.
8 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.
9 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.
10 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
11 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs. "Under Contract" investments are subject to various contingencies so there can be no assurances that any "Under Contract" investment will be consummated or that it will generate the proceeds reported herein.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX B. Investment Performance—ROC II (April 3, 2012 through September 30, 2014)

ROC II Funds[1]

April 3, 2012 through September 30, 2014

Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[3]	Unrealized Value[4]	Implied Value[5]	Implied Gain / (Loss)	Return Multiple[6]	IRR[7]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	7,125,000	7,125,000	1,255,429	9,474,181	10,729,610	3,604,610	1.51x	20.3%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,005,000	5,005,000	-	11,864,549	11,864,549	6,859,549	2.37x	39.4%
Andorra Apartments	Indio, CA	Multifamily	A	May-12	Apr-14	3,375,000	-	4,785,042	(6,360)	4,778,682	1,403,682	1.42x	20.2%
Pinewood Apartments	Lynwood, WA	Multifamily	B	May-12	Oct-14	1,665,000	1,665,000	372,844	2,278,865	2,651,709	986,709	1.59x	24.2%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	13,103,028	11,403,028	1,700,000	22,421,119	24,121,119	11,018,091	1.84x	34.4%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	537,549	4,129,752	4,667,301	2,952,301	2.72x	54.6%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	211,010	706,191	917,201	238,030	1.35x	16.2%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	942,546	942,546	151,812	893,691	1,045,503	102,957	1.11x	5.1%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,186,750	5,186,750	435,000	7,211,206	7,646,206	2,459,456	1.47x	23.2%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,530,000	9,530,000	2,037,000	14,174,124	16,211,124	6,681,124	1.70x	34.7%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,506,000	5,506,000	1,071,000	9,533,674	10,604,674	5,098,674	1.93x	47.3%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	4,012,000	4,012,000	550,000	6,547,865	7,097,865	3,085,865	1.77x	39.8%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,335,000	6,335,000	1,085,000	8,414,423	9,499,423	3,164,423	1.50x	27.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,071,430	9,071,430	1,649,832	15,713,791	17,363,623	8,292,193	1.91x	43.9%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	5,797,986	16,656,214	33,214,893	49,871,107	30,039,857	2.51x	80.8%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,447,000	2,247,000	5,694,000	10,763,072	16,457,072	10,010,072	2.55x	79.9%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	6,043,000	6,043,000	563,000	7,093,102	7,656,102	1,613,102	1.27x	15.4%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,830,000	2,830,000	353,500	4,249,264	4,602,764	1,772,764	1.63x	38.3%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	4,265,000	4,265,000	100,000	6,077,810	6,177,810	1,912,810	1.45x	31.3%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,416,000	10,416,000	890,000	16,289,767	17,179,767	6,763,767	1.65x	41.5%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,938,000	7,938,000	976,000	10,125,866	11,101,866	3,163,866	1.40x	28.7%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,386,637	4,386,637	291,482	5,309,361	5,600,843	1,214,206	1.28x	20.6%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,581,477	5,581,477	481,237	7,205,165	7,686,402	2,104,925	1.38x	27.3%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	8,626,000	8,626,000	415,000	10,555,738	10,970,738	2,344,738	1.27x	21.1%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,684,000	6,684,000	448,000	8,533,784	8,981,784	2,297,784	1.34x	28.2%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	17,208,000	17,208,000	807,500	19,952,357	20,759,857	3,551,857	1.21x	17.5%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,766,000	9,766,000	349,000	11,795,738	12,144,738	2,378,738	1.24x	22.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	14,657,000	14,657,000	1,681,000	19,027,319	20,708,319	6,051,319	1.41x	39.6%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	9,633,000	9,633,000	813,000	11,818,785	12,631,785	2,998,785	1.31x	30.2%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	D	Oct-13	-	12,516,000	12,516,000	1,168,000	18,131,829	19,299,829	6,783,829	1.54x	54.1%
Meridian Pointe Apartments	Duluth, GA	Multifamily	D	Oct-13	-	4,082,000	4,082,000	448,000	5,565,164	6,013,164	1,931,164	1.47x	53.4%
Aventerra Apartments	Mesa, AZ	Multifamily	D	Oct-13	-	14,419,000	14,419,000	1,186,000	18,160,618	19,346,618	4,927,618	1.34x	40.2%
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	D	Oct-13	-	12,418,000	12,418,000	1,135,000	14,528,575	15,663,575	3,245,575	1.26x	32.3%
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	D	Nov-13	-	9,531,000	9,531,000	715,000	11,458,816	12,173,816	2,642,816	1.28x	37.1%
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	D	Dec-13	-	17,275,000	17,275,000	610,000	18,450,530	19,060,530	1,785,530	1.10x	14.0%
Ashley Vista Apartments	Lithonia, GA	Multifamily	D	Jan-14	-	7,452,000	7,452,000	350,000	8,541,339	8,891,339	1,439,339	1.19x	28.2%
Bridgewater Apartments	Stockbridge, GA	Multifamily	D	Jan-14	-	3,811,000	3,811,000	175,000	6,810,109	6,985,109	3,174,109	1.83x	154.1%
Presidio Apartments	Oceanside, CA	Multifamily	D	Jan-14	-	16,748,000	16,748,000	750,000	21,884,923	22,634,923	5,886,923	1.35x	54.1%
Silver Shadow Apartments	Las Vegas, NV	Multifamily	D	Jan-14	-	4,815,000	4,815,000	-	4,833,749	4,833,749	18,749	1.00x	0.6%
Vista at 23rd Apartments	Gresham, OR	Multifamily	D	Mar-14	-	10,180,000	10,180,000	100,000	10,942,484	11,042,484	862,484	1.08x	17.5%
Stratford Ridge Apartments	Marietta, GA	Multifamily	F	Jun-14	-	8,530,000	8,530,000	-	7,902,603	7,902,603	(627,397)	0.93x	NM
Stonehill at Pipers Creek Apartments	San Antonio, TX	Multifamily	F	Jul-14	-	4,980,000	4,980,000	-	4,441,005	4,441,005	(538,995)	0.89x	NM
Wood Hollow Apartments	Euless, TX	Multifamily	F	Jul-14	-	6,262,013	6,262,013	-	5,197,877	5,197,877	(1,064,136)	0.83x	NM
Elliot's Crossing Apartments	Tempe, AZ	Multifamily	F	Jul-14	-	6,520,000	6,520,000	-	6,129,778	6,129,778	(390,222)	0.94x	NM
Abbots Glen Apartments	Norcross, GA	Multifamily	F	Jul-14	-	3,950,000	3,950,000	-	3,537,308	3,537,308	(412,692)	0.90x	NM
Auvers Village Apartments	Orlando, FL	Multifamily	F	Aug-14	-	13,195,902	13,195,902	-	12,356,766	12,356,766	(839,136)	0.94x	NM
Champions Park Apartments	Norcross, GA	Multifamily	F	Sep-14	-	5,575,123	5,575,122	-	3,697,131	3,697,131	(1,877,992)	0.66x	NM
Total Multifamily Investments						**369,823,325**	**346,515,062**	**52,997,452**	**477,939,696**	**530,937,148**	**161,113,822**	**1.44x**	**36.4%**

ROC II Funds[1]

April 3, 2012 through September 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[3]	Unrealized Value[4]	Implied Value[5]	Implied Gain / (Loss)	Return Multiple[6]	IRR[7]
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,900,000	21,900,000	455,000	27,072,335	27,527,335	5,627,335	1.26x	12.6%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	4,771,630	4,771,630	(2,648,370)	0.64x	-25.8%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	870,456	21,001,392	9,421,392	1.81x	120.3%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	822,222	21,041,330	21,863,552	5,863,552	1.37x	32.8%
1875 Lawrence Building	Denver, CO	Office	F	May-14	-	14,015,000	14,015,000	-	12,252,838	12,252,838	(1,762,162)	0.87x	NM
Gran Park at The Avenues	Jacksonville, FL	Office	F	Jun-14	-	6,956,227	6,956,227	-	6,700,697	6,700,697	(255,530)	0.96x	NM
Gran Park at The Avenues Note	Jacksonville, FL	Office	F	Jun-14	-	16,100,000	-	16,117,203	-	16,117,203	17,203	1.00x	NM
Fifth Third Center Office Building	Tampa, FL	Office	F	Jul-14	-	16,104,950	16,104,950	-	15,614,015	15,614,015	(490,935)	0.97x	NM
Parkway Center	Marietta, GA	Office	F	Aug-14	-	11,665,023	11,665,023	-	10,877,461	10,877,461	(787,562)	0.93x	NM
Total Commercial Investments						**146,741,200**	**94,061,200**	**63,067,827**	**99,200,762**	**162,268,589**	**15,527,389**	**1.11x**	**16.4%**
Net Unrealized return on Properties acquired on or before March 31, 2014[8]						**355,251,109**	**355,251,109**	**35,208,216**	**448,695,167**	**483,903,383**	**128,652,274**	**1.36x**	**28.2%**
Net Unrealized return on Properties acquired since March 31, 2014[8]						**101,298,336**	**101,298,336**	**16,065**	**87,213,419**	**87,229,484**	**(14,068,852)**	**0.86x**	**NM**
RETURN TO ALL PARTNERS[9]						**471,037,231**	**471,037,231**	**37,718,475**	**581,569,711**	**619,288,186**	**148,250,954**	**1.31x**	**25.5%**
TOTAL NET RETURN[10]						**456,549,445**	**456,549,445**	**35,224,281**	**535,908,586**	**571,132,867**	**114,583,422**	**1.25x**	**21.4%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP. Returns presented herein represent aggregate returns for the U.S.-domiciled partnerships, and such aggregate returns may differ materially from the fund-level returns for each of the U.S. partnerships due to different management fee structures and timing of investor subscriptions, contributions and distributions and fund-level returns for the non-U.S. partnerships due to additional structuring costs and taxes incurred by those funds.
2 See Value Method Key (to the right).
3 Realized Proceeds represent net cash proceeds received in connection with Realized Investments and unrealized investments.
4 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
5 Implied Value represents the sum of Realized Proceeds and unrealized values.
6 Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to be net of management fees, "carried interest", taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership).
7 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
8 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
9 Return to the Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
10 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest. Net return information reflects average fund-level returns, which may be higher than actual investor-level returns due to variance in fees paid by investors and other investor-specific investment costs such as taxes.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs. "Under Contract" investments are subject to various contingencies so there can be no assurances that any "Under Contract" investment will be consummated or that it will generate the proceeds reported herein.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

Current Investments

Freddie Mac K716 re-REMIC bonds

A $14.3 million B-rated and $40.4 million unrated bond backed by a pool of multifamily loans originated by Freddie Mac. The bonds represent 3.875% of the total pool balance which is comprised of 80 loans totaling approximately $1.4 billion. The weighted average loan-to-value ratio of the pool is approximately 69.1% and the weighted average debt service coverage ratio of the pool is 1.57x. The bonds are structured as "principal only" and do not currently pay a coupon. The bonds are currently owned at a 65% discount to par (35 dollar price) and total proceeds are approximately $19 million. A portion of this investment (25%) is owned by the Fund. The bonds have a 7-year term and a yield of 16.2%.

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6901 S. Havana Office Loan

A loan origination used to finance approximately 66% of the purchase price ($9.1 million) and operating expense reserve ($620,000) for 6901 South Havana Street, a 2-story, 136,988 SF, suburban Class B office building located in Centennial, Colorado (southeast of the Denver CBD). Subject to certain conditions, the loan has upfunding obligations for debt service ($2.6 million), capital expenditures ($2.11 million), and TI/LCs ($7.11 million). The underlying property was originally constructed in 1989 as a build-to-suit for the United Airlines reservation system (Covia Partnership). The property has remained 100% occupied by the same tenant, through its successors (currently Travelport, LP), since construction. The tenant has given notice that it will vacate the property on March 21, 2015. The new borrower plans to re-tenant the property.

Pending Investments

Florida Multifamily Mezzanine Loan Portfolio

A multifamily loan portfolio secured by 13 Class B/C multifamily buildings with a total of 2,199 units located in Tampa, Orlando and Jacksonville, Florida. The subject loan represents a $6 million piece of a $12 million mezzanine loan purchased with a 5% discount on a pari passu basis with one other investor. The first mortgage on the portfolio amounts to $57.3 million, bringing the total debt on the portfolio to $69.3 million. The total debt package facilitated approximately 85% of the off-market acquisition of the portfolio and approximately 80% of the appraised value of the portfolio. Since 2011 the portfolio has received over $15 million of capital expenditures, and the new borrower plans an additional $3 million of capital expenditures over the next two years. As of November, 2014, the portfolio was 88.3% occupied.




1500 CityWest Loan

A loan origination of $31.28 million used to finance 80% of the purchase price ($39.1 million) for 1500 CityWest, a 10-story, multi-tenant, 192,313 SF suburban Class A office building located in the Westchase submarket of Houston, TX. Subject to certain conditions, the loan has upfunding obligations for capital expenditures ($3.6 million) and tenant improvement and leasing commissions ($7.8 million) to bring the total potential loan amount to $42.68 million. The underlying property was originally constructed in 1981 and includes a 4-story parking garage. The property is currently 80% occupied by a diverse set of tenants.

[1] No assurance can be given that the Fund will complete any of the foregoing pending acquisitions on the terms set forth above or at all. Any number of events, many of which are outside of the control of the Fund or the General Partner, may impact the completion of the investments. The General Partner may be unsuccessful in identifying similar investment opportunities for the Fund, and the Fund may acquire assets with different characteristics in accordance with the Fund's investment guidelines.

[2] The financial projection for any owned or pending acquisitions are projections only based on assumptions that the Investment Manager and the General Partner deem reasonable in light of their experience and judgment. Such projections are estimates only of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections. Many other factors that are outside of the control of the General Partner and the Investment Manager may adversely and materially affect actual results.

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

FIRST SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

SEPTEMBER 2014

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum (the "Memorandum"), dated July 2014, relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this First Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Section III. Prior Performance of the Managers

Section III of the Memorandum is hereby amended by replacing the return information for ROC I and ROC II on page 11 of the Memorandum with the following:

[TO BE UPDATED TO JUNE 30, 2014 INFORMATION]

Real Estate Opportunity Capital Fund, LP (ROC I)				**March 19, 2009 through June 30, 2014 (in US$ millions)**			
Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC I	120.0	66.3	131.7	198.0	77.9	1.65x	18.0%

Real Estate Opportunity Capital Fund II, LP (ROC II)				**March 19, 2009 through June 30, 2014 (in US$ millions)**			
Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC II	357.4	28.1	420.9	448.9	91.6	1.26x	21.9%

The Memorandum is also amended by attaching Appendix A attached hereto, which provides further information regarding the investment track record of ROC I, and Appendix B attached hereto, which provides further information regarding the investment track record of ROC II.

B. Update to Section I. Executive Summary—The Fund's Pending Investments

Section I of the Memorandum is hereby amended by adding the following to the end of such section:

PENDING INVESTMENTS

As of the date hereof, the Fund expects to complete the transactions described in Appendix C attached hereto. However, no assurance can be given that the Fund will be successful in completing the transactions described in Appendix C or on the terms described therein.

C. Update to Section VIII. Detailed Summary of Terms

Section VIII—Detailed Summary of Terms is hereby amended as follows:

Capital Contributions	Capital Commitments generally will be drawn down proportionately to the Partners un-drawn Capital Commitments ("Unfunded Commitments") on an as-needed basis to fund Investments, the Management Fee and Partnership Expenses (as defined below), with a minimum of ten business days' prior notice to the Limited Partners (each such drawing, a "Capital Contribution"); provided that the initial Capital Contribution to be made by the Partners after the Initial Closing will be required within three business days' prior notice to the Limited Partners.
Reports	The Fund will furnish audited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2014, and for each year thereafter until the termination of the Fund) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 90 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Fund; provided that the first quarterly financial statements will be provided to Limited Partners after the first full calendar quarter after the Initial Closing.

Further, the General Partner has agreed to provide a Management Fee and carried interest discount to Investors that subscribe for an interest at the Initial Closing (solely with respect to such Investor's Initial Closing subscription amount). For Initial Closing Investors that subscribe for a Capital Commitment of less than $10,000,000, the Management Fee payable by such Investor will be 1.25% and the carried interest percentage applicable to such Investor will be 15%. For Initial Closing Investors that subscribe for a Capital Commitment of $10,000,000 or more, the Management Fee payable by such Investor will be 1% and the carried interest percentage applicable to such Investor will be 15%. Such terms will be documented in a side letter to be entered into with each such Initial Closing Investor, provided that such terms will only apply to such Investors' Initial Closing subscription amount.

APPENDIX A. Investment Performance ROC I (March 19, 2009 through June 30, 2014)

Real Estate Opportunity Capital Fund, LP
March 19, 2009 through June 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[2]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[3]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	B	Nov-09	-	1,475,000	1,475,000	-	2,258,482	2,258,482	783,482	1.53x	9.6%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,580,000	2,580,000	-	4,938,352	4,938,352	2,358,352	1.91x	17.4%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	-	14,074,365	14,076,078	28,150,443	18,150,443	2.82x	32.1%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,908,640	11,943,307	13,851,947	7,351,947	2.13x	23.5%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	222,200	6,019,629	6,241,829	3,341,829	2.15x	27.3%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	B	Apr-11	Jul-14	3,038,248	1,355,724	2,183,020	3,757,205	5,940,225	2,901,977	1.96x	35.4%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,517,065	8,559,667	12,076,732	6,041,732	2.00x	28.5%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,750,000	715,000	1,873,331	2,426,125	4,299,456	2,549,456	2.46x	39.4%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,900,838	6,900,838	965,000	22,428,984	23,393,984	16,493,146	3.39x	53.3%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	D	Nov-11	-	6,485,000	5,623,000	2,087,000	11,363,605	13,450,605	6,965,605	2.07x	35.7%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,357,500	1,357,500	142,500	2,651,107	2,793,607	1,436,107	2.06x	32.3%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	6,450,000	2,099,000	12,444,602	14,543,602	7,268,602	2.00x	34.2%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,275,000	5,275,000	603,000	6,811,960	7,414,960	2,139,960	1.41x	16.9%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	-	2,045,846	(1,582)	2,044,264	544,264	1.36x	17.8%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	391,173	3,023,170	3,414,343	1,914,343	2.28x	56.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	175,687	2,119,169	2,294,856	963,036	1.72x	45.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	203,500	3,949,511	4,153,011	1,363,011	1.49x	37.3%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,880,363	1,880,363	105,953	2,150,488	2,256,441	376,078	1.20x	18.7%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,523	1,838,523	140,556	2,275,664	2,416,220	577,697	1.31x	28.8%
Total Multifamily Investments						**90,979,718**	**54,128,104**	**69,162,140**	**123,195,523**	**192,357,663**	**101,377,946**	**2.11x**	**34.0%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	32,350	4,846,412	(353,588)	0.93x	-2.3%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	172,515	15,662,035	9,626,320	2.59x	48.8%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	269,102	3,947,016	1,857,730	1.89x	41.8%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	316,556	2,567,659	2,884,215	1,134,215	1.65x	29.3%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**30,970,595**	**3,041,626**	**34,012,221**	**13,499,489**	**1.66x**	**25.9%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	14,950,000	14,950,000	-	10,403,787	10,403,787	(4,546,213)	0.70x	-14.4%
Total Short-Term Investments and Reserves						**28,470,871**	**14,950,000**	**15,212,227**	**10,403,787**	**25,616,014**	**(2,854,857)**	**0.90x**	**-9.6%**
Total Net Return on Realized Investments[6]						**68,032,195**	**6,750,000**	**87,161,709**	**18,125,223**	**105,286,932**	**37,254,737**	**1.55x**	**18.3%**
Total Net Return on Unrealized Investments						**91,985,192**	**79,610,405**	**18,019,765**	**113,548,760**	**131,568,525**	**39,583,334**	**1.43x**	**17.7%**
RETURN TO THE ROC FUND I[7]						**120,046,948**	**86,360,405**	**72,502,811**	**144,929,811**	**217,432,622**	**97,385,674**	**1.81x**	**21.7%**
TOTAL NET RETURN[8]						**120,046,948**	**86,360,405**	**66,281,504**	**131,673,983**	**197,955,487**	**77,908,539**	**1.65x**	**18.0%**

Notes:

1 See Value Method Key (to the right).
2 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and ROC estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.
3 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
4 ROC realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.
5 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.
6 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.
7 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
8 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX B. Investment Performance—ROC II [REPLACE WITH JUNE 30, 2014 INFORMATION]

ROC II Funds[1]
April 3, 2012 through June 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[3]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[4]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	6,888,000	6,888,000	1,045,429	10,019,524	11,064,953	4,176,953	1.61x	25.9%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,805,000	5,805,000	-	11,951,561	11,951,561	6,146,561	2.06x	40.9%
Andorra Apartments	Indio, CA	Multifamily	A	May-12	Apr-14	3,375,000	-	4,603,154	(3,559)	4,599,595	1,224,595	1.36x	17.9%
Pinewood Apartments	Lynwood, WA	Multifamily	D	May-12	-	1,665,000	1,665,000	372,844	2,273,604	2,646,448	981,448	1.59x	27.1%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	13,103,028	11,403,028	1,700,000	21,615,871	23,315,871	10,212,843	1.78x	37.0%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	449,532	3,456,491	3,906,023	2,191,023	2.28x	48.9%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	177,558	808,750	986,308	307,137	1.45x	22.9%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	942,056	942,056	139,382	882,929	1,022,311	80,254	1.09x	4.5%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,025,000	5,025,000	400,000	6,532,332	6,932,332	1,907,332	1.38x	21.3%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,250,000	9,250,000	1,657,000	12,876,948	14,533,948	5,283,948	1.57x	32.6%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,466,000	5,466,000	916,000	9,532,026	10,448,026	4,982,026	1.91x	55.0%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	3,987,000	3,987,000	435,000	5,500,721	5,935,721	1,948,721	1.49x	31.0%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,295,000	6,295,000	845,000	7,702,632	8,547,632	2,252,632	1.36x	23.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,596,430	9,596,430	1,259,314	15,190,117	16,449,431	6,853,001	1.71x	43.9%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	5,797,986	16,656,214	31,072,544	47,728,758	27,897,508	2.41x	87.5%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,397,000	2,197,000	5,619,000	10,560,865	16,179,865	9,782,865	2.53x	89.9%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	6,017,099	6,017,099	463,000	7,149,532	7,612,532	1,595,433	1.27x	18.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	203,500	3,949,511	4,153,011	1,363,011	1.49x	36.4%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	4,265,000	4,265,000	40,000	5,996,842	6,036,842	1,771,842	1.42x	36.6%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,291,000	10,291,000	740,000	14,379,449	15,119,449	4,828,449	1.47x	37.3%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,778,000	7,778,000	776,000	9,490,110	10,266,110	2,488,110	1.32x	28.1%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,366,637	4,366,637	246,047	4,993,930	5,239,977	873,340	1.20x	18.5%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,486,477	5,486,477	419,444	6,790,982	7,210,426	1,723,949	1.31x	28.0%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	8,090,254	8,090,254	415,000	9,287,232	9,702,232	1,611,978	1.20x	18.3%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,298,118	6,298,118	308,000	7,586,795	7,894,795	1,596,677	1.25x	25.2%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	16,898,000	16,898,000	726,000	18,919,533	19,645,533	2,747,533	1.16x	17.4%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,386,000	9,386,000	349,000	10,199,420	10,548,420	1,162,420	1.12x	14.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	13,737,000	13,737,000	1,181,000	16,320,514	17,501,514	3,764,514	1.27x	32.7%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	9,043,000	9,043,000	613,000	10,984,045	11,597,045	2,554,045	1.28x	34.3%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	D	Oct-13	-	12,201,000	12,201,000	848,000	16,881,255	17,729,255	5,528,255	1.45x	61.2%
Meridian Pointe Apartments	Duluth, GA	Multifamily	D	Oct-13	-	3,822,000	3,822,000	328,000	4,278,651	4,606,651	784,651	1.21x	29.9%
Aventerra Apartments	Mesa, AZ	Multifamily	D	Oct-13	-	13,774,000	13,774,000	746,000	16,968,891	17,714,891	3,940,891	1.29x	46.2%
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	D	Oct-13	-	11,753,000	11,753,000	675,000	13,176,230	13,851,230	2,098,230	1.18x	29.8%
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	D	Nov-13	-	9,106,000	9,106,000	515,000	9,645,240	10,160,240	1,054,240	1.12x	21.4%
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	D	Dec-13	-	17,275,000	17,275,000	610,000	18,225,302	18,835,302	1,560,302	1.09x	18.6%
Ashley Vista Apartments	Lithonia, GA	Multifamily	F	Jan-14	-	7,247,000	7,247,000	-	7,388,974	7,388,974	141,974	1.02x	NM
Bridgewater Apartments	Stockbridge, GA	Multifamily	F	Jan-14	-	3,476,000	3,476,000	-	3,450,983	3,450,983	(25,017)	0.99x	NM
Presidio Apartments	Oceanside, CA	Multifamily	F	Jan-14	-	16,398,000	16,398,000	250,000	15,947,565	16,197,565	(200,435)	0.99x	NM
Silver Shadow Apartments	Las Vegas, NV	Multifamily	F	Jan-14	-	4,590,000	4,590,000	-	4,210,045	4,210,045	(379,955)	0.92x	NM
Vista at 23rd Apartments	Gresham, OR	Multifamily	F	Mar-14	-	10,000,000	10,000,000	-	9,749,954	9,749,954	(250,046)	0.97x	NM
Stratford Ridge Apartments	Marietta, GA	Multifamily	F	Jun-14	-	8,181,063	8,181,063	-	7,446,097	7,446,097	(734,966)	0.91x	NM
Total Multifamily Investments						**322,289,582**	**298,981,318**	**46,727,418**	**403,390,438**	**450,117,856**	**127,828,273**	**1.40x**	**36.8%**
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,900,000	21,900,000	455,000	26,275,046	26,730,046	4,830,046	1.22x	12.5%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	4,877,069	4,877,069	(2,542,931)	0.66x	-28.9%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	769,795	20,900,731	9,320,731	1.80x	120.9%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	-	18,712,738	18,712,738	2,712,738	1.17x	20.2%
1875 Lawrence Building	Denver, CO	Office	F	May-14	-	13,114,269	13,114,269	-	12,660,476	12,660,476	(453,793)	0.97x	NM
Gran Park at The Avenues	Jacksonville, FL	Office	F	Jun-14	-	6,956,227	6,956,227	-	6,664,834	6,664,834	(291,393)	0.96x	NM
Gran Park at The Avenues Note	Jacksonville, FL	Office	F	Jun-14	-	16,100,000	16,100,000	-	16,111,910	16,111,910	11,910	1.00x	NM
Total Commercial Investments						**118,070,496**	**81,490,496**	**46,128,402**	**86,071,868**	**132,200,270**	**14,129,774**	**1.12x**	**18.8%**
Net Unrealized return on Properties acquired on or before December 31, 2013[5]						**276,535,548**	**276,535,548**	**28,065,830**	**346,994,529**	**375,060,359**	**98,524,811**	**1.36x**	**29.9%**
Net Unrealized return on Properties acquired since December 31, 2013[5]						**80,837,664**	**80,837,664**	**-**	**73,888,566**	**73,888,566**	**(6,949,098)**	**0.91x**	**NM**
RETURN TO ALL PARTNERS[6]						**368,634,819**	**368,634,819**	**30,321,081**	**454,921,474**	**485,242,555**	**116,607,736**	**1.32x**	**25.1%**
TOTAL NET RETURN[7]						**357,373,212**	**357,373,212**	**28,065,830**	**420,883,095**	**448,948,925**	**91,575,713**	**1.26x**	**21.9%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP.
2 See Value Method Key (to the right).
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
4 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
5 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
6 Return to All Partners is an annualized realized and unrealized return net of Management Fees, and expenses.
7 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX C. The Fund's Pending Investments[1, 2]

Freddie Mac Series 2014-K716

A $105 million unrated subordinate CMBS bond on a pool of multifamily loans originated by Freddie Mac. The bond represents 7.5% of the total pool balance which is comprised of 80 loans totaling approximately $1.4 billion. The weighted average loan-to-value ratio of the pool is approximately 69.1% and the weighted average debt service coverage ratio of the pool is 1.57x. The bond is structured as "principal only" and pays no current coupon. It will be purchased at a 52% discount to par (48 dollar price) and total proceeds are approximately $51 million. The bond has a 7-year term and a yield of 10.9%. The bond is expected to be re-securitized, with the senior tranche being sold off and the junior tranche retained. The final pricing and structure of the re-securitization are still being determined but it is expected that the junior tranche will represent approximately 40% of the proceeds of the subordinate CMBS bond and yield approximately 15% on a bond equivalent basis.

Stratford at Maple Leaf

A $13.5 million first mortgage loan on a 113 unit seniors housing facility in Seattle. Built in 2005, the property offers independent living, assisted living and memory care and has shown steady improvement in occupancy over the last 12 months. In 2013, occupancy averaged 64% but now currently stands around 80.7%, with pending leases further increasing occupancy to approximately 84.9%. The property has further upside in leasing and the sponsor has made all necessary repairs to the property since construction. The loan has a 66% loan-to-value ratio and approximately a 1.20x debt service coverage ratio. The loan will be divided into a senior mortgage and mezzanine loan at closing and the senior loan will be sold. The mezzanine loan is projected to be retained at an approximate 14% yield.

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[1] No assurance can be given that the Fund will complete any of the foregoing pending acquisitions on the terms set forth above or at all. Any number of events, many of which are outside of the control of the Fund or the General Partner, may impact the completion of the investments. The General Partner may be unsuccessful in identifying similar investment opportunities for the Fund, and the Fund may acquire assets with different characteristics in accordance with the Fund's investment guidelines.

[2] The financial projection for any owned or pending acquisitions are projections only based on assumptions that the Investment Manager and the General Partner deem reasonable in light of their experience and judgment. Such projections are estimates only of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not

predictable, can have a material adverse impact on the reliability of such projections. Many other factors that are outside of the control of the General Partner and the Investment Manager may adversely and materially affect actual results.

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ROC|DEBT STRATEGIES FUND LP

a Delaware limited partnership

$500,000,000

of

LIMITED PARTNERSHIP INTERESTS

July 2014

Confidential Private Placement Memorandum

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ROC|Debt Strategies Fund LP

$500,000,000
of
LIMITED PARTNERSHIP INTERESTS

This confidential private placement memorandum (the "Memorandum") is being furnished to a limited number of prospective investors in connection with their evaluation of a proposed investment in ROC|Debt Strategies Fund LP, a recently formed Delaware limited partnership (the "Fund" or "ROC Debt Strategies"). Each person or entity who invests in the Fund will acquire limited partnership interests ("Interests") in, and will become a limited partner (a "Limited Partner") of, the Fund.

The Fund's investment objectives are to achieve attractive risk-adjusted returns and preserve investor capital by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States.

The general partner of the Fund is ROC Debt Strategies Fund GP, LLC, a recently-formed Delaware limited liability company (the "General Partner"). The General Partner makes all investment decisions on behalf of the Fund and has engaged ROC Debt Strategies Fund Manager, LLC, a recently formed Delaware limited liability company (the "Investment Manager") to serve as investment manager of the Fund and make recommendations regarding investment opportunities to the Fund. The General Partner and the Investment Manager are affiliates of Bridge Investment Group Partners, LLC ("Bridge-IGP"), which, with its managed funds, principals and affiliates, have managed over $4 billion of real estate assets and employ approximately 1,000 employees across 16 states.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any other federal, state or foreign securities commission or similar authority has determined whether this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense. The Interests are being offered privately and have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or country in reliance on exemptions from the registration requirements of such laws. There is no public market for the Interests, and the Interests are subject to significant restrictions on transfer.

An investment in the Interests involves significant risk. Investors should have the financial ability and willingness to accept the risks and conflicts of interest which are characteristic of the investments described in this Memorandum. See Section IX – "Risk Factors and Conflicts of Interest."

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This Memorandum is dated July 22, 2014

CERTAIN NOTICES TO INVESTORS

The Interests offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

Investment in the Interests involves a high degree of risk (including the possible loss of a substantial part, or even the entire amount, of an investment) and conflicts of interest that prospective investors should carefully consider before purchasing the Interests. There can be no assurance that the Fund's investment objectives will be achieved or that investors will receive a complete return of their capital. In addition, investment results may vary substantially on a monthly, quarterly or annual basis. Investment in the Interests is suitable only for sophisticated investors and requires the financial ability and willingness to accept the inherent high risks and lack of liquidity. Investors should pay particular attention to the information provided in Section IX – "Risk Factors and Conflicts of Interest."

Prospective investors should carefully read and retain this Memorandum. However, prospective investors are not to construe the contents of this Memorandum or any prior or subsequent communications from the Fund, the General Partner, the Investment Manager or any of their respective partners, members, directors, officers, employees or agents, as investment, legal, accounting, regulatory or tax advice. In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. Prior to investing in the Interests, a prospective investor should consult with the investor's attorney and investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Interests and arrive at an independent evaluation of such investment, including the applicability of any legal investment restrictions.

The Interests have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests are offered and sold under the exemption provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder, and equivalent exemptions in the laws of the states and other jurisdictions where the offering is made. As a result, the Interests may not be resold or transferred unless they are registered under the Securities Act and such laws or such resale or transfer is exempt from the registration requirements of the Securities Act and applicable state and other applicable equivalent securities laws of any other jurisdiction. In addition, the Fund is relying on an exemption from registration under the Investment Company Act of 1940, as amended (the "1940 Act"). The Interests are also subject to further restrictions on transfer described herein. Because of such restrictions, it is unlikely that a secondary trading market for the Interests will develop, and purchasers must bear the risk of their investment for an indefinite period of time.

This Memorandum contains a summary of the Fund's Amended and Restated Limited Partnership Agreement (the "Partnership Agreement") and certain other documents referred to herein. However, the summaries set forth in this Memorandum do not purport to be complete and they are subject to and qualified in their entirety by reference to the Partnership Agreement and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Fund. In the event that the descriptions or terms in this Memorandum are inconsistent with or contrary to the descriptions in or terms of the Partnership Agreement or such other documents, the Partnership Agreement and such other documents shall control.

The General Partner and its affiliates reserve the right to modify the terms of the offering and the Interests described in this Memorandum, and the Interests are offered subject to the General Partner's right to accept or reject any prospective investor's commitment in whole or in part in its sole discretion.

This Memorandum has been furnished on a confidential basis solely for the information of the prospective investor to whom it has been delivered on behalf of the Fund and may not be reproduced, distributed or used for any other purposes, nor may its contents be disclosed. Each prospective investor accepting this Memorandum hereby agrees to return it to the General Partner promptly upon request.

Notwithstanding anything in this Memorandum to the contrary, the Fund, the General Partner, the Investment Manager and each investor or prospective investor in the Fund (and any employee, representative or other agent of the Fund, an investor or a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Memorandum (including opinions or other tax analyses that are provided to the prospective investor relating to such tax treatment and tax structure). However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable U.S. federal or state securities laws. For this purpose, tax treatment and tax structure shall not include (a) the identity of the Fund, the General Partner, the Investment Manager or any investor in the Fund (or, in each case, any affiliate thereof); (b) any specific pricing information; or (c) other nonpublic business or financial information (including, without limitation, the amount of any fees, expense, rates or payments) that is not relevant to an understanding of the tax treatment of the transactions contemplated by this Memorandum.

The distribution of this Memorandum and the offer and sale of the Interests in certain jurisdictions may be restricted by law. ***Please see the various U.S. securities law legends below and non-U.S. securities law legends that are found in Appendix A to this Memorandum.*** This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any Interests in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. No action has been or will be taken to permit a public offering of the Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Interests may not be offered or sold, directly or indirectly, and this Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Interests that are acquired by persons not entitled to hold them or that would require the Fund to register as an investment company under the 1940 Act will be subject to mandatory redemption. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Interests, and any foreign exchange restrictions that may be relevant thereto.

No person has been authorized to give any information or make any representations other than as contained in this Memorandum, and any representation or information not contained herein must not be relied upon as having been authorized by the Fund, the General Partner, the Investment Manager or any of their members or affiliates. The delivery of this Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof or, if earlier, the date such information is referenced. Statements contained herein are not made in any person's individual capacity, but rather on behalf of the General Partner or the Fund, as appropriate.

Certain information contained in this Memorandum (including certain economic, financial market and real estate market information, as well as certain forward-looking statements and information) has been obtained from sources outside of the Fund. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of the Fund, the General Partner, the Investment Manager, the placement agent or any of their respective members, directors, officers, employees, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under the caption Section IX - "Risk Factors and Conflicts of Interest," actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements, and undue reliance should not be placed thereon.

Unless otherwise stated all internal rates of return, including target or projected rates of return, are presented on a "gross" basis (i.e., they do not reflect the management fees, "carried interest," taxes (whether borne by investors or entities through which they participate in investments), broken-deal expenses, transaction costs and other expenses to be borne by investors in the Fund, which in the aggregate are expected to be substantial). The

net internal rates of return contained herein are calculated after management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund).

In considering the target or projected returns of the Fund contained in this Memorandum, prospective investors should bear in mind that past, projected or targeted performance, including, without limitation, the performance of investments of prior investment vehicles managed by affiliates of the General Partner or the Investment Manager ("Prior Investment Funds"), is not necessarily indicative of future results. There can be no assurance that such targeted or projected returns or asset allocations will be met, that the Fund will achieve comparable results, that the Fund will be able to implement its strategy or achieve its investment objectives or that the returns generated by any investments by the Fund will equal or exceed any past, projected or targeted returns presented herein.

The Fund's target returns contained in this Memorandum are based on the General Partner's belief about the returns that may be achievable on investments that the Fund intends to pursue in light of the investment experience of the principals of the General Partner with respect to other investment vehicles, including those investments made by or on behalf of Prior Investment Funds, its view on current market conditions, potential investment opportunities that the Investment Manager is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Targeted returns are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated and will be applicable to the Fund's investments. Actual events and conditions may differ materially from the assumptions used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Target returns for individual investments may be greater or less than the Fund's overall target return. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors, including in connection with evaluating target returns.

Prospective investors should note that the investments of Prior Investment Funds were made over the course of various market and macroeconomic cycles and such circumstances may be different than those in which the Fund will invest. Moreover, the size, ownership percentage, control rights and investment criteria of the assets to be acquired by the Fund will differ from those of the Prior Investment Funds. In particular, the investments of Prior Investment Funds were made in different investments and under very different market, economic and supply-demand conditions than those in which the Fund will operate and which may not be replicated. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives.

Each prospective investor is invited to meet with representatives of the General Partner and the Investment Manager and to discuss with, ask questions of and receive answers from them concerning the terms and conditions of this offering of the Interests, and to obtain any additional relevant information, to the extent they possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. The Interests are being offered when, as, and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No Interests may be sold without delivery of this Memorandum.

The Fund intends to evaluate its potential investments after consideration of its target net internal rate of return of 10% to 12%. Actual returns will be based on a number of factors that are beyond the control of the General Partner or the Investment Manager, including, but not limited to, (a) the nature of debt securities; (b) general and local economic conditions, including interest rates and local market conditions; (c) general creditor risks; (d) ability of borrowers to repay loans; (e) various uninsured and uninsurable risks, natural disasters, environmental losses, changes in governmental regulations, taxes and interest rates; (f) proposed capital structures for each investment; and (g) the general nonrecourse status of loans. The General Partner in its absolute discretion may invest in an investment in which the individual expected return is less than the target net internal rate of return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. Accordingly, for the avoidance of doubt, the statement

of the Fund's target net internal rate of return does not require, and is not a representation, that the General Partner will only make investments whose individual expected returns are in excess of the target return. Investors should carefully consider the risks associated with the assets required to generate the Fund's target net internal rate of return. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors, including in connection with evaluating target returns.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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I. EXECUTIVE SUMMARY

ROC|Debt Strategies Fund LP, a recently formed Delaware limited partnership (the "Fund" or "ROC Debt Strategies"), has been organized with the investment objectives of achieving attractive risk-adjusted returns and investor capital preservation by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States (the "Investments"). The Investments are expected to include floating rate, first-mortgage loans and mezzanine loans on multifamily, commercial office, seniors housing and medical properties and commercial mortgage-backed securities ("CMBS"). The Investments may also consist of regularly issued, subordinated tranche, structured pass-through CMBS, issued by a trust and structured by the Federal Home Loan Mortgage Corporation ("Freddie Mac"). These CMBS securities (the "K-Series") are backed by recently originated multifamily and seniors housing mortgage loans that produce regular cash flows and are designed to include additional credit enhancements.

The Fund is managed by its general partner, ROC Debt Strategies Fund GP, LLC (the "General Partner"), a Delaware limited liability company and affiliate of Bridge Investment Group Partners, LLC ("Bridge-IGP"), which, with its managed funds, principals and affiliates, have managed over $4 billion of real estate assets and employ approximately 1,000 employees across 16 states.

The General Partner will make all operational and investment decisions on behalf of the Fund. Portfolio construction and specific investments will be evaluated and approved by the General Partner's investment management committee (the "Investment Committee") consisting of James Chung, Robert Morse, Donaldson Hartman, Danuel Stanger, Kiernan Pusey and Jeehae Lee (collectively, the "Investment Committee Members"). The General Partner has engaged ROC Debt Strategies Fund Manager, LLC, a recently formed Delaware limited liability company (the "Investment Manager") to make recommendations regarding investment opportunities for the Fund to the General Partner and to provide administrative and management services to the General Partner and the Fund in connection with the Investments. The Investment Manager is managed by a board of managers, which currently consists of Messrs. Chung, Hartman and Morse.

The Fund is seeking capital commitments of $500 million in limited partnership interests (the "Interests") from investors seeking to be admitted as limited partners (the "Limited Partners"); however, the General Partner reserves the right to accept commitments of up to $750 million in its sole discretion (the "Maximum Offering Amount"). The General Partner and its affiliates will commit an amount equal to at least 2% of aggregate capital commitments made to the Fund, not to exceed $10 million. The Fund will terminate this offering and cease accepting commitments for Interests on the earlier of the date that is 18 months after the Fund's initial closing or the date that the Fund has received commitments for Interests equaling the Maximum Offering Amount.

INVESTMENT OBJECTIVES HIGHLIGHTS

The Fund's investment objectives are to achieve attractive risk-adjusted returns and investor capital preservation by:

- focusing primarily on asset classes and markets within Bridge-IGP's and its affiliates' expertise and in which Bridge-IGP and its affiliates have geographic and demographic expertise, including the Freddie Mac K-Series subordinated tranches which the Investment Manager believes offer superior risk-adjusted returns in current and expected market conditions;
- utilizing Bridge-IGP's and its affiliates' deal flow, industry relationships and longstanding industry experience to generate and evaluate additional investment opportunities, primarily first mortgage loans;
- partnering with premier real estate backed fixed income originators and real estate asset owners to access attractive investment opportunities; and
- from the foregoing sources and others, creating a diversified portfolio of high-quality commercial real estate related debt investments with a specific focus on areas where Bridge-IGP and its affiliates have a

long operating history, deep operational capabilities and differentiated advantage, and where limited competition exists.

INVESTMENT OPPORTUNITY HIGHLIGHTS

The General Partner believes that the Investments represent compelling and attractive investment opportunities to achieve superior risk-adjusted returns for investors seeking current income. The Investments present significant investment opportunities primarily because (1) the General Partner's management team has extensive experience in the sourcing, evaluation, acquisition and disposition of investments in the debt capital markets; (2) the General Partner and the Investment Manager believe the long-term relationships between Freddie Mac and the principals of the General Partner and the Investment Manager will enable the Fund to obtain access to certain K-Series investments on attractive terms; (3) Bridge-IGP and its affiliates possess a national real estate operating and due diligence platform, consisting of both (i) a multifamily platform of approximately 1,000 professionals located in approximately 50 metropolitan statistical areas ("MSAs") in 16 states with experienced operational and management experience at the asset, local, state and national levels; (ii) the General Partner's affiliates maintain a seniors housing platform that consists of longstanding, established relationships with a core group of 40 local operators and their respective employees and an asset acquisition team which has purchased no less than 300 assets in 38 states and 60 MSAs; and (4) Bridge-IGP and its affiliates possess existing and expected partnerships to source investments from multiple origination networks with which Bridge-IGP, its principals and its affiliates have longstanding relationships.

Significant Experience in Commercial Real Estate Debt and CMBS Markets

Senior members of the Investment Manager's executive team average over 20 years of experience in real estate, securitization and finance. Mr. Chung previously held senior positions within the CMBS group of Morgan Stanley, and was primarily responsible for loan origination, pricing, hedging, structuring and securitization. The Morgan Stanley CMBS program was one of the largest CMBS programs over the last decade and was responsible for securitizing over $50 billion of debt during that period. The experience of the Investment Manager's management team spans multiple market cycles, and they have significant expertise in every phase of the lending and securitization process including underwriting, structuring, documentation and distribution. In addition, they have cultivated longstanding industry relationships with commercial and investment bankers, borrowers, brokers, lenders, attorneys, rating agencies, investors, appraisers and engineers that serve as service providers and a source of potential referrals for issuers and sellers of Investments.

Freddie Mac K-Series Subordinated Tranche Investments

The management teams of both the General Partner and the Investment Manager have maintained a close relationship with Freddie Mac for over 20 years. This relationship, which has been mutually beneficial for all parties, will provide the Fund with preferred access to auctions for Freddie Mac K-Series investments and will enable the Fund to participate in negotiations regarding the structuring terms and credit enhancements of these K-Series investments. In recent years, Freddie Mac has limited access to the K-Series certificates to a select list of approved purchasers, which purchasers are judged for approval by their histories as borrowers and operators of the types of assets financed, such as seniors and multifamily housing. Freddie Mac also takes into account the experience of the auction participants in operating and managing the types of underlying real estate securing the K-Series investments. The Investment Manager's management team has broad experience in operating and managing all types of real estate, particularly seniors and multifamily housing. Thus, Bridge-IGP's and its affiliates' relationships and prior transactional histories with Freddie Mac will enable the Fund to be part of this select consortium of purchasers.

Since 2008, Freddie Mac has issued $74 billion in K-Series CMBS, of which $28 billion was issued in 2013 over 19 transactions. The General Partner believes that K-Series subordinated bonds represent outstanding value because of the rigorous underwriting standards employed by Freddie Mac in evaluating underlying loans and the low default rates of past issuances. As of January 31, 2014, of the $74 billion in loans securitized since 2008, only three were delinquent more than 60 days. The underlying loans in the K-Series CMBS are generally first mortgage

loans on multifamily properties located in the United States. The prior loan pools have had loan-to-value ratios ("LTVs") ranging from 65% to 70%, and full or partial amortization on 85% to 90% of the loans. In addition, a small percentage of the multifamily loans are secured by seniors housing properties, which is another area in which Bridge-IGP and its affiliates actively invest and have differentiated expertise, which many K-Series auction participants do not possess.

Bridge-IGP has a strong relationship with Freddie Mac and its senior management as a result of Bridge-IGP's and its affiliates' 22-year history of borrowing from Freddie Mac. In 2013 and 2014 year to date, Freddie Mac has permitted Bridge-IGP to informally participate in the negotiation, structuring and review of several securitization pools to become more familiar with the K-Series investment process and requirements. On average, approximately 60% of the loans in the securitization pools reviewed by Bridge-IGP were in markets where Bridge-IGP and its affiliates own and operate multifamily properties. In addition to the investment opportunities presented by the K-Series CMBS, Freddie Mac has also presented to Bridge-IGP other potential investment opportunities in mortgage loans secured by multifamily properties that were not offered to competitor real estate-related investment funds. These proposals demonstrate the depth of the Bridge-IGP relationship with Freddie Mac and the access the Fund has to Freddie Mac's proprietary origination pipeline through the K-Series and other potential joint venture opportunities.

A National Real Estate Platform

Since 1991, Bridge-IGP, its managed funds, principals and affiliates have invested in over $4 billion of real assets and employ approximately 1,000 professionals in more than 50 MSAs across 16 states. The operational capabilities of Bridge-IGP and its affiliates will give the Fund in-depth, current market knowledge and due diligence capabilities in multifamily, commercial office, seniors housing and medical office asset classes, and therefore the capability to evaluate the attractiveness of various Investments and their underlying collateral values. The operational capabilities of Bridge-IGP, its managed funds, principals and affiliates include the ability to assume management of, and create a rehabilitation plan for, and therefore work out troubled assets more effectively than a financial buyer. Bridge-IGP's operating platform coupled with the CMBS expertise of the General Partner's management team is expected to provide the Fund a significant competitive advantage in sourcing and analyzing debt investments.

Close Relationships with Origination Networks

Senior management of both the General Partner and the Investment Manager has maintained a close relationship with Freddie Mac and other origination platforms for over 20 years. The General Partner believes that these relationships will provide the Fund with access to CMBS and loan opportunities without having to participate in open auctions. In addition, the Investment Committee Members have longstanding and deep industry relationships that can be accessed to create additional partnership, joint venture or platform opportunities. The General Partner believes that fixed income market conditions in the United States, particularly related to CMBS and other real estate-related debt investments, are currently attractive and are expected to remain so for the duration of the investment period of the Fund.

MARKET ENVIRONMENT HIGHLIGHTS

The General Partner believes that the combination of several market trends will create a favorable lending environment for alternative providers of capital, such as the Fund, to pursue opportunistic transactions over the next five years. In particular, some of the most important factors supporting the General Partner's strategy include (1) continued aftermath of excesses in the CMBS and other real estate lending markets during the years prior to the recent financial crisis, and the resulting significant refinancing wave expected in the CMBS market from 2014 to 2017; (2) reduced CMBS lending capacity of established commercial real estate lenders due to the recent financial crisis; and (3) increased regulation of the banking sector and the new risk retention rules expected to take effect by 2016 and the consequent increase in capital costs and required reserves that these regulations will require.

Significant Refinancing Demand in the CMBS Market

From 2014 to 2017, approximately $400 billion of securitized loans in the United States will mature. This represents over 60% of total U.S. CMBS outstanding. In many cases, the maturing loans were underwritten during a time when underwriting standards were less rigorous, and as a result, terms of the loans did not reflect the risk-return profile of loan underwriting standards today. A significant number of those loans were interest-only for the full term. From 2008 to 2013, only $171 billion of U.S. CMBS issuance was completed and negotiated to an underwritten transaction. The General Partner believes that the high volume of maturing commercial real-estate related loans will create a significant need for lending capital in the sector and a meaningful opportunity for the Fund to commit capital on attractive terms.

Reduced CMBS Lending Capacity in the Banking Sector

Lax underwriting standards, liberal structuring considerations and other factors resulted in approximately $2 trillion in losses in the banking sector primarily related to commercial and residential real estate debt during and after the recent financial crisis. This has generally resulted in a decreased risk appetite for mortgage products among investors and potential commercial real estate lenders. The balance sheet allocation and headcount of CMBS groups within banks are significantly lower than before the financial crisis. Nine of the top 30 CMBS lenders from 2007 no longer exist, and six of the top 30 CMBS lenders have exited the business. Lending capacity in the CMBS market is significantly lower than it was in 2007, during which $223 billion in loans were securitized in the United States. In 2013, only $78 billion in CMBS was issued. The Investment Manager therefore believes that the ability of the banks to absorb the coming wave of CMBS maturities is below capacity and would require banks to dramatically increase their CMBS activities in a time when regulatory pressure is also increasing. This supply-demand mismatch is expected to create opportunities for non-CMBS lenders, such as the Fund, to absorb borrower demand.

Regulatory Reform and Increased Oversight

The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") has introduced new risk retention requirements for securitization requiring lenders to retain risk on CMBS pools or only sell the subordinated bonds to a buyer with significant restrictions. Specifically, Section 941(b) of the Dodd-Frank Act adds a new Section 15G to the Securities Exchange Act of 1934, as amended. Section 15G requires that the various agencies issue rules to require a financial institution which structures securitzations to retain not less than 5% of the credit risk of the assets collateralizing such asset-backed securities. The retention of risk is anticipated to add additional expenses to securitization, and consequently, the cost of borrowing in the CMBS market, thus creating opportunities for non-CMBS lenders like the Fund to compete with traditional CMBS lenders. Furthermore, the risk retention rules will encourage CMBS investors to be more conservative in their credit analysis which will encourage borrowers to look to non-CMBS lenders like the Fund.

In addition to risk retention in the CMBS market, the banking sector, which is the largest provider of commercial real estate debt, has been under increasing scrutiny from regulators since the financial crisis. Capital requirements and credit standards have become more conservative and discriminating, leading banks to reduce their balance sheets and focus lending activities on more conservative deals.

The General Partner believes the combination of new risk retention rules and increased oversight could potentially force CMBS lenders and banks to become less competitive in the lending market both in terms of credit and pricing. If this occurs as expected, it would create an opportunity for non-bank lenders to finance deals on compelling and favorable terms because they are not regulated by the newer, tighter lending requirements that these lenders must adopt.

INVESTMENT STRATEGY HIGHLIGHTS

The Fund intends to invest in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States. The Fund will focus on first mortgage risk by purchasing subordinated CMBS backed by pools of first mortgage loans or making first mortgage loans. The Fund intends to utilize leverage not

to exceed 60% of the sum of the acquisition cost of all Investments in the Fund's portfolio to enhance returns. The Fund also intends to target acquisitions of investments across the entire spectrum of commercial real estate on an opportunistic basis, including: CMBS (i.e., rated and unrated interests in mortgage-backed securities collateralized by commercial real estate loans); interests in individual loans secured by commercial real estate, including subordinated interests (i.e., B-Notes); mezzanine loans; and other commercial real estate debt interests, including debt issued by real estate companies, participating mortgages, and interests in commercial real estate and entities the majority of the assets of which consist of commercial real estate-related debt.

The Fund intends to capitalize on the extensive contacts and relationships of its General Partner and Investment Manager to source its Investments. The Fund also plans to take advantage of mismatches between borrower demand and lender capacity in those market segments that present the greatest potential for superior returns on investment.

The Fund's investment portfolio will be actively managed, and investments may be leveraged or sold depending on prevailing market conditions.

Investment Criteria

The General Partner has established the following investment criteria for Investments:

- First mortgage loans will generally range from $10 million to $50 million;
- K-Series investments are expected to range from $15 million to $50 million;
- Mezzanine loans will generally range from $5 million to $20 million;
- Other CMBS investments will generally range from $10 million to $30 million
- Primary focus on investments with underlying collateral in multifamily, commercial office, seniors living and medical properties assets with an opportunistic focus on other assets;
- Additional focus on markets in which Bridge-IGP or its affiliates have an active or historical presence and an institutional familiarity with the macro and asset specific dynamics of the investment under consideration; and
- No more than 15% of total Capital Commitments will be invested in a single investment (measured as of the Fund's final closing date).

Targeted Portfolio Composition

The Fund will focus on Investments that are consistent with its investment objectives and portfolio composition and that the Fund believes will generate attractive risk-adjusted returns. The primary portfolio components are expected to consist of the following investments:

- Floating-rate first-mortgage loans on multifamily, commercial office, seniors housing and medical properties, primarily in markets where Bridge-IGP and its affiliates currently own or manage real estate;
- One or two K-Series subordinated tranches per 12-month period;
- Mezzanine loans primarily in markets in which Bridge-IGP or its affiliates currently own or manage real estate; and
- Opportunistic investments in tailored CMBS subordinated classes, which the Fund intends to structure through partnerships with existing CMBS lenders.

The Fund intends to target the following portfolio allocation:

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Strategy	Targeted % of Portfolio	Target Return (Gross/Net)	Current Yield (Gross/Net)	Origination Channel
First Mortgage Lending on Multifamily and Office Properties	40%	10-15% / 8-12% (levered)	10-15% / 9-14%	Combination of brokers and partnership networks - Senior leadership has longstanding relationships with all of the major brokerage networks - Focus on markets where Bridge-IGP has a presence - Form partnerships with Bridge-IGP's senior lenders
First Mortgage Lending on Seniors Housing and Medical Properties	20%	12-18% / 10-15% (levered)	12-18% / 11-17%	Combination of local relationships and brokers - ROC Seniors team has cultivated numerous relationships with local managers and developers - National and regional debt brokers have few options outside the GSEs to finance these types of properties
Mezzanine Lending and Preferred Equity Investments	25%	10-15% / 8-12%	10-15% / 9-14%	Multiple potential sources - Joint venture to place mezzanine behind senior mortgages originated by senior lenders - Intermediaries (brokers, banks)
Freddie K-Series B-pieces	15%	11-13% / 9-11%	3-4% / 2-3%	Direct from Freddie Mac - Rotational program - Limited competition
Total	**100%**	**12-15% / 10-12%**	**11-13% / 9-11%**	

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INVESTMENT MANAGER HIGHLIGHTS

Extensive Real Estate Debt and Real Estate Expertise

The Fund's greatest competitive advantages are the combination of real estate debt, including CMBS, and real estate investment, ownership, operating and management expertise within the Fund's management team, including the breadth and depth of talent, length of experience and knowledge and resources that the Investment Committee Members, Messrs. Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee, bring to each stage of the investment process. The Investment Committee Members have extensive capital markets, commercial real estate, fixed income and real estate operating experience, which create a differentiated capability to source, analyze, invest, monitor and dispose of Investments. Mr. Chung, the Chief Investment Officer of the Investment Manager, will lead a dedicated team of six or more professionals who will be supported by more than 80 Bridge-IGP employees who will provide asset analytics, due diligence, fund management and reporting, legal and compliance and finance and accounting support.

Key Relationships and Unique Property Management Resources

The Fund has significant advantages in sourcing investments due to the General Partners' affiliation with Bridge-IGP and its existing real estate platform. The Investment Committee Members' 20-year relationship with Freddie Mac is expected to create investment opportunities in K-Series subordinated bonds with limited competition and other multifamily mortgage joint venture opportunities with Freddie Mac. Other relationships with established mortgage lenders are expected to yield preferred opportunities for CMBS and loan investments. Through a nationwide network of brokers and borrowers, the Investment Committee members have a deep pool of relationships that will yield lending opportunities.

The property management platform of Bridge Property Management, L.C. ("BPM"), an affiliate of Bridge-IGP, will be the primary, but not only organization used to perform due diligence on Fund investments. BPM's nationwide network of professionals, with an average of 22 years of experience among its senior executives and established processes and procedures to evaluate real estate investment opportunities, will perform risk analysis and execution. BPM provides access to real-time market data and property and asset management expertise.

The senior executives of Bridge-IGP's affiliate, ROC Seniors Housing Manager, LLC ("ROC Seniors Manager"), have extensive expertise in seniors housing and medical properties and have developed, acquired, and managed over $4.5 billion of senior housing and other health care assets. The senior management team of ROC Seniors Manager has an average tenure of 19 years in the industry. ROC Seniors Manager will assist the General Partner in performing due diligence on seniors housing and medical properties related to Fund investments.

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II. SUMMARY OF KEY TERMS

The following is a summary of the key terms on which the Fund will offer and sell the Interests. Capitalized terms not defined below shall be as set forth in Section VIII – "Detailed Summary of Terms." This summary is qualified in its entirety by reference to the more detailed description in Section VIII – "Detailed Summary of Terms" and to the Partnership Agreement (as defined herein).

Fund	ROC|Debt Strategies Fund LP, a Delaware limited partnership.
General Partner	ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company.
Investment Manager	ROC Debt Strategies Fund Manager, LLC, a Delaware limited liability company.
Members of the General Partner's Investment Committee	James Chung, Donaldson Hartman, Jeehae Lee, Robert Morse, Kiernan Pusey and Danuel Stanger.
Fund Size	$500 million, provided that the General Partner reserves the right in its sole discretion to accept Capital Commitments of up to $750 million.
Minimum Capital Commitment	$1 million. Lesser amounts may be accepted by the General Partner in its sole discretion.
General Partner Commitment	A minimum 2% of total Capital Commitments to the Fund not to exceed $10 million.
Offering Period	The earlier of the date that is 18 months after the Initial Closing (as defined below) or the date that the Fund has received commitments for Interests equaling the maximum Fund size (described above).
Commitment Period	Three years from the Initial Closing.
Target Return[1]	10% to 12% net internal rate of return.
Fund Term	Eight years from the Initial Closing, but may be extended at the discretion of the General Partner for up to two consecutive one-year periods.
Diversification Limitation	No more than 15% of total Capital Commitments may be invested in any single investment (measured as of the Initial Closing) provided, that up to 25% of the aggregate Capital Commitments may be contributed for any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in such Investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial Investment.
Distributions	The General Partner expects to make regular distributions of income on a quarterly basis and (after the termination of the commitment period) to distribute proceeds from asset dispositions as soon as practicable after each disposition.

[1] The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. There can be no assurance that the Fund's target return will be achieved. Please refer to the disclaimer at the front of the Memorandum for more information regarding the methodology used to calculate and the assumptions that underlie the target internal rate of return. Net internal rate of return is the gross internal rate of return net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the Limited Partners directly or indirectly through withholdings by the Fund).

Preferred Return	8%.
Carried Interest	20%.
Management Fee	For subscribers committing less than $10 million, 1.5% per annum, and for subscribers committing $10 million or more, 1.25% per annum, in each case based on total Capital Commitments during the Commitment Period (as defined herein) and on capital under management thereafter.

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III. PRIOR PERFORMANCE OF THE MANAGERS

Chief Investment Officer of Investment Manager

Mr. Chung, the Chief Investment Officer of the Investment Manager, was instrumental in originating, risk managing, and securitizing over $50 billion of loans for Morgan Stanley as the head of the Commercial Real Estate Loan Desk from 2004 to 2013. During that period of time, Morgan Stanley was consistently one of the largest issuers of CMBS. Mr. Chung was a voting member of both the global large loan credit committee and the U.S. credit committee at Morgan Stanley and was also responsible for pricing, hedging, and securitizing every fixed rate loan originated by Morgan Stanley during that nine-year period. Mr. Chung was the primary credit committee member who worked with the origination staff in deciding which loans to pursue and bring to the credit committee for approval.

The following table sets forth certain information regarding the performance of Morgan Stanley's securitized loans as compared to other CMBS issuers from 2005 to 2008, which was the peak of the CMBS market when Mr. Chung was the head of the Commercial Real Estate Loan Desk at Morgan Stanley.

Originator	Outstanding Balance ($ million)	Losses (%)	Defaults (%)
Morgan Stanley	25,138	4.6%	5.9%
Bear Stearns	17,592	5.2%	6.6%
Goldman Sachs	18,321	5.2%	8.0%
Lehman	26,850	6.2%	10.3%
Bank of America	33,327	6.5%	5.4%
UBS	15,135	6.5%	9.4%
Wachovia	51,942	7.0%	13.2%
JP Morgan	31,417	7.1%	9.7%
Citigroup	15,563	7.5%	10.7%
Merrill Lynch	18,889	8.1%	13.6%
CSFB	31,387	8.6%	9.8%
LaSalle	19,936	9.2%	12.8%
Deutsche Bank	20,281	9.4%	12.0%
RBS	21,562	11.1%	17.8%

Notes:

- Data from Trepp, LLC as of January 9, 2014.
- Losses include realized losses and appraisal reduction amounts.
- Defaults include loans in delinquency, foreclosure, REO and maturity default (non-performing).

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Investment Management Committee Members of the Investment Manager

Messrs. Hartman, Morse and Stanger are members of the six-person investment management committees of the general partners of each of Real Estate Opportunity Capital Fund LP (together with its parallel vehicles, "ROC I") and Real Estate Opportunity Capital Fund II LP (together with its parallel vehicles "ROC II"), both Delaware limited partnerships managed by Bridge-IGP. Under the direction of Messrs. Hartman, Morse and Stanger, together with the other members of those investment management committees and the personnel of Bridge-IGP, ROC I and ROC II have achieved the following returns since inception:

Real Estate Opportunity Capital Fund, LP (ROC I) [1] — **March 19, 2009 through March 31, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds [4]	Unrealized Value [5]	Implied Value	Implied Gain	Return Multiple	NET IRR [2]
Total	120.0	53.1	145.6	198.7	78.6	1.66x	19.1%

Real Estate Opportunity Capital Fund II, LP (ROC II) [3] — **March 19, 2009 through March 31, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds [4]	Unrealized Value [5]	Implied Value	Implied Gain	Return Multiple	NET IRR [2]
Total	358.8	21.6	412.4	434.0	75.2	1.21x	23.2%

Appendix B attached hereto provides further information regarding the investment track record of ROC I, and Appendix C attached hereto provides further information regarding the investment track record of ROC II. *See Section VII—"The General Partner, the Investment Manager and Management" for a more detailed description of the Investment Manager and the Bridge-IGP-related managers and personnel.*

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1 See Appendix B—"Investment Performance – ROC I (March 19, 2009 through March 31, 2014)" for more information on ROC I's past performance. Past performance is not indicative of future results, and, there can be no assurance that results achieved for ROC I's past investments will be achieved for the Fund. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives. (See Section IX—"Risk Factors and Conflicts of Interest").

2 Net IRR is the gross IRR net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund). Statements of unrealized returns are based on projections which assume sale prices based on internal valuations. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.

3 See Appendix C—"Investment Performance – ROC II (April 3, 2012 through March 31, 2014)" for more information on ROC II's past performance information. Past performance is not indicative of future results, and, there can be no assurance that results achieved for ROC II's past investments will be achieved for the Fund. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives. (See Section IX—"Risk Factors and Conflicts of Interest").

4 An investment is considered "realized" after full transfer of ownership upon consummation of sale.

5 Unrealized values for ROC I and ROC II are based on third-party appraisals and internal valuations, and are reviewed and approved by the funds' advisory committees and reviewed by the funds' auditors in connection with annual fund audits.

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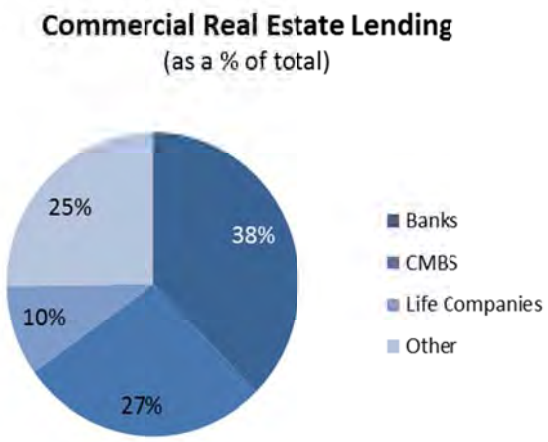
IV. INVESTMENT OPPORTUNITY & MARKET ENVIRONMENT

The General Partner believes that the Investments represent compelling and attractive investment opportunities for superior risk-adjusted returns for investors seeking current income. The Investments present significant investment opportunities primarily because the current market conditions are favorable for non-traditional providers of capital such as the Fund. As described below, the General Partner believes that future anticipated regulatory and risk retention rules will further enhance the attractiveness of the Investments. In addition, the long-term relationships between Freddie Mac and the principals and affiliates of the General Partner and the Investment Manager, which the General Partner and the Investment Manager believe will enable the Fund to obtain access to certain K-Series certificates on attractive terms and create joint venture investment opportunities in mortgage loans secured by multifamily properties with Freddie Mac.

General Lending Market Conditions

The commercial real estate debt market is dominated by banks, CMBS lenders and life insurance companies, which comprise approximately 75% of the market. These lenders typically focus on more conservative transactions and generally require more stringent loan terms to provide credit support (e.g., recourse, reserves, covenants). In addition, these lenders have rigorous approval processes requiring input from both internal (e.g., credit department, risk management, legal and compliance) and external (e.g., rating agencies, investors, regulators) constituencies.

Furthermore, there is an increasing volume of maturing commercial real estate loans in the commercial real estate debt market that will require refinancing in the next five years, during which over $1.5 trillion of debt comes due.



Sources: Federal Reserve, Trepp, LLC [Q4, 2013]

The bulk of the maturing commercial real estate loans are held and originated by traditional providers of real estate capital (i.e., banks and life insurance companies). These lenders face a significant wave of maturities at a time when regulatory pressure and capital requirements are rising. The financial crisis and the extensive government response, including involvement in the bailout of the banking sector, have led to an increased level of regulation and oversight for these traditional lenders both implicitly and explicitly. The various agencies that regulate banks (e.g., FDIC, OCC, Federal Reserve Board) have broadened their oversight and are more actively monitoring loan portfolios. In the United States, regulators have used "stress tests" to require banks to hold more capital and limit share buy backs or increases in dividends. New rules recently adopted by the Federal Reserve will require foreign banks in the United States to hold additional capital for their balance sheet activities in the United States. Deutsche Bank, a major foreign bank with significant U.S. operations, recently faced an estimated $7 billion capital shortfall under the new rules and may address it by shrinking its assets.

The General Partner believes that the combination of substantial refinancing demand and increased regulatory scrutiny will result in a lending "gap" in the market where traditional lenders will be unable to refinance all of the maturing loans because of more stringent underwriting criteria and capital constraints. This will create an opportunity for non-traditional lenders, such as the Fund, to meet borrower demand. Other lenders such as the CMBS market will likely be unable to absorb any of this lending volume in the event that there is a lending "gap" (see "U.S. CMBS Market" section below).

The General Partner believes that because of the expertise of its Investment Manager, the Fund will be able to underwrite and structure loans using alternative and creative terms and on a faster basis than traditional lenders. As a result, it believes that it will be able to compete effectively with slow and deliberate traditional lenders that

face significant regulatory constraints. Thus, the General Partner believes that the Fund will be able to generate attractive risk-adjusted yields.

U.S. CMBS Market

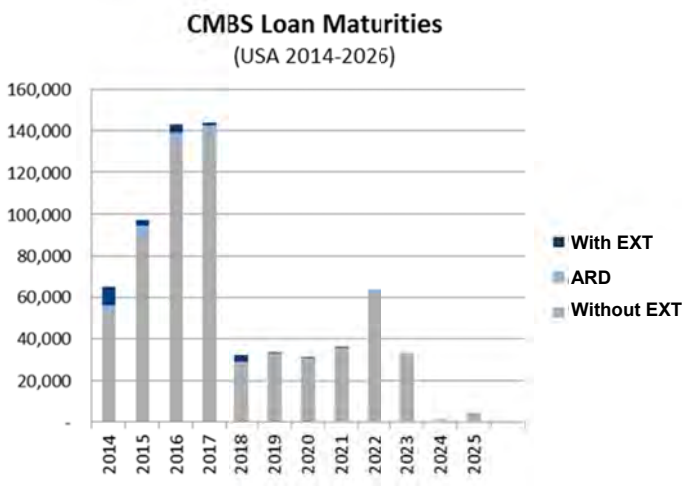
The current lending mismatch between supply and demand for commercial real estate capital is most pronounced in the U.S. CMBS market, where a number of factors indicate there could be a future increased imbalance between the supply and demand for debt capital. Key factors are:

- Increased volume of maturities coming from 2004 to 2007 vintage CMBS issuance;
- Shrinking CMBS lending capacity in the market in the last seven years; and
- Increased regulatory scrutiny and new risk retention requirement in the CMBS market.

CMBS Refinancing Wave

The U.S. CMBS market grew significantly from 2004 to 2007, representing over $679 billion of new issuance. The majority of these loans had ten-year terms and are maturing in the next four years. Over $400 billion of maturities are expected in the CMBS market from 2014 to 2017.

In addition, many of the loans from the 2004 to 2007 vintages that are still outstanding generally have credit profiles that will complicate the ability to refinance them. The weighted average LTVs of these vintages at securitization was approximately 68%; however, value decreases have increased the weighted average LTV of these vintages to greater than 80% on average. The wave of maturities includes many loans that will require higher leverage (greater than 75% LTV) first mortgage floating rate financing and/or mezzanine financing in order to refinance.



Source: Trepp, LLC [Q3, 2013]
ARD = Assumed Repayment Date.
EXT = Extension

Conduit CMBS	**Outstanding Balance ($ billions)**		**Weighted Average LTV**	
Loan Vintage	*At Securitization*	*Current*	*At Securitization*	*Current*
2004	73.2	26.8	67.53%	73.80%
2005	137.9	86.4	68.28%	73.70%
2006	163.0	119.2	68.65%	80.67%
2007	192.3	145.3	68.65%	83.99%

Source: 2004 Conduit Stats, Trepp, LLC [January 2014]; 2005 Conduit Stats, Trepp, LLC [January 2014]; 2006 Conduit Stats, Trepp, LLC [January 2014]; 2007 Conduit Stats, Trepp, LLC [January 2014].

CMBS Market Capacity

The U.S. CMBS market peaked in 2007 with $223 billion of issuance underwritten by 43 different originators. In 2013, new issuance totaled $78 billion underwritten by 29 different originators, representing a decrease of 65% and 37%, respectively. In the last six years, there has been a total of $171 billion of new issuance in the U.S. CMBS market, or $75 billion less than the projected CMBS maturities in 2016 and 2017 alone. In addition, six of the top 15 CMBS issuers in 2007 are no longer in business, as reflected in the following chart that also shows such issuers' total volume in 2007 at the peak of the CMBS market.

Total 2007 Securitized CMBS

Rank	Lender	Loan Volume (in millions)
1	Wachovia	$24,175.3
2	Bank of America	15,624.2
3	Lehman Brothers	14,793.5
4	CreditSuisse	14,730.4
5	MorganStanley	13,784.6
6	J.P.Morgan	11,947.5
7	UBS	9,699.3
8	DeutscheBank	9,593.0
9	BearStearns	9,562.6
10	RBSGreenwich	9,175.1
11	MerrillLynch	8,641.8
12	GoldmanSachs	8,470.0
13	Citigroup	6,917.1
14	LaSalleBank	6,810.7
15	Countrywide	6,701.2

The combination of a large wave of maturities on loans that are potentially over-leveraged coupled with the smaller universe of CMBS lenders will create opportunities for alternative lenders, including the Fund, to provide capital on highly compelling terms. The supply-demand imbalance will then create opportunities to achieve attractive risk-adjusted returns.

Risk Retention for CMBS Lenders

An important regulatory change in the securitization market is the future requirement that issuers retain "first-loss" risk on securitizations to insure that underwriting standards remain prudent and consistent. The proposed rules permit the risk retention requirements to be complied with through the sale of the "first loss" risk to a specialized investor ("B-piece Buyer") that has numerous restrictions on its ability to sell or hedge the investment. The following chart summarizes the current market requirements and the proposed rules relating to risk retention by B-piece Buyers:

Item	Current Market	Proposed Rules
Subordinated B-piece Sizing	B-piece buyers typically buy 2% to 3% of total deal proceeds or the non-investment grade rated portion of the trust	B-piece buyers will be required to buy first loss pieces having a fair value equal to 3% of the fair value of all the securities raised in the transaction
Horizontal or Vertical Tranching	No restrictions	Subordinated bonds can be vertically sliced once into two *pari passu* tranches
Financing	No restrictions	Financing of the subordinated bonds provided by a party to the securitization transaction (or an affiliate of such party) is prohibited
Holding Period	No restrictions	Five-year holding period before buyer can sell
Hedging	No restrictions	Buyer may not hedge the subordinated bonds with any instruments that have similar credit characteristics to the underlying bonds

Source: The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010.

The restrictions placed on the B-piece Buyer will make the investment completely illiquid for a period of five years thus eliminating the ability of the B-piece Buyer to monetize its investment. As a result, the universe of B-piece Buyers should shrink with this new regulation as the illiquid nature of the investment will no longer make it a suitable investment. The remaining B-piece Buyers will likely demand more favorable investment terms as compensation for the illiquidity of this investment. This will increase the cost of capital for borrowers utilizing the CMBS market for financing and create opportunities for non-CMBS lenders, such as the Fund, to take market share away from CMBS lenders.

Freddie Mac K-Series

Freddie Mac is a government-sponsored enterprise ("GSE") chartered by Congress to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Its statutory mandate is to provide liquidity, stability and affordability to the U.S. housing market. The Multifamily Division of Freddie Mac helps to ensure an ample supply of affordable rental housing by purchasing mortgages secured by apartment buildings with five or more units. It purchases these loans from a network of Freddie Mac-approved Program Plus® Seller/Servicers and Targeted Affordable Housing Correspondents, with over 150 branches nationwide. Underwriting and credit review is performed by Freddie Mac.

Total UPB[1]	$2.14	$6.44	$13.66	$21.20	$28.04
K-Deals	2	6	12	17	19

[1]Total UPB represents the total collateral UPB associated with each transaction, including the portion Freddie Mac does not guarantee.
Source: Freddie Mac Update – January 2014

Since 1993, Freddie Mac's multifamily business has provided more than $308 billion in financing for more than 61,000 multifamily properties. As of December 31, 2013, Freddie Mac had a multifamily whole-loan portfolio of over $59.2 billion, a multifamily investment securities portfolio of over $33.1 billion and a multifamily guarantee portfolio of $74.6 billion. In 2008, Freddie Mac introduced its Capital Markets Execution product, which seeks to aggregate and securitize newly-originated multifamily loans ("CME Loans") made through the Program Plus® Seller/Servicers network. Freddie Mac's primary motivation was to create an alternative to its existing portfolio execution and expand its access to capital, thereby increasing its ability to provide liquidity to the multifamily mortgage market. The lending parameters for Freddie Mac CME Loans are generally summarized below:

Source: FFIEC (HMDA), OTS Thrift Financial Report, ACLI Investment Bulletin, MBA Commercial Mortgage Banker Organization Survey, Freddie Mac's Office of the Chief Economist, January 2014.

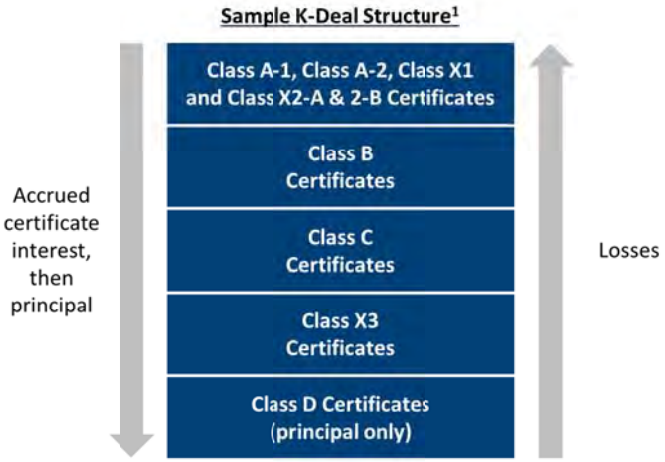
- Property Types: Multifamily loans secured by occupied, stabilized and completed properties, with a limited amount of senior housing, student housing, cooperative housing and Section 8 housing assistance payments (HAP) contracts.
- Loan Terms: Five-, seven- and 10-year loan terms with maximum amortization of 30 years. May have initial interest-only periods of one to five years. Limited amount of full interest only loans.

- LTV: Maximum LTV of 80% for acquisition and no "cash out" refinance loans. Maximum LTV of 75% for "cash out" refinance loans.

From 2009 through the end of 2013, Freddie Mac has securitized 56 loan pools totaling approximately $74 billion. In 2013, Freddie Mac securitized 19 pools. Given the frequency of these transactions, there is expected to be an ample supply of Freddie Mac K-Series subordinated CMBS available to purchase.

Total multifamily originations are projected to be $160 billion in 2014, which would exceed the 2007 multifamily originations.

The majority of the loans securitized in a K-Series investment consist of fixed rate loans. These securitizations employ a sequential pay structure where principal is distributed to the senior bonds first until they are paid off, and then applied to the next tranche of securities. Losses move in opposite fashion and are applied first to the most subordinated tranche until it is written down and then applied to the next most subordinated tranche. The most junior tranche of the securitization (the "B-piece") is typically structured as a zero coupon bond and is issued at a discount. The buyer of the B-piece usually also purchases an interest-only strip from the trust to provide the B-piece buyer with current income during the term of the loan. The amount of this strip may vary from deal to deal.



[1] Classes X1, X2A, X2-B and X3 do not receive principal payments. Classes B, C, D, X2-A and X2-B do not have a Freddie Mac guarantee.

Generally, Freddie Mac limits participation in the auction and auctions negotiation of the terms of subordinated tranches of its K-Series CMBS to buyers with a prior relationship and borrowing history with Freddie Mac and that have deep underlying operational expertise in real estate asset management. The General Partner believes the importance of these qualitative criteria considered by Freddie Mac creates significant competitive advantages for the Fund.

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V. INVESTMENT STRATEGY

The Fund will seek to invest in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States. The Fund intends to capitalize on established relationships with asset originators and other market participants, derived from the longstanding commercial relationships of Bridge-IGP and its affiliates as borrowers, their well-respected operating platforms, their in-house real estate and CMBS expertise, and their identification and focus on underserved segments of the commercial real estate debt markets.

The Fund will take advantage of Bridge-IGP's and its affiliates' well-established borrowing relationships with Freddie Mac, loan origination groups (e.g., Cantor Fitzgerald Commercial Real Estate ("CCRE")) and others to source debt investments on a partnership basis rather than through competitive auctions. The Fund believes that this approach will provide mutual benefits to all parties. The General Partner believes that the Fund will become recognized as a trusted counterparty as a result of its affiliation with Bridge-IGP and its affiliates, including BPM and its national real estate property management platform, which collectively either own or manage approximately 32,000 apartment units and approximately 1.4 million square feet of commercial office space. In addition, Mr. Chung, the Chief Investment Officer of the Investment Manager, managed Morgan Stanley's leading CMBS lending and securitization program over the last 13 years.

Furthermore, the Investment Manager's senior management team, based on their extensive lending experience, has identified key areas of the commercial real estate lending market that are currently underserved and represent an attractive lending opportunity when combined with the operational expertise and market knowledge of Bridge-IGP and its affiliates.

The Fund will seek to generate total net returns to investors of 10% to 12% by targeting debt investments that satisfy the following criteria:

- Limited competition either due to proprietary relationships with counterparties or lack of capital providers in that specific segment;
- Investments with asset or structural characteristics where the General Partner and Bridge-IGP and its affiliates have superior experience and knowledge;
- Investments with risk primarily concentrated in the senior portion of the capital structure (i.e., first mortgages) either as first mortgage loans or CMBS collateralized by first mortgage loans; and
- Premium pricing for higher risk (e.g., mezzanine loans) or illiquid investments.
- The Fund will target the following investment types that satisfy the above criteria including: floating rate, non-recourse first mortgages, primarily with a loan amount of $30 million or less;
- Freddie Mac K-Series CMBS subordinated bonds;
- Fixed-rate mezzanine lending with loan amounts of $20 million or less and terms of five years or more; and
- CMBS co-origination opportunities with loan originators (e.g., Freddie Mac, CCRE) and other origination networks.

Floating Rate First Mortgage Lending

Currently, banking institutions dominate first mortgage floating rate lending due to their low cost of funds. However, because of these banking institutions' limited and inflexible underwriting criteria such as recourse, limitations on leverage and debt coverage ratios, they are unable to capitalize on compelling investment opportunities in floating rate first mortgages from creditworthy borrowers. A number of specialty finance companies, mortgage REITs and private equity funds have traditionally underwritten these mortgage loans in the absence of participation by banking institutions. Most of these non-bank lenders typically pursue larger floating rate loans (greater than $30 million) in top 10 markets as they do not have the expertise in house to lend in non-primary markets. The Fund will specifically focus on multifamily, commercial office, seniors housing and medical properties in markets where Bridge-IGP and its affiliates operate and where the General Partner has access to

institutional knowledge of the demographic and regional economic factors that impact those markets. The managers of the General Partner believe most non-bank lenders are unwilling to lend on the Fund's targeted asset classes in these markets due to the limited nature of their platforms, which have no operational or management expertise in those markets.

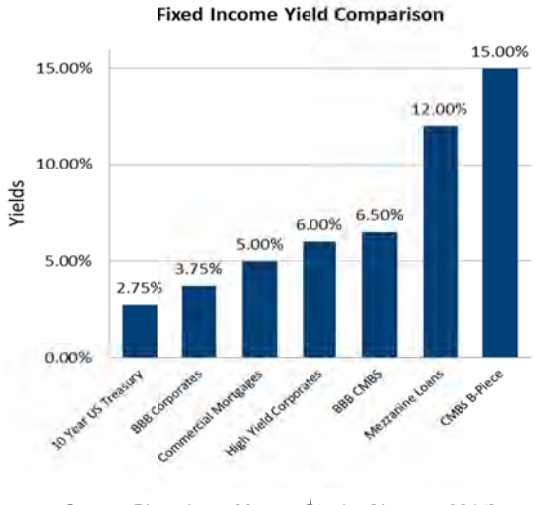
Additionally, floating rate loan portfolios within the Fund could result in opportunities to securitize the portfolio under appropriate market conditions. The primary advantages of securitization are to obtain non-recourse, permanent financing for the floating rate loans and increase the Fund's yield on these investments through the leverage provided by the securitization structure. Repurchase agreements with banking institutions can also enhance yield but typically require recourse. Such financing is typically not for the term of the underlying loans and can be taken away upon the maturity. Finally, converting floating rate loans into securities increases their liquidity. The securitization option is attractive because it reduces the reliance of the Fund on the availability of bank financing, is non-recourse, and could improve the yield and liquidity of the Fund's investments.

Freddie Mac Relationship and K-Series Investment Opportunity

Freddie Mac has offered the Fund the opportunity to participate in Freddie Mac's rotational program for subordinated bond buyers of their K-Series securitizations and also to participate on an informal basis in recent K-Series auctions, so that the Fund and its managers will gain experience and an understanding of the dynamics and processes of these auctions. This invitation is a result of (i) the favorable borrowing history between Bridge-IGP and its affiliates and Freddie Mac, (ii) the operating and asset management capabilities of Bridge-IGP and its affiliates, and (iii) the CMBS expertise of the managers of the General Partner. The invitation to join the program is a valued opportunity to be able to invest in subordinated CMBS on compelling terms and which have a negligible loss history. The Freddie Mac K-Series CMBS are also expected to generate yields that are higher than almost every product in the commercial real estate debt space.

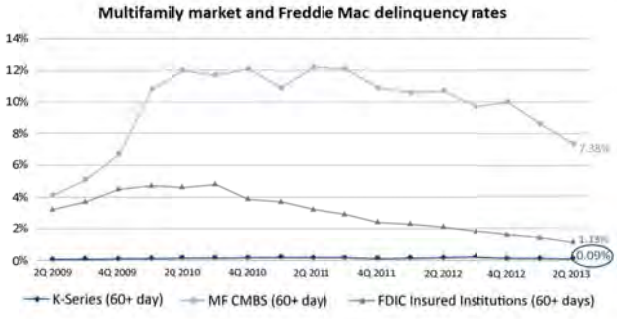
Bridge-IGP's history with Freddie Mac extends back to the early 1990s. Bridge-IGP has borrowed over $1 billion from Freddie Mac since that time and over the course of that relationship has developed strong ties throughout the Freddie Mac senior management team. In the last 12 months, members of Bridge-IGP and its affiliates have met with Freddie Mac management no less than six times and have completed eight transactions for properties located in the Southeastern and Southwestern United States, with additional transactions currently pending.

Superior Yield. Based on the prior investment experience of the Investment Manager, K-Series subordinated bonds typically have yields of approximately 12-13%. As demonstrated on the accompanying chart, no other commercial real estate debt investment has a comparable unlevered yield except for traditional CMBS B-pieces, which are primarily comprised of riskier property types including office, retail and hotel loans and very limited multifamily collateral. The K-Series subordinated bonds are secured exclusively by multifamily properties, which do not have the risk of office and retail properties that typically depend on a few large tenants or the volatility of hotel properties.



Source: Bloomberg, Morgan Stanley [January 2014].

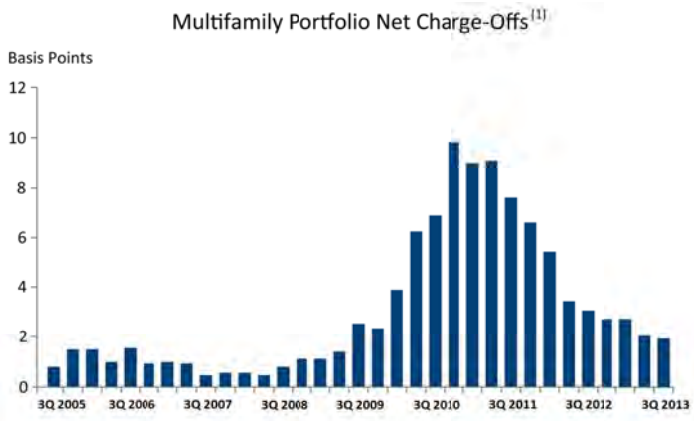
In addition, as illustrated on the accompanying chart, the loss history on Freddie Mac K-series originations is close to zero and during the recent financial crisis when CMBS delinquency rates rose above 10%, Freddie Mac loans had delinquency rates that never rose above 0.40%.



Source: Freddie Mac, FDIC Quarterly Banking Profile. Trepp, LLC (CMBS Multifamily 60+ delinquency rate, excluding REOs) [January 2014]. Non-Freddie Mac data is not yet available for the third quarter of 2013.

Superior Proprietary Underwriting Processes. The exceptional loss experience of Freddie Mac is a function of its consistent underwriting standards and centralized credit process. Freddie Mac does not delegate credit decisions to external originators and is not under pressure to relax or waive existing credit or underwriting standards to facilitate originations. As of January 31, 2014, of the $74 billion in loans securitized since 2008, only three were delinquent more than 60 days. Historical charge-offs in the Freddie Mac portfolio are virtually zero.

Exclusive Auctions. The rotational nature of the K-Series program allows bidders to win without having to go through an intensive and competitive auction process which is standard in the traditional CMBS market. Freddie Mac uses a combination of private placements and limited auctions for the subordinated tranche in its K-series. The result of the rotational program is that there is less pricing pressure on yields than for traditional CMBS subordinated tranches, which provides potential buyers with superior risk-adjusted returns.



[1] Data point for each quarter equals sum of previous four quarters of net charge-offs, divided by the average multifamily loan portfolio and guarantee portfolio balance. Source: Freddie Mac. Data as of September 30, 2013.

Limited Potential Buyers. The natural set of buyers for the K-Series is more limited than for traditional CMBS deals as Freddie Mac prefers to sell to buyers with operational and management experience as well as CMBS expertise. Many other bidders must partner with other entities to gain this operational and management expertise. The General Partner and its affiliates have all of these disciplines in house, which will enable the Fund to avoid delays of approvals by a potential partner's investment committee and internal due diligence process. Furthermore, the K-Series investments often consist of loans secured by seniors housing real estate, and Bridge-IGP and its affiliates have in-house acquisition, development and management experience in that asset class as well. Bidders without comparable expertise will be disadvantaged in bidding these pools and are likely to be uncompetitive.

Mezzanine Lending

There are limited providers of capital for smaller fixed-rate mezzanine loans with longer durations (i.e., seven to 10-year maturities) primarily because most mezzanine lenders prefer to deploy capital in primary markets where transaction sizes are usually larger. Similar to the non-bank floating rate lenders, these mezzanine lenders also do not have the expertise to lend in non-primary markets, unlike Bridge-IGP and its affiliates. Since these mezzanine loans will likely be issued in connection with CMBS conduit loans, a strong understanding of loan intercreditor agreements, CMBS loan structures and CMBS documentation is required.

Similar to floating rate loans, a mezzanine loan portfolio within the Fund could result in opportunities to securitize the portfolio under appropriate market conditions. The primary advantages of securitization would be to obtain non-recourse, permanent financing for the mezzanine loans and increase the Fund's yield on these investments through the leverage provided by the securitization structure for the same reasons that exist for financing for floating rate first mortgage lending.

CMBS Opportunities in Partnership with Loan Originators

Freddie Mac has presented to the Investment Manager potential joint venture investment opportunities in mortgage loans secured by multifamily properties not offered to competitor real estate-related investment funds. These proposals demonstrate the depth of the Bridge-IGP relationship with Freddie Mac and the access the Fund has to Freddie Mac's proprietary origination pipeline through the K-Series and other potential joint venture opportunities. The Fund has also negotiated a preferred lending relationship with CCRE, in which the Fund and

CCRE will potentially source and negotiate CMBS lending opportunities jointly at the point of origination. Bridge-IGP and its affiliates have had a long borrowing history with CCRE's principals. The Fund will have the opportunity to have access to CCRE's deal flow and find opportunities to create structured CMBS investments utilizing the origination and distribution franchise of CCRE, the largest non-bank securitization program (and sixth largest securitization program overall) of commercial real estate loans in the United States in 2013. Combined with the CMBS expertise of the General Partner's managers, the CCRE relationship is expected to create non-competitive opportunities to invest in high yield, high-quality CMBS subordinated bonds. Potential transactions contemplated are:

- CMBS subordinated bonds on loan pools with higher multifamily concentration and/or lower leverage;
- Certificated B-notes on large single borrower securitizations; and
- Directed classes on CMBS pools with property type or geographic concentrations that overlap with the existing portfolio under management by Bridge-IGP.

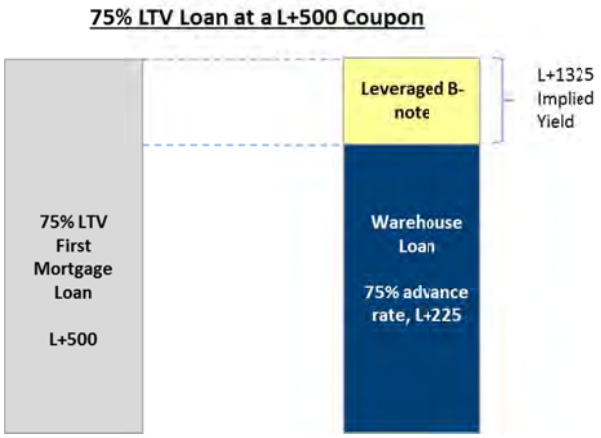
CMBS investments are anticipated to have non-standard structural features and require customized documentation. The General Partner will focus on opportunities with CCRE within asset classes and markets where Bridge-IGP and its affiliates currently have a presence and in which Bridge-IGP and its affiliates have deep institutional knowledge.

Risk Management

The General Partner will actively risk manage investments through frequent communication with borrowers, monitoring markets where the Fund has exposure, reviewing servicer reports, preparing detailed asset management reports, and holding periodic reviews of the portfolio. A dedicated professional will be assigned to oversee the risk management process. Each investment will be serviced by a nationally recognized third-party servicer at the direction of the General Partner.

Should a loan require restructuring or foreclosure, the Fund has the advantage of an affiliated national real estate platform that owns and operates real estate. While the Fund does not desire to own real estate, it does have that capability through its relationship with Bridge-IGP and its affiliates. More importantly, the Fund's ability to own and operate real estate will strengthen its ability to negotiate with borrowers in the event of a default or an impending default. Borrowers typically deal with lenders that are averse to foreclosure, as most lenders do not have a property management function. Since the Fund does have access to this capability, borrowers will have less leverage in negotiations because of the Fund's willingness to foreclose if a favorable outcome for the Fund cannot be negotiated.

Financing



The Fund may obtain financing in order to optimize returns on first mortgage investments. The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately 60% of the sum of the acquisition cost of the Investments in the Fund's portfolio. The terms of the leverage will depend on a variety of factors, including market conditions, disposition strategy for the investment, and credit performance of the investment. The most common form of financing will be repurchase agreements (warehouse lines) with commercial banks but the Fund will also explore other forms of financing such as securitizations. Financing first mortgage loans with a bank will result in increasing the yield on the portfolio. The amount of yield enhancement will depend on the advance rate, the interest rate, and any fees incurred. CMBS and mezzanine loan investments may be also financed with a bank but currently there are only a few banks offering this type of financing.

Monetization and Exit Strategies

The General Partner will seek to employ exit strategies for portfolio investments to maximize returns while consistently managing risk. The General Partner will evaluate macroeconomic factors, market pricing, liquidity and performance of the individual debt investments when deciding on an optimal exit strategy. The primary exit strategies for the Fund will include:

- ***Hold to maturity.*** This strategy will be employed for investments the General Partner determines have superior risk-return characteristics versus alternative debt investments available in the market.
- ***Sale prior to maturity.*** This strategy will be employed for investments that the General Partner believes have an attractive pricing and liquidity profile and when proceeds could be redeployed in the current market at better risk-adjusted returns.
- ***Structured exit.*** This strategy will be employed in the event the General Partner can utilize the securitization market to create term leverage for existing debt investments and enhance returns for the Fund without a material increase in risk. The use of this strategy will depend on market conditions for securitized products, rating agency and investor treatment, and the current performance of the investments.

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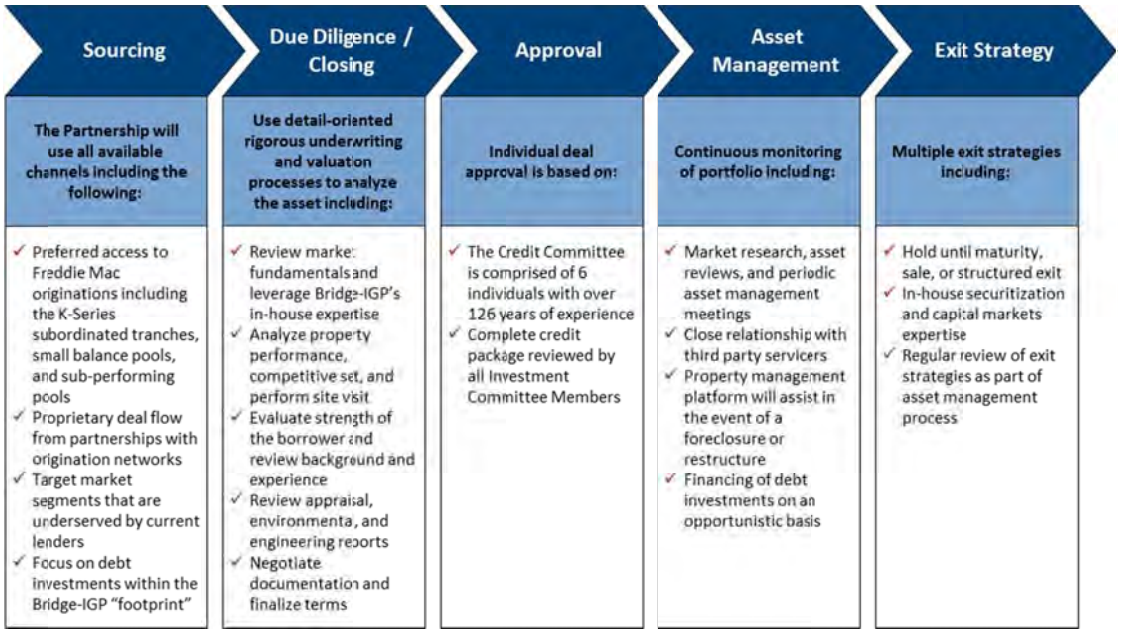
VI. INVESTMENT PROCESS

In addition to the valuable resources and scope of expertise provided by the Investment Committee Members, the Fund will benefit from the Investment Manager's own experienced and highly-qualified personnel that are part of cross-disciplinary teams responsible for all stages of the real estate debt investment process, including investment selection, due diligence evaluation, transaction negotiation and execution, asset management, and disposition. The Investment Manager intends to utilize these resources in performing its duties to the Fund, under the supervision of the General Partner and the Investment Committee. The Investment Manager's preliminary review of each investment takes into consideration numerous factors, including the macroeconomic investment environment, sub-market dynamics, age, location, condition, occupancy, capital expenditure requirements of each asset and how that asset fits into the allocation strategy for the Fund, and the history, experience and borrowing history of the asset equity investor.

As part of the Investment Manager's preliminary review, historical and forecasted operating financial statements are obtained and reviewed and market and demographic studies, demand analyses and site visits are performed. After presentation to the Investment Committee, and if this preliminary review is satisfactory to the Investment Committee and aligns with the estimated targeted returns of the Fund, the Investment Manager (at the direction of the General Partner) will customarily prepare a non-binding letter of intent providing for, among other items, a due diligence period with exclusivity and a preliminary agreement on the transaction terms. The Investment Manager will rely on its experienced real estate debt investment professionals in identifying and acquiring Investments.

After the acquisition of an Investment, the Investment Manager will be responsible for implementation and management of the Investment. Implementation will be carried out by the Investment Manager's execution team, which is comprised of seasoned real estate debt professionals with expertise in all stages and aspects of the real estate debt evaluation, analysis, acquisition, management and disposition processes. The members of the execution team will monitor each investment in frequent contact with borrowers and other transaction parties as applicable.

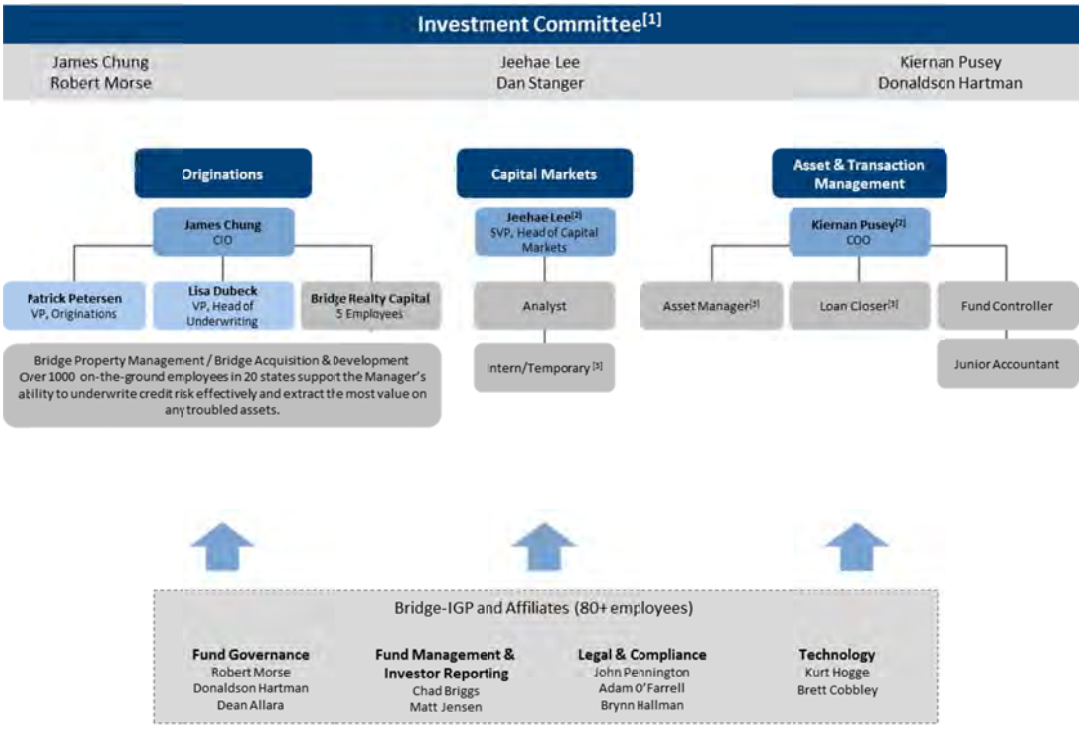


VII. THE GENERAL PARTNER, THE INVESTMENT MANAGER AND MANAGEMENT

THE GENERAL PARTNER

Overview

The General Partner of the Fund is ROC Debt Strategies Fund GP, LLC. The General Partner is managed by the Investment Committee. The General Partner has engaged the Investment Manager to recommend investment opportunities to the General Partner for the Fund; however, the General Partner will make all operational and investment decisions on behalf of the Fund. Once an investment recommendation is received from the Investment Manager, the Investment Committee of the General Partner will evaluate the investment opportunity to determine whether the Fund should consider the investment. The Fund's investment decisions will be made at the sole discretion of the General Partner.



Source and Notes: [1] Messrs. Chung and Pusey and Ms. Lee are 100% dedicated to ROC|Debt Strategies management. Non-dedicated to ROC|Debt Strategies; Messrs. Stanger, Hartman, and Morse, are similarly dedicated to the success for the fund but have IMC responsibilities for Real Estate Opportunity Capital Fund LP (ROC I), Real Estate Opportunity Capital Fund II (ROC II), and ROC Seniors as well. [2] Mr. Pusey will begin his employment with the Fund on May 12, 2014 and Ms. Lee will begin her employment with the Fund on June 10, 2014. [3] To be hired assuming the Fund reachesits capital target.

Investment Committee of the General Partner

After the Investment Manager makes recommendations to the General Partner relating to identifying, analyzing, acquiring, managing, improving and selling Fund assets, the Investment Committee will meet to evaluate those recommendations weekly, or more frequently as required, to review and approve all investment decisions for the Fund. The Investment Committee currently consists of Messrs. Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee.

The Investment Committee is the ultimate decision-making body for the management of the General Partner. The Investment Committee Members represent a multi-disciplined group of high level and seasoned real estate professionals, private equity fund managers and investment professionals, as described in the biographical information below.

James Chung, 43, is a member of the Investment Committee of the General Partner, serves as Chief Investment Officer for the Investment Manager and is a member of the Investment Manager's Executive Committee. He has more than 20 years of experience in real estate, securitization and financial services. He was a Managing Director at Morgan Stanley where he worked from 2000 to 2013. From 2004 to July 2013, Mr. Chung was the head of the Commercial Real Estate Loan Desk within the Fixed Income Division, where he had direct oversight of the pricing, hedging, structuring and securitization of the commercial real estate loan portfolio. During his tenure at Morgan Stanley, Mr. Chung was a voting member of both the global large loan credit committee and the U.S. credit committee, and he was involved in over $50 billion of loan originations and 75 securitizations. From 2000 to 2004, Mr. Chung held a variety of positions within the commercial real estate lending group at Morgan Stanley, including large loan originations and underwriting, portfolio acquisitions and risk management. Prior to joining Morgan Stanley in 2000, Mr. Chung worked in the Risk Management practice at First Manhattan Consulting Group, a leading financial services management consulting company. Mr. Chung received his Bachelor of Arts from Harvard College and his Masters in Business Administration from the MIT Sloan School of Management.

Donaldson L. Hartman, 50, is a member of the Underwriting Management Committee and Capital Markets Group of the Investment Manager and is a member of the Investment Committee of the General Partner. Mr. Hartman has 22 years of experience in investment banking, mergers and acquisitions, commercial banking and private equity funds management. Mr. Hartman has also served as Chief Executive Officer of Bridge-IGP and as a member of the Investment Management Committees of ROC I, which he co-founded in 2008, and ROC II. From 2007 to 2008, Mr. Hartman was Chief Operating Officer of Bridge Loan Capital Fund LP, a mezzanine fund focused on the acquisition and extension of real estate-backed debt, where he was responsible for setting and managing operating policies and procedures. Mr. Hartman has previously managed private funds invested in distressed Asian financial institutions equities and real estate-backed notes and assets. From 1994 to 2002, Mr. Hartman served as Deputy Head and then Director of the Asia Pacific region's Financial Institutions Group of Citigroup – Salomon Smith Barney, advising central banks in Asia on financial system restructuring and regulatory policies, including "bailout plans." Mr. Hartman previously was a highly ranked regional banks analyst for UBS Warburg in Asia and a specialist in predictive credit cycle analysis and asset valuation analysis for Salomon Brothers. He received his Bachelor of Science in Economics from Brigham Young University and his Master of Business Administration with majors in Finance, International Business and Marketing from the Kellogg School of Management at Northwestern University.

Jeehae Lee, 32, is a member of the Investment Committee of the General Partner, serves as Head of Capital Markets for the Investment Manager and is a member of the Investment Manager's Executive Committee. She has more than 10 years of experience in real estate, securitization and financial services. Ms. Lee was an Executive Director at Morgan Stanley where she worked from 2004 to April 2014. From 2013 to April 2014, Ms. Lee was the senior manager responsible for loan pricing, hedging, and structuring for the Commercial Real Estate Lending group within the Fixed Income division. During her tenure at Morgan Stanley she was a voting member of the U.S. credit committee and was deeply involved in creating loan pricing models, managing the securitization pipeline, interfacing with rating agencies and investors, and originating loans for securitization. From 2009 to 2013, Ms. Lee was a key member of rebuilding the Commercial Real Estate Lending group at Morgan Stanley where she managed significant portions of the securitization process and helped create new lending procedures for the group. From 2004 to 2009, Ms. Lee was involved in loan acquisitions, underwriting and restructuring of loans, as well as risk management and risk reporting. Ms. Lee received her Bachelors of Arts from Brown University and her Masters of Business Administration from Columbia University.

Robert Morse, 59, is a member of the Capital Markets Group of the Investment Manager and a member of the Investment Committee of the General Partner. He has 30 years of experience in investment banking, commercial banking and private equity fund management. Mr. Morse has served as Executive Chairman of Bridge-IGP and Chairman of RBP Capital Holdings, LLC ("RBP Capital") since January 2012. He currently serves on the Investment Committees of ROC I, ROC II and ROC Seniors. Mr. Morse has been integrally involved in the formation, management, investment strategy and capitalization of ROC I, ROC II and ROC Seniors. Mr. Morse served as Chairman and Co-Chief Executive Officer of PMN Capital, a private equity firm based in Hong Kong, from January 2009 to January 2012. Mr. Morse served as Chief Executive Officer of Citigroup's Asia

Institutional Clients Group from April 2004 to October 2008, where he provided direct management oversight of Citigroup's $5 billion of proprietary capital. Mr. Morse made investments on behalf of Citigroup clients across multiple asset classes, including equities (public and private), corporate acquisitions, distressed and mezzanine debt and real estate. Citigroup's Asian institutional businesses included corporate banking, investment banking, markets and transaction services in 17 countries employing over 14,000 employees. From 1999 to 2004, Mr. Morse served as the Co-Head and then Head of Global Investment Banking for Citigroup. He previously held a variety of senior positions since joining Salomon Brothers in 1985. Additionally, Mr. Morse was a co-founder of SSB Capital Partners, a $400 million private equity fund formed in 2000. Mr. Morse also serves on a variety of charitable organization boards, including the Yale President's Council on International Activities, The Nature Conservancy Asian Council, The Sovereign Art Foundation and the Asia Society. Mr. Morse received his Bachelor of Arts from Yale College, his Master of Business Administration from the Harvard Graduate School of Business Administration and his Juris Doctor from Harvard Law School.

Kiernan W. Pusey, 38, is a member of the Investment Committee of the General Partner, serves as Chief Operating Officer for the Investment Manager and is a member of the Investment Manager's Executive Committee. He has 15 years of experience in real estate, securitization and financial services. Mr. Pusey worked at Morgan Stanley from 2005 to 2014, most recently as a Vice President in the Commercial Real Estate Lending group within the Fixed Income division. During his tenure at Morgan Stanley, Mr. Pusey was the head of the commercial mortgage securitization team covering all aspects of the securitization process, including drafting all legal documentation, SEC disclosure and filing, negotiating with B-piece buyers and managing all aspects of the Freddie Mac/Morgan Stanley platform. He also supported the sales and marketing efforts of both Morgan Stanley and Freddie Mac securitizations and handled the negotiation, closing and risk management of first mortgage and mezzanine loans. Prior to joining Morgan Stanley, Mr. Pusey was a Real Estate Finance Associate at Dechert LLP, an international law firm, where he served as Morgan Stanley's outside counsel in complex real estate transactions. Prior thereto, Mr. Pusey was an Associate at Windels Marx Lane & Mittendorf, LLP in the firm's Corporate and Real Estate Finance practice groups. Mr. Pusey received his Bachelors of Arts from Boston College and his J.D. from Brooklyn Law School.

Danuel R Stanger, 53, is a member of the Investment Committee of the General Partner. Mr. Stanger has 28 years of experience in the real estate investment industry including finding, analyzing, acquiring, financing, developing, managing, improving and selling properties and has been directly responsible for investing in over $1.0 billion dollars in real estate assets. Since March 2009, Mr. Stanger has served as the Chief Investment Officer of ROC I and ROC II and was the primary driver of acquisitions, management and disposition of all investments for those funds. From 1997 to 2007, Mr. Stanger was Chief Executive Officer and Co-Founder of Bridge Investment Group, LLC ("Bridge-LLC"), where he was involved in all phases of developments and investments, including market and individual investment analysis, transaction structuring and planning, development and joint venture equity partner relationships. In 1997, Mr. Stanger formed CDS Investments, Inc., the predecessor company to Bridge-LLC. From 1990 to 1997, Mr. Stanger was Vice-President and Managing Director of the Equity Investment Division of Prowswood Companies, a real estate development company. Mr. Stanger founded Strategic Management and Consulting in 1988, which focused on the property management and resolution of distressed commercial properties including retail, office warehouse, medical office, hospitality and residential real estate and subsequently merged into Prowswood Companies in 1990. He has previously served on the Board of Neighborhood Housing Services and was a Founding Member of the Utah Community Reinvestment Corporation, an organization established by the banking community to invest funds in residential and commercial communities. Mr. Stanger is a Certified Commercial Investment Member (CCIM) and has served on the National Committee for CCIM. He was the chair of the Utah Association of Realtors Governmental Affairs Committee.

THE INVESTMENT MANAGER

Overview

The Investment Manager is managed by a board of managers consisting of the same individuals that also serve as Investment Committee Members. As a group, these individuals have collectively purchased, developed or managed approximately 350 commercial real estate projects with a combined enterprise value of $5.5 billion. These individuals have an average of more than 20 years per person of relevant investment experience.

Investment Manager Capabilities

Mr. Chung, the Chief Investment Officer of the Investment Manager, and his team have extensive experience in the CMBS market due to their time at Morgan Stanley where they managed the commercial real estate lending and securitization businesses. As indicated on the accompanying chart, the Morgan Stanley CMBS program was one of the largest CMBS programs over the last decade. As part of a leading CMBS desk, these members of the Investment Manager's executive team have a deep understanding of CMBS credit, pricing, structuring, and documentation, as well as longstanding industry relationships that are expected to be instrumental in sourcing and managing the Fund's investments.

Year	Morgan Stanley Loan Contributions U.S. CMBS Deals ($ millions)
2001	3,928.2
2002	2,609.4
2003	4,694.6
2004	6,334.0
2005	9,689.2
2006	10,664.7
2007	13,784.6
2011	2,924.3
2012	2,863.0
1H 2013	3,801.1
Total	**61,293.1**

Source: "Top Loan Contributors to US CMBS Deals," Commercial Mortgage Alert, 2001 through 2013

Bridge-IGP and its affiliates currently own or manage approximately 32,000 multifamily apartment units and approximately 1.4 million square feet of commercial office space. The majority of the properties are managed in-house by a property management affiliate. Bridge-IGP and its affiliates employ approximately 1,000 real estate professionals in over 50 MSAs across 16 states. These employees include 75 property managers and 110 leasing agents, and over 660 on-site personnel providing property maintenance and operations.

Bridge-IGP's in-house professionals are well versed with the real estate market within their respective local areas, allowing the Fund unique access to real-time market knowledge. This vast network can be leveraged to provide objective assessments of potential investment opportunities and local intelligence (such as leasing activity, sub-market occupancy, valuation, employment, demographic trends, local redevelopment initiatives, capital improvement needs and physical security issues).

Committees and Functional Groups of the Investment Manager

The Investment Manager has formed various committees and functional groups of professionals to facilitate the efficient performance of its activities, as described below.

Executive Committee

In addition to the officers of the Investment Manager, the Investment Manager has formed an Executive Committee, which consists of Messrs. Chung, Morse and Pusey and Ms. Lee. The Executive Committee meets weekly to implement strategic and investment decisions formulated by the General Partner. The group also identifies and prioritizes key staffing, operational, legal, compliance, financial and other issues for action by each respective department in the execution team.

Executive Administration Group

The Executive Administration Group of the Investment Manager is responsible for (i) overseeing the performance of the various administrative functions necessary for the day-to-day operations of the Investment Manager, from time-to-time and as reasonably requested by the Executive Committee, (ii) preparing reports on the performance of third-party service providers engaged by the Investment Manager in fulfilling its obligations to ROC Debt Strategies, (iii) supervising the administrative functions performed, (iv) providing strategic planning services and (v) evaluating the prior strategies employed by the Investment Manager. As of the date of this Memorandum, the officers of the Executive Administration Group of the Investment Manager are:

Name	Position with Investment Manager
Chad Briggs	Chief Financial Officer
Adam O'Farrell	Chief Legal Officer
John Pennington	Chief Compliance Officer
Matthew Jensen	Vice President – Fund Operations

Chad Briggs, 57, serves as Chief Financial Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. Briggs is responsible for all treasury and financial functions of the Fund and the General Partner and also oversees record-keeping and financial reporting. He has served as Chief Financial Officer of ROC Debt Management, LLC ("ROC Debt Management") since 2013 and ROC II since 2012. From 2011 to present, Mr. Briggs has served as Chief Financial Officer for Bridge-IGP, where he has had similar responsibility for assets totaling approximately $1.0 billion, including the assets of ROC I and ROC II. Since 2010, he has served as the Chief Financial Officer of Real Estate Opportunity Capital Fund and Pacific Finance Holdings. From 2005 to 2010, he served as Vice President and Chief Financial Officer of Digital Draw Network, Inc. (the prior investment manager of ROC I), a national provider of residential construction and commercial real estate inspection services. Prior to joining Digital Draw Network, Mr. Briggs was the Director of Finance and Controller of TheraTech Inc., a publicly traded biotechnology company that provides specialized rehabilitation products and services. Mr. Briggs has approximately 25 years of experience in accounting, finance, mergers and acquisitions, public offerings, SEC compliance and human resources. He has served as the Controller at Utah Property Casualty and Insurance Guaranty Association since 1985. Mr. Briggs received his Bachelor of Science in accounting from the University of Utah in 1985 and is a Certified Public Accountant.

Adam O'Farrell, 40, serves as Chief Legal Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. O'Farrell has more than 13 years of experience as a real estate investment management attorney with significant private equity, REIT and tax experience and a broad transactional legal background. From January 2008 to January 2012, Mr. O'Farrell worked at Foley & Lardner LLP as senior counsel and as a member of the private equity and venture capital and transactions and securities practice groups. From 2006 to 2008, Mr. O'Farrell worked at Morrison & Foerster LLP as a senior associate and a member of the private equity fund formation group, where he provided advice to private equity fund sponsors in the formation of U.S. and non-U.S. real estate, leverage buyout, venture capital and other private equity and hedge funds. From 2005 to 2006, Mr. O'Farrell acted as regional counsel for KB Home, with primary responsibility for four southern California divisions with combined annual revenue in excess of $300 million. As regional counsel, Mr. O'Farrell was responsible for all division legal matters, with a focus on real estate acquisition, land use and entitlement issues, financing, joint ventures and litigation management. From 2000 to 2005, Mr. O'Farrell was an associate and member of the tax department of Latham & Watkins LLP, where he provided structuring and tax advice for a wide range of sophisticated transactions. Mr. O'Farrell is a member of the California and San Diego County bar associations. Mr. O'Farrell received his Bachelor of Science and his Master of Accountancy with an emphasis in Taxation from the Marriott School of Management at Brigham Young University and his Juris Doctor from the J. Reuben Clark Law School, Brigham Young University.

John S. Pennington, 49, serves as Chief Compliance Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. Pennington has 23 years of experience in real estate finance, international regulatory matters, fund management and administration and SEC financial reporting and compliance. Since September 2011, Mr. Pennington has also served as the Chief Compliance Officer of Bridge-IGP and has overseen

the establishment and implementation of SEC filings, compliance, administration, coordination of legal counsel and auditor relationships. He is currently a member of the Investment Management Committee of ROC I. He served as Chief Operating Officer of Pacific Financing Holdings, which was the investment manager of ROC I before Bridge-IGP, from September 2008 until September 2011. From March 2005 until co-founding ROC I in 2008, Mr. Pennington was the managing director, Chief Financial Officer and co-founder of Bridge Loan Capital Fund LP, a mezzanine fund focused on the acquisition and origination of real estate-backed debt. From October 1989 to September 2004, he was co-founder and president of USAT, Inc., which transacted business in over 17 countries, and the co-founder and co-owner of various businesses located in Spain, Canada, Germany and Puerto Rico. From 1997 through 1999, he was Chief Operating Officer and co-owner of Global Connections, Inc, a publicly held company with 140 employees, where he was responsible for audits, SEC reporting and international sales. He is a former member of the National Association of Securities Dealers (now FINRA). Mr. Pennington has served on the Advisory Board of the Westminster College School of Business in Salt Lake City, Utah, and as the director of fund raising for the Utah Special Olympics program, a charitable organization for special needs children. Mr. Pennington received his Bachelor of Science in Economics from the University of Utah.

Matthew L. Jensen, 33, serves as Vice President of Fund Operations for the Investment Manager and is a member of its Executive Administration Group. Mr. Jensen has been involved in the financial reporting, valuation and accounting functions of Bridge-IGP. He is responsible for the creation and distribution of investor statements and communications. Mr. Jensen recently has taken a leading role in the management of the Cayman Island feeder fund structure of ROC I and ROC II international funds with associated C-corporations and alternative investment vehicles. Mr. Jensen began his finance career at Bridge-LLC in 2006 where he was engaged principally in the firm's acquisitions, dispositions and development business. During his career to date, he has been responsible for due diligence and analysis of more than $400 million in real estate debt and equity transactions across the multi-family, commercial office, retail and hospitality sectors. Mr. Jensen is a Certified Commercial Investment Member. Mr. Jensen received his Bachelor of Arts from the University of Utah.

Capital Markets Group

The Capital Markets Group is responsible for developing equity and debt capital strategies. As of the date of this Memorandum, the members of the Capital Markets Group are:

Name	Position with Investment Manager
Dean A. Allara	Member, Capital Markets Group
Donaldson L. Hartman	Member, Capital Markets Group
Paul Hutchinson	Member, Capital Markets Group
Robert Morse	Member, Capital Markets Group
Stephanie O'Mara	Member, Capital Markets Group

For the biographical information of Messrs. Hartman and Morse, see Section VII – "The General Partner, the Investment Manager and Management – The General Partner – Investment Management Committee of the General Partner."

Dean A. Allara, 51, is a member of the Underwriting Management Committee and Capital Markets Group of the Investment Manager and a member of the Investment Committee of the General Partner. Mr. Allara is the Chief Operating Officer of Bridge-IGP and has served as a principal of Bridge-LLC since 2008. He has 25 years of experience in the real estate investment process including analyzing, raising capital, acquiring, financing, developing, managing, improving and selling properties. Prior to the founding of ROC I and ROC II, Mr. Allara has been directly responsible for capital raising of over $1.0 billion in multi-family and single family residential, commercial, resort golf, hotel and retail properties. Mr. Allara has experience in real property development including permits and zoning, master planning, debt financing, insurance, construction management, home owners' association management, marketing and residential sales. Mr. Allara received his Bachelor of Science degree in Business Administration from the St. Mary's College. He received his Masters of Business Administration from Santa Clara University.

Paul Hutchinson, 42, serves as Director of the Capital Markets Group for the Investment Manager and is a member of its Underwriting Management Committee. Mr. Hutchinson has 16 years of experience in management and marketing. With deep regional relationships with capital sources, national loan providers, real estate brokers and alternative distressed asset sources, Mr. Hutchinson served as one of the investment professionals of Bridge-IGP since September 2011, managing the $724 million in capital raised for ROC I and ROC II. Since March 2005 and prior to co-founding ROC I in 2008, he was a co-founder and managing director at Bridge Loan Capital Fund where he was responsible for real estate backed debt instruments with private equity, syndication and investor relations. Mr. Hutchinson served as Chief Operating Officer of Pacific Finance Holdings from September 2008 until September 2011. Mr. Hutchinson's real estate investment experience includes successfully developing several high-end residential properties, raising over $50 million in capital for new construction projects to date. He is a frequent keynote speaker at business events on the topics of financial management, business development, training and organizational leadership. He is also a board member of the Utah Chapter of The Make a Wish foundation, The Living Planet Aquarium and Rotary International. Mr. Hutchinson completed two years of undergraduate studies at the University of Utah.

Stephanie O'Mara, 31, serves as Director of Capital Markets for the Investment Manager and is a member of the Capital Markets Group. Ms. O'Mara has nine years of experience in real estate and private equity focusing on institutional sales and marketing. As a member of the Capital Markets Group, Ms. O'Mara focuses on capital raising and investor relations. Prior to joining the Investment Manager, Ms. O'Mara was at Pomona Capital, a private equity fund of funds focused on secondary market transactions, where she was engaged in institutional sales. Before that, Ms. O'Mara was an associate at Lazard Freres & Co., where she focused on building and managing relationships in the corporate, public pension and consultant communities. She also has experience completing projects for research and technology platforms in the energy and private equity space targeting institutional investors. Ms. O'Mara earned her Bachelor of Arts degree in Economics from Trinity College in 2005.

Prior Investment Management Experience

The Investment Committee Members have historically been associated with or are now associated with the following entities described below:

Real Estate Opportunity Capital Fund LP – ROC I is a Delaware limited partnership formed in March 2009 and managed by Bridge-IGP that, along with two affiliated international feeder funds, has approximately $137.2 million in capital commitments consisting of $124.2 million of limited partner interests as well as $13 million of co-investment capital from third-party real estate investors. ROC I has acquired 39 opportunistic and value-add investments primarily in multi-family and commercial office properties located primarily in the western United States. As of December 31, 2013, ROC I had realized 17 investments. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

Real Estate Opportunity Capital Fund II LP – ROC II is a Delaware limited partnership formed in April 2012 and is managed by Bridge-IGP that, together with all of its parallel vehicles, has approximately $595.5 million in aggregate capital commitments. As at the date of this Memorandum, ROC II is approximately 70% invested, committed or reserved, and its general partner estimates that ROC II will be fully invested by the first quarter of 2014. ROC II is an affiliate fund of ROC I and pursues a similar opportunistic and value-add investment strategy focused on multi-family and commercial office investments. As of the date of this Memorandum, ROC II has acquired 39 investments since inception totaling more than 10,000 multi-family units and 2.3 million square feet of commercial office property. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

ROC|Seniors Housing & Medical Properties Fund LP – ROC Seniors is a Delaware limited partnership formed in January 2014, that is managed by ROC Seniors Housing Fund GP, LLC, a Delaware limited liability company. ROC Seniors is seeking $500 million in aggregate capital commitments. ROC Seniors was formed to acquire healthcare real estate located throughout the United States, with a focus on independent living, assisted living and memory care facilities, although the portfolio may also include skilled nursing facilities, continuing care

retirement communities and medical office properties. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

PMN Real Estate Investments, Ltd. – PMN Real Estate Investments, Ltd. ("PMN") is an Asia-based real estate and private equity fund holding company. PMN owns a significant interest in the General Partner and ROC Debt Management, LLC, and its principals are active participants in the Investment Committee and all aspects of the management of Fund investments. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

Bridge Realty Capital, LLC – Bridge Realty Capital, LLC ("BRC") is a mortgage brokering and debt placement company founded in 1999. BRC is a wholly owned subsidiary of Bridge-LLC. Its president, Brad Andrus, has a 19-year history of placing debt for Bridge-IGP and its affiliates. The General Partner may engage BRC to help the Fund acquire debt financing for portfolio investments of ROC Debt Strategies, for which the Fund would pay market rate fees. BRC has recently been instrumental in helping ROC I and ROC II acquire attractively termed and priced LIBOR-based financing from three key U.S. money center banks.

Bridge Investment Group Partners, LLC – Bridge-IGP is regulated and registered as an investment adviser with the SEC and owns 60% of the Investment Manager. Bridge-IGP is a wholly owned subsidiary of RBP Capital. Bridge-IGP serves as the investment manager for each of ROC I and ROC II. In addition, principals of Bridge-IGP separately manage portfolios of multi-family apartment properties and commercial office properties owned by other institutional capital aggregators and individual investors.

Bridge-IGP and its affiliates, including Bridge Property Management, L.C. ("BPM"), have managed over $4 billion of real estate assets and currently employ approximately 1,000 employees in 50 MSAs across 16 states. These employees currently include approximately 48 property managers, 90 leasing agents and over 270 on-site personnel providing property maintenance and operations. Bridge-IGP's network is well-versed in the local markets, allowing the Investment Manager and its affiliates a valuable resource for local market intelligence (such as leasing activity, sub-market occupancy, valuation, employment and demographic trends, local government redevelopment initiatives, capital improvement needs and physical security issues).

Pacific Finance Holdings, LLC – Bridge-IGP is the successor of Pacific Finance Holdings, LLC (the "Additional Advisor") as the investment manager for ROC I. The principals of Bridge-IGP, the Investment Manager and the Additional Advisor include, among others, Robert Morse, Dean Allara, Donaldson Hartman, Jonathan Slager and John Pennington (collectively, the "Licensed Investment Adviser Representatives"). The Licensed Investment Adviser Representatives are managers of the Additional Advisor. The Additional Advisor is an appointed representative of the Investment Manager for the relationship management of all investors subject to regulation under the laws of Taiwan, including the monitoring of such investors' investments in the Fund, and will enter into certain consultancy and secondary arrangements with the Investment Manager (the "Additional Advisory Agreement"). As described in this Memorandum, the Investment Manager will enter into an advisory agreement with the Fund ("Management Agreement") pursuant to which the Investment Manager will be retained by the Fund to identify, evaluate, recommend, structure, and monitor the Fund's investments. The Management Agreement will terminate on the earlier of (i) the dissolution of the Fund, and (ii) written agreement by both parties to terminate the Management Agreement. The Additional Advisory Agreement will terminate on the earlier of (i) the termination of the Management Agreement, (ii) the dissolution of the Fund, and (iii) written agreement by both parties to terminate the Additional Advisory Agreement.

Bridge Investment Group, LLC – Bridge LLC is an affiliate of Bridge-IGP. Bridge-LLC was founded in 1992 and since that time has been recognized as one of the leading real estate teams in the acquisition, development, financing, management and disposition of multi-family apartment and commercial office properties in the western United States. Bridge-LLC is an affiliate of, and its owners are indirect owners of, Bridge-IGP and the General Partner.

Bridge Property Management, L.C. – BPM and Bridge-IGP are both wholly-owned by ROC Debt Management. BPM is a property management company that currently manages the majority of the properties owned by ROC I and ROC II. BPM currently manages approximately 32,000 multifamily apartment units and approximately 1.4 million square feet of commercial office space, approximately 40% of which are owned by unaffiliated real estate investors. BPM and its affiliates currently employ approximately 1,000 full-time real estate professionals in over 50 unique sub-markets across the United States.

ROC Debt Strategies Fund Manager, LLC – The Investment Manager is a Delaware limited liability company and is jointly owned directly by Bridge-IGP and a limited liability company owned by Mr. Chung. The Investment Committee Members are all indirect owners of the Investment Manager. The Investment Manager is an integrated investment adviser with Bridge-IGP, which integration allows both firms to use a unified compliance program, employ one chief compliance officer and implement and adhere to one regulatory filing with the SEC as a registered investment adviser. Bridge-IGP and the Investment Manager are considered an integrated investment adviser in reliance on Section 203(a) and Section 208(d) ("Integrated Rule") of the Advisers Act of 1940 (the "Advisers Act"). The Integrated Rule is available to Bridge-IGP and the Investment Manager, because the two firms: (i) are separate legal entities, (ii) have a unified compliance program, (iii) only advise private funds and certain separate accounts on behalf of qualified clients, (iv) hold themselves out as conducting a single advisory business because the two firms share a great number of personnel and back office resources, (v) rely on a single code of ethics and (vi) are, as a general statement, operationally integrated. Under the Integrated Rule, Bridge-IGP is the "filing adviser" and the Investment Manager is the "relying adviser."

THE ADVISORY COMMITTEE OF ROC DEBT STRATEGIES

Overview

The Fund will have an advisory committee (the "Advisory Committee") consisting of representatives of Limited Partners unaffiliated with the General Partner. The number of members of the Advisory Committee will not at any time be less than three and will not exceed seven members. The General Partner will decide in its absolute discretion which Limited Partners will be invited to appoint a representative to be a member of the Advisory Committee. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other Fund-related matters, as well as the delivery of required consents under the Advisers Act. The Fund may consult with the Advisory Committee regarding the

Fund's investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The Limited Partner representatives on the Advisory Committee will be full voting members. The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. The General Partner may in its sole discretion also appoint industry professionals as non-voting observer members of the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. Any such industry professional members will be specially selected by the General Partner for their expertise in a particular area such as healthcare industry regulations, audit control, capital markets, legal or other corporate governance functions.

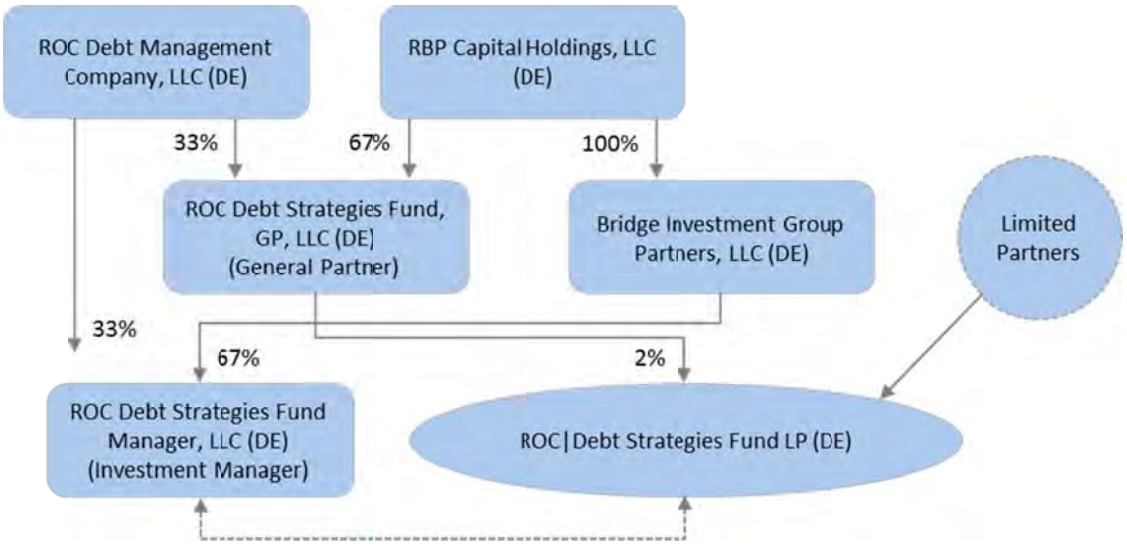
The industry professional members of the Advisory Committee may be compensated for their services to ROC Debt Strategies in equity interests in the General Partner, and/or paid market rate fees by The Fund.

OWNERSHIP OF THE GENERAL PARTNER

The Fund is managed by the General Partner, ROC Debt Strategies Fund GP, LLC, which is owned by RBP Capital and ROC Debt Management. RBP Capital currently owns 67% of the General Partner, and ROC Debt Management currently owns 33% of the General Partner. The General Partner has engaged ROC Debt Strategies Fund Manager, LLC to serve as Investment Manager for ROC Debt Strategies. The Investment Manager makes recommendations to the Investment Committee of the General Partner, which is required to review and approve all investment decisions for the Fund.

The Investment Manager has been formed by Bridge-IGP and ROC Debt Management to act as the investment manager of the Fund and future debt investment vehicles. Bridge-IGP currently owns 67% of the Investment Manager, and ROC Debt Management owns 33% of the Investment Manager.

Bridge-IGP is a wholly-owned subsidiary of RBP Capital Holdings, LLC ("RBP Capital"), a holding company that owns several Bridge-IGP affiliates that perform various functions for Bridge-IGP affiliated funds. Bridge-LLC, PMN and RFG ROC, LLC own the majority of RBP Capital.



VIII. DETAILED SUMMARY OF TERMS

The following is a summary of certain information about ROC |Debt Strategies Fund LP and an investment in limited partnership interests therein (the "Interests"). This summary is qualified in its entirety by reference to the Limited Partnership Agreement of ROC|Debt Strategies Fund LP (as amended, restated or otherwise modified from time to time, the "Partnership Agreement"). The Partnership Agreement and subscription materials will be provided to qualified investors prior to closing. To the extent that the terms set forth below are inconsistent with those of the Partnership Agreement, the Partnership Agreement will control.

Fund	ROC|Debt Strategies Fund LP, a Delaware limited partnership (the "Fund," which definition includes, as appropriate, any Parallel Vehicles (as defined below)). The Fund's investment objectives are to achieve attractive risk-adjusted returns and investor capital preservation by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States (the "Investments").
Committed Capital	The Fund is seeking $500 million of capital commitments ("Capital Commitments") from qualified limited partners (each, a "Limited Partner" and collectively, the "Limited Partners"), including limited partners in any Parallel Vehicles (as defined below and together with the Limited Partners, the "Combined Limited Partners"). The General Partner reserves the right in its sole discretion to accept Capital Commitments of up to $750 million.
Minimum Commitment	The minimum Capital Commitment by a Limited Partner will be $1 million, although the General Partner (as defined below) reserves the right to accept Capital Commitments of lesser amounts. The Fund will not accept Capital Commitments that will cause it to have in excess of 1,995 Combined Limited Partners of record, to avoid the requirement to register as a public reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Additionally, the Partnership Agreement will restrict transfers to ensure that the Fund will avoid becoming a reporting company under the Exchange Act.
General Partner	The General Partner of the Fund is ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (together with the Limited Partners, the "Partners"). The General Partner has full and exclusive management authority over the business and affairs of the Fund.
Investment Manager	The Investment Manager of the Fund is ROC Debt Strategies Fund Manager, LLC, a Delaware limited liability company and an affiliate of the General Partner. The General Partner has engaged the Investment Manager to make investment recommendations to the Fund and to provide administrative and management services to the Fund in connection with the Investments.
Members of the General Partner's Investment Committee	James Chung, Donaldson Hartman, Jeehae Lee, Robert Morse, Kiernan Pusey and Danuel Stanger.
Closing	The initial closing of the Fund, at which time the first Capital Commitments will be accepted (the "Initial Closing"), will occur as soon as practicable at such time as the General Partner determines that sufficient Capital Commitments have been obtained in order for the Fund to commence operations. Subsequent closings may be held at the discretion of the General Partner not later than 18

months after the Initial Closing (or such later date approved by the Advisory Committee) (each, a "Subsequent Closing" and the final one thereof, the "Final Closing").

General Partner Commitment

The General Partner and its affiliates will commit an amount equal to at least 2% of the total Capital Commitments to the Fund not to exceed $10 million. The General Partner and its affiliates will invest on the same terms and conditions as the other Limited Partners, except that they will not bear Management Fees or be subject to Carried Interest (each as defined below) and their Interests will be non-voting regarding matters presented to the Partners.

Investment Limitations

Diversification. Without the consent of the Advisory Committee, Capital Contributions (as defined below) made in connection with any single Investment may not exceed 15% of the then-outstanding aggregate Capital Commitments of all Limited Partners (measured as of the Initial Closing); provided, that up to 25% of the aggregate Capital Commitments may be contributed for any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in such Investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial Investment.

Blind Pool Funds. Without the consent of the Advisory Committee, the Fund will not invest at any time in "blind pool" investment funds or funds that have not identified substantially all investments to be acquired with such fund's offering proceeds and in which the General Partner does not have discretion over individual investments.

Non-U.S Investments. Without the consent of the Advisory Committee, the Fund will not invest in assets located outside of the United States, or in companies and businesses which, based on information available to the General Partner, have the majority of their assets located or derive the majority of their revenues from countries that are outside of the United States.

Leverage

The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately 65% of the sum of the acquisition costs of the Investments in the Fund's portfolio.

Commitment Period

Capital calls may be required from time to time for a period commencing on the Initial Closing and ending no later than the third anniversary of the Initial Closing (the "Commitment Period"). Thereafter, the Limited Partners will be released from any further obligation with respect to their un-drawn Capital Commitments (the "Unfunded Commitments"), except to the extent necessary to: (a) cover the expenses or other obligations of the Fund, including the Management Fee; (b) complete Investments by the Fund in respect of transactions in process prior to the end of the Commitment Period; (c) without the consent of the Advisory Committee, make follow-on Investments in existing Investments, provided that the amount of follow-on Investments made after the Commitment Period that were not committed or reserved for during the Commitment Period will not exceed 15% of the aggregate amount of the Capital Commitments (with notice thereof to the Limited Partners prior to the end of the Commitment Period); and (d) repay borrowings or satisfy guarantees

	or other obligations of the Fund (whether incurred before or after the Commitment Period). The Commitment Period may be terminated at any time by (x) the General Partner, (y) the vote of the Limited Partners representing 80% of the Capital Commitments of the Fund or (z) the vote of a majority of then-outstanding aggregate amount of Capital Commitments upon the occurrence of a Key Man Event (as defined below).
Target Return[1]	10 to 12% net internal rate of return.
Term/Removal	The Fund will dissolve eight years from the Initial Closing, unless extended at the discretion of the General Partner for up to two consecutive one-year periods. The Fund will dissolve earlier upon the vote of the Limited Partners representing 66-2/3% of the Capital Commitments of the Fund after the occurrence of "Cause Event" (as defined in the Partnership Agreement). Limited Partners holding 66-2/3% of the Capital Commitments may also remove the General Partner following the occurrence of a "Cause Event."
Capital Contributions	Capital Commitments generally will be drawn down proportionately to the Partners un-drawn Capital Commitments ("Unfunded Commitments") on an as-needed basis to fund Investments, the Management Fee and Partnership Expenses (as defined below), with a minimum of ten business days' prior notice to the Limited Partners (each such drawing, a "Capital Contribution"). ERISA Partners (as defined in the Partnership Agreement) may not be required to fund their capital contributions to the Fund until the closing date of the Fund's first Investment (but will be required to make direct payments in respect of Management Fees and Partnership Expenses), and may be required to fund their capital contributions for the Fund's first Investment into an escrow account pending application to such first Investment (as more fully described in the Partnership Agreement). All other Limited Partners also may be required to pay Management Fees and Partnership Expenses directly to the General Partner until the Fund makes its first Investment. Any amount drawn down from Unfunded Commitments to pay the Management Fee or Partnership Expenses may, to the extent Limited Partners receive subsequent distributions, either be retained or added back to Unfunded Commitments and be subject to recall for future investment. In addition, any return of capital from an Investment disposed of during the Commitment Period may either be retained or added back to Unfunded Commitments and be subject to recall.

[1] The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. There can be no assurance that the Fund's target return will be achieved. Please refer to the disclaimer at the front of the Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Net internal rate of return is the gross internal rate of return net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund).

Co-Investment Policy

The General Partner may, in its sole and absolute discretion, provide co-investment opportunities alongside the Fund and any parallel investment vehicles ("Parallel Vehicles") in one or more of the Investments to certain persons such as Limited Partners or third parties in which the General Partner determines that, due to size or risk of the Investment, such Investment is not in the Fund's best interests to be made in whole (including local investors, strategic investors and lenders) ("Co-Investors"), though it is not obligated to do so. The terms of any such co-investment, including the fees and carried interest applicable thereto, if any, will be negotiated by the General Partner and the Co-Investor on a case-by-case basis in their respective sole and absolute discretion. The carried interest and management fees payable by the Co-Investor, if any, may be calculated solely with respect to such co-investment.

Subsequent Closings

Limited Partners admitted or increasing their Capital Commitments at any Subsequent Closing generally will be required to fund their proportionate share of any Investment previously made and then held, Organizational Expenses and Partnership Expenses paid prior thereto. Such amount will be paid, together with interest accruing thereon in an amount equal to 8% per annum, to the Fund and then refunded by the Fund to the Partners that made Capital Commitments prior to such Subsequent Closing in proportion to their funded Capital Commitments, and the Unfunded Commitments of the Partners that made Capital Commitments prior to such Subsequent Closing will be increased by the amount representing a return of capital. See also "Management Fee" below. The amounts funded by these Limited Partners admitted or increasing their Capital Commitments at Subsequent Closings (other than the additional amounts referred to above) will reduce such Limited Partners' Unfunded Commitments.

Warehoused Investments

Prior to the Initial Closing, the General Partner may acquire one or more Investments with the intent of transferring such Investments (the "Warehoused Investments") to the Fund. Following the Initial Closing (or within a reasonable time thereafter), the General Partner intends to transfer the Warehoused Investments to the Fund for an amount equal to the sum of (i) the acquisition cost of such Warehoused Investment (less any disposition proceeds and any amounts received from such Warehoused Investment), including any fees, taxes, expenses and costs incurred by the General Partner in connection with the purchase and holding of such investments, (ii) interest accruing thereon in an amount equal to 8% per annum and (iii) all fees, taxes, expenses and costs incurred by the General Partner in connection with the transfer of such Investments to the Fund.

Distributions

Net cash proceeds from the disposition, exchange or refinancing of an Investment or any portion of an Investment ("Disposition Proceeds") will be distributed as soon as practicable after receipt thereof (except as otherwise provided herein). Current income from Investments other than Disposition Proceeds ("Current Income" and together with Disposition Proceeds, "Investment Proceeds") generally will be distributed no later than 60 days after the end of each fiscal quarter. Except in connection with termination of the Fund, the General Partner will only be required to distribute Disposition Proceeds once such Disposition Proceeds not previously distributed exceed at least $15 million and Current Income once such Current Income not previously distributed exceeds at least $3 million.

Distributions of Disposition Proceeds will be made in the first instance to the Limited Partners and the General Partner pro rata in proportion to each of their percentage interests with respect to such Investment (subject to any distributions to the General Partner (or its designee) attributable to allocations of gain in lieu of the Management Fees waived by such General Partner (or its designee)). Each Limited Partner's share of Disposition Proceeds will then be distributed to such Limited Partner and the General Partner in the following amounts and order of priority:

For Limited Partners making Capital Commitments of less than $10 million:

(i) Return of Capital and Costs on Realized Portfolio Investments: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Investment Proceeds from this clause (i) from that Portfolio Investment (as defined in the Partnership Agreement) and all Portfolio Investments that have been disposed of ("Realized Investments") equal to (a) such Limited Partner's Capital Contributions for all Realized Investments; (b) such Limited Partner's Capital Contributions for Organizational Expenses (as defined below), Management Fees (as defined below), and Partnership Expenses (as defined below) allocable to the Realized Investments; and (c) such Limited Partner's pro rata share of any net unrealized losses on write-downs of the Fund's other Investments in the aggregate (together, "Realized Capital and Costs"); and

(ii) 8% Preferred Return: Second, 100% to such Limited Partner until the cumulative distributions of Investment Proceeds to such Limited Partner represent an 8% cumulative compounded annual rate of return on the cumulative distributions made pursuant to clause (i) above (the "Preferred Return");

(iii) General Partner Catch-up: Third, 50% to the General Partner and 50% to such Limited Partner until the General Partner has received as Carried Interest (as defined below) distributions with respect to such Limited Partner equal to 20% of the sum of (a) the aggregate amount of Investment Proceeds distributed to such Limited Partner from such Portfolio Investment and all Realized Investments, net of such Limited Partner's Realized Capital and Costs, and (b) the amount of distributions of Carried Interest to the General Partner under this catch-up provision in respect of such Limited Partner; and

(iv) 80/20 Split: Thereafter, 80% to such Limited Partner and 20% to the General Partner (the distributions to the General Partner described in clause (iii) above and this clause (iv) being referred to collectively as "Carried Interest").

For Limited Partners making Capital Commitments of $10 million or more:

(i) Return of Capital: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Disposition Proceeds and Current Income (pursuant to this clause (i)) in an amount equal to such Limited Partner's aggregate Capital Contributions;

(ii) 8% Preferred Return: Second, 100% to such Limited Partner until the cumulative distributions to such Limited Partner of Disposition Proceeds and Current Income in excess of such Limited Partner's aggregate Capital Contributions represents an 8% cumulative compounded annual rate of return

on the amount of such Limited Partner's Capital Contributions from the date the applicable Capital Contributions were made until the date such amounts are distributed to such Limited Partner;

(iii) General Partner Catch-up to 20% Overall Carried Interest: Third, 50% to the General Partner and 50% to such Limited Partner until the General Partner has received (as Carried Interest) 20% of the sum of (A) the aggregate amount of Disposition Proceeds and Current Income distributed to such Limited Partner pursuant to clause (ii) above, and (B) the amount of Carried Interest distributed to the General Partner with respect to such Limited Partner; and

(iv) 80%/20% Split: Thereafter, 80% to such Limited Partner and 20% to the General Partner.

For subscribers committing less than $10 million, the Fund will distribute Current Income from a Portfolio Investment generally in the manner described above for distributions of Distribution Proceeds to subscribers committing less than $10 million except that distributions of Current Income will not take account of a return of capital contributions from such Portfolio Investment, fees or expenses but will be required to make up for any amount by which the Realized Capital and Costs then exceeds the cumulative distributions of Disposition Proceeds from Realized Portfolio Investments and Current Income from such Portfolio Investments. For subscribers committing $10 million or more, the Fund will distribute Current Income from a Portfolio Investment in the manner described above for distributions of Distribution Proceeds to subscribers committing $10 million or more.

Distributions of income from temporary investments will be made among all Partners in proportion to their respective proportionate interests in the Fund property or funds that produced such income, as reasonably determined by the General Partner. Distributions relating to the partial disposition of Investments will be subject to the above formula, with the Carried Interest being based on the original cost of, and the cumulative distributions being made with respect to, the disposed portion of such Investment. Notwithstanding the foregoing, the General Partner may cause the Fund to make distributions from time to time to the General Partner in amounts sufficient to permit the payment of the tax obligations of the General Partner and its direct and indirect owners in respect of allocations of income related to the Carried Interest. Any such distributions will be taken into account in making subsequent distributions to the Partners. Amounts of taxes paid by the Fund or its subsidiaries, tax credits received by the Fund and amounts withheld for taxes will be treated as distributions for purposes of the calculations described above.

The General Partner will be entitled to withhold from any distribution amounts necessary to create, in its discretion, appropriate reserves for expenses and liabilities of the Fund, as well as for any required tax withholdings.

Distributions in Kind

Distributions prior to the termination of the Fund may only take the form of cash or marketable securities. Upon termination of the Fund, distributions may also include restricted securities and other assets of the Fund. In the event the Fund disposes of marketable securities for cash, in lieu of such cash the General Partner may in its discretion offer the option to receive its pro rata share of such securities prior to such distribution to each Partner.

Allocation of Profits	The Fund will establish and maintain a capital account for each Partner. All items of income, gain, loss and deduction will be allocated to the Partners' capital accounts in a manner generally consistent with the distribution procedures outlined under "Distributions" above.
Clawback	Upon termination of the Fund, the General Partner will return to the Fund for distribution to each Limited Partner the amount, if any, equal to the greater of (a) the amount by which the cumulative distributions of Carried Interest to the General Partner with respect to the Limited Partner exceeds 15% of distributions to such Limited Partner and (b) an amount such that upon its distribution to such Limited Partner, the Limited Partner will have received the Preferred Return, but in either case no more than the cumulative distributions of Carried Interest with respect to such Limited Partner (calculated on an after-tax basis).
Management Fee	Commencing on the Initial Closing, the Fund (or the Fund's subsidiaries) will in the aggregate pay a management fee (the "Management Fee") to the Investment Manager quarterly in advance. The Management Fee attributable to a Limited Partner that has made Capital Commitments of less than $10 million will equal (a) prior to the end of the Commitment Period, 1.5% per annum of such Limited Partner's Capital Commitment and (b) thereafter, 1.5% of such Limited Partner's Capital Contributions with respect to Investments that have not been disposed of. The Management Fee attributable to a Limited Partner that has made Capital Commitments of $10 million or more will equal (a) prior to the end of the Commitment Period, 1.25% per annum of such Limited Partner's Capital Commitment and (b) thereafter, 1.25% of such Limited Partner's Capital Contributions with respect to Investments that have not been disposed of. Limited Partners admitted to the Fund at a Subsequent Closing will contribute (from their Unfunded Commitments) their pro rata share of the Management Fee that otherwise would have been payable by such Limited Partner had such Limited Partner been admitted prior to the Subsequent Closing, plus interest accruing thereon in an amount equal to 8% per annum. Such contributed amounts (other than such additional amounts) will reduce such Limited Partner's Unfunded Commitment. The Fund may pay the Management Fee from draw-downs of Capital Commitments which will reduce Unfunded Commitments or out of Current Income or Disposition Proceeds.
Waiver of Management Fees	The General Partner, the Investment Manager and their affiliates may waive any portion of the Management Fee to which they would otherwise be entitled in exchange for special allocations of future gains in the Fund equal to the waived Management Fees.
Investment Manager Expenses	The Investment Manager and General Partner will be responsible for all of each of their normal and recurring routine operating expenses of managing the Fund (other than Partnership Expenses, as defined below), including compensation of employees, rent, utilities and recurring expenses of management. Legal, accounting or other specialized consulting or professional services that either of the Investment Manager or the General Partner would not normally be

expected to render with its own professional staff shall not be considered normal and recurring routine operating expenses.

Partnership Expenses

The Fund, except as noted above, will pay all expenses related to its own operations ("Partnership Expenses"), including, but not limited to, Organizational Expenses (as defined below), fees, costs and expenses directly related to purchasing, disposing of, financing, hedging, developing, negotiating and structuring Investments, including costs of advisers, costs in connection with transactions not consummated and travel expenses, accountants and legal counsel, any brokerage commissions and custodial expenses, any insurance, indemnity or litigation expense, any taxes, fees or other governmental charges levied against the Fund (including out-of-pocket expenses with respect to the Fund's legal and regulatory compliance), principal, interest on and fees and expenses arising out of all borrowings made by the Fund, expenses associated with portfolio and risk management including currency hedging, expenses of liquidating the Fund, expenses incurred in connection with any tax audit or investigation of the Fund, expenses associated with the Fund's administrative and reporting costs, including the Fund's annual meeting expenses, and expenses of the Advisory Committee (including any fees paid to industry professional members of the Advisory Committee), financial statements and tax returns. In addition, the Fund will be responsible for all fees and expenses due any legal, financial, accounting, consulting or other advisors or any lenders, investment banks and other financing sources and other costs and fees in connection with transactions which are not consummated. Subject to applicable legal, tax or regulatory constraints, the Fund and each Parallel Vehicle will share in Partnership Expenses and partnership expenses of any Parallel Vehicle pro rata based on the aggregate Capital Commitments and capital commitments of investors in such Parallel Vehicles. Out-of-pocket expenses associated with completed transactions will be reimbursed by the issuer of the Investment or capitalized as part of the acquisition price thereof. In addition, the Fund will be responsible for certain service, placement and other fees payable to the Investment Manager as discussed in more detail in Section VII – "The General Partner, the Investment Manager and Management" and Section IX – "Risk Factors and Conflicts of Interest."

Organizational Expenses

The Fund will bear all legal, accounting, filing and other organizational and offering expenses incurred in the formation of the Fund, the General Partner and any Parallel Vehicle, up to an amount equal to $1.75 million (the "Organizational Expenses"). To the extent the Fund is required to pay expenses in excess of $1.75 million they will be treated as Organizational Expenses for purposes hereof, but a corresponding amount of the Management Fee otherwise payable will be reduced by 100% thereof.

Acquisition and Debt Sourcing Fees

The General Partner and its affiliates will not receive any transaction fees, such as acquisition, disposition, financing or other similar fees in connection with the Fund's business without the approval of the Investment Manager. However, the General Partner shall be entitled to retain a portion of fees paid by borrowers for due diligence services in connection with debt investments equal to the amount of out-of-pocket costs incurred by the General Partner or its affiliates (as deemed reasonably appropriate by the General Partner in its good faith), including the direct and indirect costs to the General Partner or its affiliates of the employees providing such services.

Key Man Event

If any event or circumstance occurs which results in at least three of Messrs.

Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee no longer being actively involved in the affairs of the General Partner, the Investment Manager, ROC I, ROC II or the Fund (including Parallel Vehicles and alternative investment vehicles and each of their respective investments) for a continuous period of 60 days (a "Key Man Event"), at any time prior to the expiration or termination of the Commitment Period, the General Partner will promptly give notice to the Limited Partners of that fact. The Commitment Period will be cancelled if, within 60 days of the Combined Limited Partners receiving notice of a Key Man Event, the General Partner is notified of the written election or vote of the Combined Limited Partners to terminate the Commitment Period; provided, that any such termination of the Commitment Period will not apply to any follow-on Investment or proposed new Investment with respect to which the Fund has entered into a binding letter of intent, an enforceable written agreement in principle or an enforceable definitive written agreement to make such Investment prior to the occurrence of such Key Man Event; provided further, that during the 60-day period referenced above, (x) such follow-on Investments and such proposed Investments will be the only Investments completed or made by the Fund, (y) other than those Investments permitted under clause (x) above, the Fund will not enter into any legally binding agreements with respect to any such proposed Investments and (z) Capital Contributions for new Investments will only be for Investments with respect to which the Fund has entered into an enforceable definitive written agreement to make such Investments prior to the occurrence of such Key Man Event.

Partnership Borrowing

The Fund may incur Indebtedness and guarantee obligations with respect to Investments and Partnership Expenses and enter into one or more credit facilities or guarantees which may be secured by the Limited Partners' Unfunded Commitments as well as the Fund's assets in order to enable the Fund to make Investments or pay expenses without making a capital call on the Limited Partners; *provided*, that after the end of the Commitment Period, the Fund will not incur any new indebtedness for borrowed money (1) unless such new indebtedness: (a) is incurred to cover Partnership Expenses or pay Management Fees and does not exceed $15 million in the aggregate at any time; (b) is incurred to refinance or renew any indebtedness outstanding prior to the expiration date of the Commitment Period, but only if the economic terms of any such refinancing or renewal are in the General Partner's good faith judgment, in the aggregate, substantially equal to or better than the aggregate economic terms of the indebtedness being refinanced; or (c) is incurred to provide interim financing for follow-on Investments to the extent necessary to consummate the purchase of such follow-on Investments prior to the receipt of Capital Contributions or distributions (as applicable) or (2) other than indebtedness that relates to an Investment that the General Partner has specifically reserved for and disclosed to the Limited Partners in writing prior to the expiration date of the Commitment Period or that has otherwise been approved by the Advisory Committee; *provided*, *further*, that aggregate outstanding Partnership borrowings will not, when taken together with the Fund's share of outstanding borrowings through vehicles it controls, exceed 75% of the greater of costs of the Investments made by the Fund or the Fund's pro rata share of the fair market value of all Investments, subject to the terms of the Partnership Agreement. A Limited Partner may be required to acknowledge its obligations to make Capital Contributions to the Fund for its share of such guarantees or indebtedness up to the amount of its Unfunded Commitment.

Advisory Committee

The Fund's Advisory Committee will consist of representatives of Limited Partners unaffiliated with the General Partner. The number of members of the Advisory Committee will not at any time be less than three or exceed seven members. The General Partner will decide in its absolute discretion which Limited Partners will be invited to appoint a representative to be a member of the Advisory Committee. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other Partnership-related matters and it will give all required consents under the Advisers Act. The Fund may enlist the expertise of its Advisory Committee regarding the Fund's investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. The General Partner may in its sole discretion also appoint industry professionals as non-voting observer members of the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. Any such industry professional members will be specially selected by the General Partner for their expertise in a particular area such as audit control, capital markets, legal or other corporate governance functions.

The Advisory Committee will make decisions by way of a majority vote. The Limited Partner representatives on the Advisory Committee will be full voting members, but the industry professional members of the Advisory Committee will be non-voting observer members.

The industry professional members of the Advisory Committee may be compensated for their services to the Fund in equity interests in the General Partner, and paid market rate fees by the Fund.

Transfer of Interests

A Limited Partner may not sell, assign or transfer any Interest without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion. Further, a Limited Partner generally may not withdraw any amount from the Fund. The Partnership Agreement will set forth additional transfer restrictions with respect to the Securities Act and the Exchange Act.

Reports

The Fund will furnish audited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2014, and for each year thereafter until the termination of the Fund) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 90 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Fund.

Indemnification

The Fund will indemnify the General Partner, the Investment Manager, their affiliates and any of their respective officers, members, directors, agents,

stockholders, and partners, and any other person who serves at the request of the General Partner on behalf of the Fund as an officer, member, director, partner, employee or agent of any other entities and any member of the Advisory Committee (in each case, an "Indemnitee") for any loss, damage or expense incurred by such Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the Fund or in furtherance of the interests of the Fund or otherwise arising out of or in connection with the Fund and its Investments, if such action or decision not to act was taken in good faith, and provided that an Indemnitee will only be entitled to indemnification to the extent that such Indemnitee's conduct did not constitute fraud, willful misconduct, gross negligence, bad faith, a material breach of the Partnership Agreement or the management agreement, or material violation of applicable securities laws (provided, that no member of the Advisory Committee will be liable other than conduct in bad faith on the part of such member). Limited Partners will be obligated to return amounts distributed to them to fund the Fund's indemnity obligations, subject to certain limitations.

Restriction on Competing Funds

Without the consent of the Advisory Committee, until the earlier of (a) the time at which at least 75% of the Fund's Capital Commitments have been invested in, called for contribution, or otherwise committed or reasonably reserved for contribution pursuant to a letter of intent, written agreement in principle or written definitive agreement, for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses or (b) the end of the Commitment Period, none of the General Partner, the Investment Manager or any of their respective affiliates will close on any other investment fund that has as its primary objective investing in commercial real estate-related debt investments (a "Competing Fund"), other than: (a) ROC I; (b) ROC II; (c) ROC Seniors; (d) any Parallel Vehicle; (e) any Managed Account Vehicle (as defined below) or (f) any fund or vehicle formed to make investments that would be precluded or materially limited by the limitations discussed under "Investment Limitations" above or other requirements hereof or applicable law or regulation (taking into account committed and reasonably reserved amounts) (any entity or vehicle pursuant to clauses (a)-(f), an "Exempted Fund"). For the avoidance of doubt, investment vehicles formed for the primary purpose of investing in (i) multi-family, industrial and commercial office, seniors housing, retail or hospitality real estate assets or (ii) real estate assets located outside of the United States, will not be a Competing Fund.

If the General Partner terminates the Commitment Period based on its good faith judgment that such cancellation is necessary or advisable, the General Partner and its affiliates will not close a Competing Fund until the expiration date of the Commitment Period. If a Competing Fund is organized after at least 75% of the aggregate Capital Commitments are invested in, or called for contribution for, or committed or reserved for, investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses, then, until the earlier of (a) the time at which at least 90% of the aggregate Capital Commitments have been invested in, called for contributions for or committed or reasonably reserved for contribution for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses ("Full Investment") or (b) the end of the Commitment Period, a Competing Fund may not close on any Investment, unless the investment by the Fund in such Investment is legally or contractually prohibited or, as a result of the application of law, could have a material adverse effect on the Fund or the General Partner; provided, that from the date of Full Investment until the end of the

Commitment Period, Investments will be allocated between the Fund and the Competing Fund on a basis that the General Partner believes in good faith to be fair and reasonable including consideration of the deployment of remaining available capital of the Fund and the Competing Fund.

Without the consent of the Advisory Committee, the Fund will not invest in, acquire Investments from, nor sell Investments to, any entity in which the General Partner or its affiliate has either (a) 2.5% or more of the outstanding equity interests of such entity or (b) a pre-existing economic interest of more than $10 million (other than: (i) Warehoused Investments; (ii) follow-on Investments; (iii) Investments shared upon the initial investment therein with a Competing Fund or Exempted Fund or (iv) follow-on Investments relating to Investments made pursuant to clause (ii) and made on a pro rata basis).

Restrictions on Non-Partnership Investments

Without the consent of the Advisory Committee, none of the General Partner, the Investment Manager or their respective affiliates will invest outside of the Fund in the acquisition of investments in debt secured by commercial real estate (except where the acquisition of a debt investment is made with the purpose of acquiring the underlying real estate that secures the loan), from the Initial Closing until the earlier of the end of the Commitment Period or Full Investment (except as otherwise contemplated herein). However, the foregoing sentence will not apply to (a) passive personal investments, if such investments are not made in direct ownership or control of such Investments, (b) any property which the General Partner, its affiliates or their respective partners, officers, members, shareholders, directors, agents or employees intends to occupy or use for business or residential purposes or (c) any investment made by an Exempted Fund.

If any other investment vehicle for which the General Partner or its affiliate acts as the general partner or investment advisor (or any other similar capacity) is not a Competing Fund (including any Managed Account Vehicle) and such other investment vehicle has any investment objectives or guidelines in common with those of the Fund in any respect, then investment opportunities which are within such common objectives and guidelines will generally be allocated between the Fund and such other vehicle on the basis that the General Partner believes in good faith to be fair and reasonable. (See Section IX – "Risk Factors and Conflicts of Interest.")

ERISA

The General Partner will use its reasonable efforts either to (i) limit equity participation by "benefit plan investors" to less than 25% of the total value of each class of equity interests in the Fund, or (ii) structure investments of the Fund and operate the Fund in such a manner so as to qualify the Fund as a "venture capital operating company" or "real estate operating company" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and its regulations, so that the underlying assets of the Fund should not constitute "plan assets" of any "benefit plan investor" which invests in the Fund. Prospective Investors should carefully review the ERISA matters discussed under Section X – "Certain Regulatory, Tax and ERISA Considerations" and should consult with their own advisors as to the consequences of making an investment in the Fund.

Excuse, Exclusion and Withdrawal

A Limited Partner may be excused (in whole or in part) from funding an Investment if its participation would violate (a) any law or regulation to which it is subject or (b) its written investment policy that has been identified by such

Limited Partner to the General Partner in writing prior to the Limited Partner's admission date. The General Partner may exclude a Limited Partner (in whole or in part) from participating in an Investment if the General Partner determines in good faith that a significant delay, extraordinary expense or materially adverse effect on the Fund or any of its affiliates, in any Investment or prospective investment is likely to result from such Limited Partner's participation. The excused or excluded Limited Partner's Unfunded Commitment will not be reduced as a result of any excuse or exclusion and the General Partner may issue new calls for further Capital Contributions; provided, that no Limited Partner will be obligated to contribute an amount in excess of such Limited Partner's Unfunded Commitment.

A Limited Partner may be required to withdraw from the Fund (in whole or in part) if, in the reasonable judgment of the General Partner, by virtue of that Limited Partner's Interest: (a) assets of the Fund may be characterized as plan assets of any plan, account or other arrangement for purposes of Title I of ERISA, Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or other applicable similar law; (b) the Fund or any Partner may be subject to any requirement to register under the 1940 Act; (c) a significant delay, extraordinary expense or material adverse effect on the Fund or any of its affiliates, in any Investment or any prospective investment is likely to result; or (d) in the General Partner's sole discretion, based on the advice of legal counsel, a violation of any law, rule or regulation is likely to result.

Failure to Make Contributions/Default

A Limited Partner which defaults in respect of its Unfunded Commitment may be subject to certain remedies, including forfeiture of 50% of its Interest (with a corresponding reduction in that Limited Partner's capital account) except to the extent that distributions with respect to such Limited Partner's capital account represent a return of capital to such defaulting Limited Partner less any expenses, deductions or losses. Each non-defaulting Limited Partner may be required to increase its Capital Contribution (except with respect to a defaulting Limited Partner's Management Fees); provided, that no Limited Partner will be required to fund amounts in excess of its Unfunded Commitments.

Parallel Vehicles

The General Partner may, in its sole and absolute discretion, provide co-investment opportunities alongside the Fund and any Parallel Vehicles in one or more of the Investments to certain persons such as Limited Partners or third parties in which the General Partner determines that, due to size or risk of the Investment, such investment is not in the Fund's best interests to be made in whole. The Parallel Vehicles will generally invest proportionately in all Investments on a pro rata basis (based on available capital at the time of the initial acquisition thereof) and dispose of Investments on effectively the same terms and conditions and at approximately the same time as the Fund, subject to applicable legal, tax or regulatory considerations, and will generally share on a pro rata basis (based on available capital at the time of consummation of each such investment) in expenses; provided, that if a Parallel Vehicle does not have sufficient available capital to fund its pro rata share of an Investment, such unfunded portions may be allocated to the Fund and the other Parallel Vehicles proportionally based on such party's capital commitments. Such arrangements will have economic terms no more favorable than those of the Fund. The limited partners in the Parallel Vehicle vote independently in relation to matters affecting only the particular entity in which they are a limited partner and on a combined basis in relation to matters affecting the Fund as a whole. All references herein to the Fund will also be references to any Parallel Vehicles

unless the context otherwise indicates. The General Partner initially expects to form a Parallel Vehicle for investment by non-U.S. investors.

The General Partner, the Investment Manager and their affiliates reserve the right to raise and manage one or more managed accounts or other similar arrangements structured through an entity (collectively, "Managed Account Vehicles") for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that overlap with, those of the Fund. (See Section IX – "Risk Factors and Conflicts of Interest.")

Feeder Vehicles

The Fund may form a U.S. or a non-U.S. feeder entity (the "Feeder Vehicle") for certain investors for the purpose of making their investment through such Feeder Vehicle. Investors in the Feeder Vehicle will have indirect Interests on the same economic terms as the other investors in the Fund. With respect to certain investments of the Fund that generate income that is effectively connected with the conduct of a U.S. trade or business, the Feeder Vehicle may hold such investments through entities that are treated as U.S. corporations for U.S. federal income tax purposes. While it is the intention of the Fund that such a structure would minimize or eliminate direct reporting of effectively connected income from such investments and avoid the branch profits tax, such a structure would not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with such an investment. Prospective purchasers should carefully review the ERISA matters discussed in "Regulatory, Tax and ERISA Considerations" and should consult with their own advisors as to the consequences of making an investment in the Fund through a Feeder Vehicle. See Section X – "Certain Regulatory, Tax and ERISA Considerations."

Alternative Investment Vehicles

Alternative investment vehicles in which one or more Limited Partners may be required to invest outside the Fund may be used by the General Partner if the General Partner determines in good faith that for legal, tax, regulatory, accounting or other similar considerations it is in the best interest of such Partners that an Investment (or a portion thereof) be made through an alternative investment vehicle. Any applicable Carried Interest will be calculated based on the aggregate investment proceeds of the Fund and all alternative investment vehicles (unless otherwise agreed to by a majority in interest of the Combined Limited Partners). Expenses associated with alternative investment vehicles may be allocated solely to the participants therein, as determined in good faith by the General Partner; *provided* that to the extent such alternative investment vehicle is formed for the benefit of some but not all of the participants therein, the expenses associated with such alternative investment vehicle may be allocated to those benefiting thereby, as determined in good faith by the General Partner.

Certain Tax Matters	It is intended that, for U.S. federal income tax purposes, the Fund will be treated as a partnership and will not be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code that is taxed as a corporation. Each prospective investor should carefully review the tax matters discussed under Section IX – "Risk Factors and Conflicts of Interest" and Section X – "Certain Regulatory, Tax and ERISA Considerations" and is advised to consult its own tax advisor as to the tax consequences of an investment in the Fund.
Amendments; Side Letters	Except as required by law and subject to certain limitations set forth in the Partnership Agreement, the Partnership Agreement may be amended from time to time with the consent of the General Partner and a majority in Interest of the Combined Limited Partners. In certain circumstances described in the Partnership Agreement, the General Partner may unilaterally amend the Partnership Agreement (including to accommodate changes negotiated with Combined Limited Partners at Subsequent Closings, subject to certain limitations). The Fund or the General Partner, without any further act, approval or vote of any Partner, may enter into side letters or other writings with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement. Any rights established, or any terms of the Partnership Agreement altered or supplemented in a side letter with a Limited Partner will govern with respect to such Limited Partner notwithstanding any other provision of the Partnership Agreement.
Partnership and General Partner Counsel	Alston & Bird LLP
Auditors	Deloitte & Touche LLP
Custodians	Wells Fargo Bank N.A., U.S. Bank N.A., and KeyBank N.A.

IX. RISK FACTORS AND CONFLICTS OF INTEREST

Investment in the Fund entails a high degree of risk and is suitable only for sophisticated individuals and institutions for whom an investment in the Fund does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Fund. Prospective investors should carefully consider the following risk factors, among others, in determining whether an investment in the Fund is a suitable investment. There can be no assurance that the Fund will be able to achieve its investment objectives, and investment results may vary substantially on an annual basis.

No Operating History

Although the Investment Committee Members and other key personnel of the General Partner and the Investment Manager have extensive experience investing in and structuring real estate properties and real estate related businesses and entities, the Fund, the General Partner and the Investment Manager are newly formed entities with no operating history. As a result, an investment in the Fund may entail more risk than an investment in a company with a substantial operating history.

Reliance on Key Management Personnel

The success of the Fund will depend, in large part, upon the skill and expertise of the Investment Committee Members and other key persons described in Section VII – "The General Partner, the Investment Manager and Management." These individuals are under no contractual obligation to remain with the General Partner, the Investment Manager or the Fund and are not required to devote all of their time to the Fund's affairs. If the General Partner were to lose the services of any of these key personnel, the financial condition and operations of the Fund could be materially adversely affected. There can be no assurance that these key personnel will continue to be affiliated with the Fund throughout its term. See Section VIII – "Detailed Summary of Terms – Key Man Event."

No Right to Control the Fund's Operations

Limited Partners have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund and must rely entirely on the General Partner and the Investment Manager to conduct and manage the affairs of the Fund. The Carried Interest allocation to be made to the General Partner may create an incentive for the General Partner to make investments that are riskier or more speculative than the investments the General Partner would otherwise recommend if its compensation did not include a Carried Interest component. In the limited areas where the Limited Partners have the right to consent to or to take certain actions, it should be noted that the Limited Partners and the limited partners of the Parallel Vehicles generally vote on all matters on a combined basis as set forth in the Partnership Agreement. Accordingly, action by limited partners in a Parallel Vehicle could affect the Fund.

Availability of Suitable Investments

Purchasers of the Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Investment Manager in investing and managing the capital of the Fund.

Substantial Competition for Suitable Investments

The Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, operating companies, financial institutions (such as REITs, mortgage banks, pension funds and real estate operating companies) and other institutional investors. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Fund and adversely affecting the terms upon which Investments can be made. The Fund may incur

bid, due diligence or other costs on investments which may not be successful or may not be completed at all. As a result, the Fund may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on the Fund with respect to the price of a transaction. There can be no assurance that investments of the type in which the Fund may invest will continue to be available for the Fund's investment activities or that available investments will meet the Fund's investment criteria. Further, to the extent suitable investments are available, there can be no assurance that if such investments are made, the objective of the Fund will be achieved.

Restrictions on Transfer and Withdrawal

Interests have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration under the Securities Act or other securities laws will ever be effected. Interests may only be offered, sold or transferred to individuals or entities who or which are qualified investors under applicable securities laws. Furthermore, there is no public market for the Interests and none is expected to develop. Each Limited Partner will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution. Each Limited Partner must be prepared to bear the economic risk of an investment for an indefinite period of time. A Limited Partner will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Interest, except by operation of law, without the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. Except in extremely limited circumstances, voluntary withdrawals from the Fund will not be permitted.

No Assurance of Investment Return

The General Partner and the Investment Manager cannot provide assurance that they will be able to choose, make, and realize investments in any particular type of Investment. There can be no assurance that the Fund will be able to generate returns for the Limited Partners or that the returns will be commensurate with the risks of investing in the type of assets, securities, companies and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Illiquid Investments

The Fund intends to invest in debt obligations secured by real estate properties for which the number of potential purchasers and sellers, if any, is often very limited. This factor may have the effect of limiting the availability of these obligations for purchase by the Fund and may also limit the ability of the Fund to adjust its investing strategy in response to adverse changes in the performance of Investments or changes in economic or market trends.

Long-Term Investment

Investment in the Fund requires a long-term commitment, with no certainty of return. The return of capital and realization of gains, if any, from an Investment will generally occur only upon the partial or complete disposition or refinancing of such Investment. Limited Partners should therefore expect that they will not receive a return of capital for an extended period of time. Thus, an investment in the Fund is not suitable for an investor who needs liquidity.

Investments Longer than Term

The Fund may make investments which may not be advantageously disposed of prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or will be suitable for in-kind distribution at dissolution,

the Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Dilution from Additional Closings

Limited Partners that are admitted or increase their Capital Commitment at Subsequent Closings will generally participate in existing Investments of the Fund, diluting the interest of existing Limited Partners that do not determine to increase their Capital Commitment. Although such Limited Partners will contribute their pro rata share of previously made Fund draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Fund's existing Investments at the time such additional Limited Partners subscribe for Interests.

Recycling; Reinvestment

During the Commitment Period, proceeds distributable (or previously distributed) to the Partners that constitute a return of Capital Contributions may be retained and reinvested (or recalled for reinvestment) by the General Partner or used (or recalled for use) by the General Partner for any purpose permitted under the Partnership Agreement. Accordingly, a Partner may be required to fund an aggregate amount in excess of its Capital Commitment during the term of the Fund, and to the extent such recalled or retained amounts are reinvested in investments, a Limited Partner will remain subject to investment and other risks associated with such investments.

Failure to Fund Capital Commitments; Consequences of Default

If a Limited Partner fails to pay installments of its Capital Commitment when due, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted Capital Contribution, the Fund may be unable to meet its obligations when due. As a result, the Fund may be subjected to significant penalties that could limit opportunities for Investment diversification and materially adversely affect the returns of the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the Partnership Agreement, including, without limitation, forfeiture of its capital account balance, a forced sale of its Interests at a reduced value and preclusion from further investment in or sharing in gains of the Fund.

General Economic and Market Conditions

The real estate industry generally and the success of the Fund's investment activities will both be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. These factors may affect the level and volatility of investment prices and the liquidity of the Fund's Investments, which could impair the Fund's profitability or result in losses. In addition, general fluctuations in interest rates may affect the Fund's investment opportunities and the value of the Fund's Investments. A sustained downturn in the United States or global economy (or any particular segment thereof) could adversely affect the Fund's profitability, impede the ability of the Fund's portfolio entities to perform under or refinance their existing obligations and impair the Fund's ability to effectively exit its Investments on favorable terms.

Fannie Mae and Freddie Mac Legislative Reform Risk

Recent legislation sponsored by Senators Johnson and Crapo ("Johnson/Crapo Bill") proposes to wind down Fannie Mae and Freddie Mac and replace them with the Federal Mortgage Insurance Corporation ("FMIC"). The FMIC would fulfill the current functions of Fannie Mae and Freddie Mac, but would be subject to greater oversight and control by Congress. The likelihood of enactment of the Johnson/Crapo Bill is uncertain. However, it indicates the high degree of Congressional interest in curtailing or eliminating many of the current functions of Fannie Mae and Freddie Mac. There can be no assurance that Johnson/Crapo Bill, even if enacted in substantially different form than currently proposed, would not have a negative impact on the investment

opportunities that the Fund will rely on to be proposed by Freddie Mac. If Freddie Mac's current operations are substantially restricted or if it is wound down by the Johnson/Crapo Bill or by any legislation enacted in the future, it could substantially reduce the amount of investment opportunities available to the Fund and result in a negative impact on your investment.

Investments with Third Parties in Joint Ventures and Other Entities

The Fund may hold non-controlling interests in certain investments or, similarly, may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers. The Fund's ability to seek redress against a partner or manager which acts in a manner contrary to the interests of the Fund may also be limited. Investments made with third parties in joint ventures or other entities may involve "carried interest" and other fees payable to such third-party partners or co-venturers. Any such arrangements will result in lower returns to the Fund than if such arrangements had not existed.

Nature of Debt Securities

The debt securities in which the Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Investments in Commercial Property Loans

The investments of the Fund may be backed by or comprised of loans made with respect to a variety of commercial real estate, including but not limited to multifamily, hotel, retail, office, mobile home, student housing, self-storage, industrial and mixed portfolios (collectively, "Loans"). Such Loans are subject to normal credit risks as well as those generally not associated with traditional debt securities. The ability of the borrowers to repay the Loans will typically depend upon the successful construction or rehabilitation and operation of the related real estate projects and the availability of financing. Any factors that affect the ability of the projects to generate sufficient cash flow could have a material effect on the value of the Loans and accordingly the value of the assets of the Fund. Such factors include, but are not limited to (a) the uncertainty of cash flow to meet fixed obligations, (b) adverse changes in general and local economic conditions, including interest rates and local market conditions, (c) tenant credit risks, (d) the unavailability of financing, which may make the operation, sale, or refinancing of a property difficult or unattractive, (e) vacancy and occupancy rates, (f) construction and operating costs, (g) regulatory requirements, including zoning, rent control and real and personal property tax laws, rates and assessments, (h) environmental concerns, (i) project and borrower diversification, (j) vandalism (with attendant security costs), (k) uninsured losses, (l) restrictions and compliance costs imposed by the Americans with Disabilities Act and similar laws, and (m) general nonrecourse status. In addition, commercial properties often involve a single user or tenant, or relatively few tenants. Commercial property specifications may be tailored to the requirements of particular users or tenants and, accordingly, it may be difficult, costly and time consuming to liquidate such properties or attract new tenants.

General Real Estate Risks

The Fund's Investments consist of debt and equity securities in entities that derive their cash flow and value from the performance of underlying real estate properties. The cash flow, value and marketability of real estate is subject to a number of factors, including, among others, changes in the general economic climate, local

conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of the managers of the properties, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance costs, changes in operating costs, changes in government regulations (including those governing usage, improvements zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

In certain circumstances the Fund may be required to foreclose upon collateral and become the direct owner of real estate and subject to real estate risk including the following:

- Overbuilding and increased competition;
- Declines in the value of real estate;
- Increase in the operating expenses;
- Vacancies due to economic conditions and tenant bankruptcies;
- Changes in zoning laws;
- Casualty or condemnation loss;
- Variations in rental income;
- Changes in neighborhood values; and
- Functional obsolescence and appeal to property tenants.

Special Servicing Rights

In commercial real estate debt, a special servicer or "workout agent" is responsible for resolving delinquent and defaulted underlying mortgage loans. In the event that the General Partner obtains the right to appoint the special servicer with respect to an investment, the General Partner may appoint itself or an affiliate as special servicer. If the General Partner does not obtain such rights, the Fund may not be able to influence the special servicing of its underlying defaulted mortgage loans. Should the General Partner appoint itself or an affiliate as a special servicer, such services to the Fund will be provided at or below competitive market rates.

Extension Risk

The Fund expects to acquire most CMBS investments at a discount. Such investments are subject to the risk that a slower than expected rate of principal payment on the underlying mortgage loans could result in an actual yield that is lower than the anticipated yield from these investments.

Prepayments

The yield on any Fund asset will be affected by the rate and timing of principal payments applied in reduction of the actual or, in the case of certain interest-only securities, the notional principal amount of such assets. The rate and timing of these principal payments, or in the case of principal losses, principal or notional write-downs, will be affected by, among other factors, (i) the collection experience on the underlying mortgage loans, particularly unscheduled principal payments or collections in the form of voluntary prepayments of principal or unscheduled recoveries of principal due to defaults, and (ii) the order of priority in which such principal and collections are distributed in reduction of the actual or notional principal balance of the assets. Although underlying mortgage loans within each CMBS transaction invested in by the Fund may offer structural protection to early voluntary repayment in the form of prepayment penalties or yield maintenance payments, most subordinated classes of CMBS, such as the CMBS that will be invested in by the Fund, will not receive such penalties or payments.

Subordinated Securities

Investments in subordinated interests of securities backed by commercial real estate assets such as any subordinated CMBS invested in by the Fund involve greater credit risk of default than the senior classes of the issue or series. Many of the default-related risks of whole loan mortgages will be magnified in subordinated securities. Default risks may be further pronounced in the case of subordinated interests secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

Investments in Commercial Mortgage Loans

Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity (as a "balloon payment"), and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Most commercial mortgage loans underlying the Fund's investments are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the loan, and in particular the subordinated classes of any related loans or CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, on the loan or any subordinated classes of loans or CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed-in-lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property, may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the loan or related CMBS. Revenues from the assets underlying such loan or CMBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Loans acquired by the Fund may be nonperforming at the time of their acquisition, or following their acquisition for a wide variety of reasons. Such nonperforming real estate loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial writedown of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control.

Subordinated Investments

Many of the Fund's investments will be in subordinated mezzanine loans, B-pieces and other junior participation interests and preferred equity interests of a direct or indirect property owning entity. These investments will be subordinated to the senior obligations of the property or issuer, either contractually or structurally, because they may be equity securities. Greater credit risks are usually attached to these subordinated investments rather than to a borrower's first mortgage or other senior obligations because, among other reasons, these investments may not be protected by financial or other covenants and may have limited liquidity. These investments may be so-called "first loss investments" (regardless of whether they are equity investments). Adverse changes in a borrower's or an issuer's financial condition and/or in general economic conditions may impair the

ability of the borrower or issuer to make payments on the subordinated securities, which are made, generally, only after payments are made on senior investments. Accordingly, such subordinated investments may go into default and suffer losses prior to the borrower's or issuer's senior obligations.

Risks Associated with Borrower Defaults

In the event of a borrower default under a loan from the Fund, the Fund may in certain limited cases be entitled to foreclose upon the property securing the Fund's loan investment. A foreclosure action or other lender remedies may be subject to delays and additional expenses if defenses or counterclaims are interposed, and may require several years to complete. Moreover, a non-collusive, regularly conducted foreclosure sale may be challenged as a fraudulent conveyance, regardless of the parties' intent, if a court determines that the sale was for less than fair consideration and such sale occurred when the borrower was insolvent and within one year (or within the applicable state statute of limitations if the trustee in bankruptcy elects to proceed under state fraudulent conveyance laws) of the filing of bankruptcy. Similarly, a suit against a borrower on a note may take several years, and generally is a remedy alternative to foreclosure so that the Fund may be precluded from pursuing both foreclosure and an action on a note simultaneously.

Risk of Inadequate Insurance

It is anticipated that the Fund's borrowers will maintain insurance coverage against liability for personal injury and property damage. However, there can be no assurance that such insurance will be sufficient to cover any such liabilities. Insurance against certain risks, such as earthquakes or floods, may be unavailable, or available only in amounts that are less than the full market value or replacement cost of the applicable collateral. In addition, there can be no assurance that particular risks, which are currently insurable, will continue to be insurable on an economical basis or that current levels of coverage will continue to be available on an economical basis. Should an insured or underinsured loss occur, the Fund could lose its investment as well as anticipated income from such investment.

High Risk Investments

As part of its investment strategy, the Fund may acquire interests in highly leveraged or distressed or mismanaged debt and equity investments. While the Fund believes there is an opportunity for significant capital appreciation with respect to such investments, there is also an enhanced degree of risk. These investments may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses and may be particularly sensitive to recessions, downturns in general economic and business conditions and increased interest rates. There can be no assurance that the investments will perform, the borrowers will pay as expected, or, if defaulted, that the underlying assets will be able to be foreclosed upon and liquidated in a cost effective manner. In addition to the risks of borrower default, the Fund will be subject to a variety of risks in connection with such investments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the Fund's exercise of contractual remedies for defaults on such investments.

Environmental Risks

Any real property in which the Fund owns a direct or indirect ownership interest will be subject to federal and state environmental laws, regulations and administrative rulings, which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. In the event the Fund owns or becomes an owner of real estate, through purchase, foreclosure or otherwise, the Fund may be subject to federal and state environmental laws, which impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs. It is also possible, through the operation of various federal and state laws, for the Fund to be considered an owner or operator of real property simply as a result of making a loan secured on such property. Therefore, the Fund and any other entity in which the Fund acquires an interest may be exposed to substantial risk of loss from environmental claims arising

with respect to any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established, and the potential losses may exceed the Fund's investment therein.

Collateral

The Fund anticipates that its debt investments will be secured, directly or indirectly, by either a mortgage on real property or by a pledge and assignment of an ownership interest in the borrower entity. There is a risk that any such collateral may decline in value. Each loan that is secured directly or indirectly by real property is subject to the risk of loss from casualty or condemnation and the other risks associated with the ownership of real property, which risks are more particularly described in the paragraph entitled "General Real Estate Risks." Although it is anticipated that the Fund will in some instances have approval rights for certain major decisions (e.g., leasing, budgets, refinancing and sale), the Fund will be dependent upon the management skills of the borrower (or its affiliates or managers) for the overall operations of the underlying collateral.

Phantom Income

Investors in the Fund will be required to take into account for U.S. federal income tax purposes their allocable shares of the Fund's income without regard to the amount, if any, of distributions they have received from the Fund. Certain of the Fund's investments, particularly investments in CMBS, and certain resecuritizations that may be performed by the Fund are structured so as to cause the Fund to recognize taxable income in excess of its economic income ("phantom income"). Accordingly, to the extent the Fund recognizes phantom income or is not otherwise in a position to distribute its income investors may be required to pay federal income tax (and any other applicable income taxes) on amounts of income substantially in excess of cash distributions. (See Section X – "Certain Regulatory, Tax and ERISA Considerations.")

Credit Support Limitations

The amount, type and nature of insurance policies, subordination, letters of credit and other credit support, if any, with respect to certain CMBS and CDOs invested in by the Fund are based upon actuarial analysis. There can be no assurance that the historical data supporting such actuarial analysis will accurately reflect future experience nor any assurance that the data derived from a large pool of underlying mortgage loans accurately predicts the delinquency, foreclosure or loss experience of any particular pool of loans.

Lower Credit Quality Securities

There are no restrictions on the credit quality of the investments of the Fund. The Fund intends to invest in securities that may be deemed by nationally recognized rating agencies to have substantial vulnerability to default in payment of interest or principal. Securities purchased by the Fund may have the lowest quality ratings provided by the rating agencies or may be unrated. Lower rated and unrated securities have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher rated securities. Declining real estate values in particular will increase the risk of loss upon default, and may lead to a downgrading of the securities by the rating agencies. The value of such CMBS may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

"**Widening" Risk**

For reasons not necessarily attributable to any of the risks discussed above (for example, supply/demand imbalances or other market forces), the prices of the assets in which the Fund invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will

not be trading at even more "undervalued" levels at a time of sale by the Fund. It may not be possible to predict, or to hedge against, such "spread-widening" risk.

Leverage Risk

The Fund may use leverage in connection with its investments. While the use of leverage may enhance returns and increase the number of investments that can be made by the Fund, it may also substantially increase the risk of loss. Also, there can be no assurance that financing will be available to the Fund, available on a continuous basis or that it will be available on favorable terms. The Fund may also not be able to obtain financing with a term that matches the maturity of the investments acquired with such financing. In such a case, the Fund may need to liquidate investments to pay off such financing or obtain replacement financing on less favorable terms.

To enhance returns on its assets, the Fund may leverage its assets through bank credit facilities, warehouse lines of credit and other financings. On the basis of the estimated cash flows to be generated by its assets (both before and after giving effect to leverage) and subject to the leverage limitation of 60% of the sum of the acquisition costs of the Fund's Investments, the General Partner will decide, in its sole discretion (without the approval of or notice to investors), whether, and the extent to which, such leverage could be expected to achieve such enhancement. There can be no assurance, however, that leverage will achieve its goal. Leverage, moreover, can reduce the cash flows available for investment or distribution to investors. There can therefore be no assurance that the Fund will be able to meet its leverage-related debt service obligations and, to the extent that it cannot, the Fund risks to lose some or all of its assets.

The Fund's use of short-term floating-rate borrowings to acquire Investments (some of which will bear a fixed interest rate) may expose the Fund to a maturity mismatch. As a consequence, the Fund's borrowing costs could exceed the income earned on the assets it acquired with the borrowed funds, thereby reducing the Fund's income and its ability to invest and to make distributions to its investors. In addition, to repay maturing, short-term or called borrowings, the Fund may have to sell assets (even illiquid assets) quickly, at unfavorable prices, unless renewals of, or substitutes for, such borrowings are available. Forced sales of illiquid assets at unfavorable prices may result in a loss to the Fund.

The Fund's borrowings and its variable-rate assets are based on similar interest rate indices and repricing terms. The indices and terms for such borrowings, however, reflect a maturity somewhat shorter than those for the variable-rate assets. Although the historical spread between relevant short-term interest-rate indices has been relatively stable, the spread has on occasion been subject to volatility. In particular, spreads were extremely volatile during 2008-2009 and have been for extended periods in the past (*e.g.*, the 1979-1982 high interest rate environment). Certain assets of the Fund, furthermore, will bear interest at fixed rates and will have long-term maturities. There can be no assurance that such fixed rates will exceed the variable rates of interest on related borrowings. Interest rate mismatches could adversely affect the Fund's financial condition, income and ability to invest and to make distributions to its investors.

In addition, the Fund, as a structurally subordinated investor, has greater exposure to the risks incident to real estate ownership generally, and the leverage risk of the borrower in particular, than senior lenders. The Fund faces a greater exposure than senior lenders to the risk of borrower delinquency and default, as well as undercollateralization. As a rule, particularly if the borrower is in default, senior debt must be repaid before junior debt. If the senior and junior debts are secured by the same collateral, the senior lenders are entitled to foreclose on the collateral and satisfy their debt before the junior debt-holders receive any of the remaining foreclosure proceeds. The allocation of cash flows generated by the collateral property generally follows a similarly strict pattern during borrower default.

Risks of Derivatives

The Fund may utilize derivative instruments and techniques in order to hedge interest rate risk to which it is subject or to take on synthetic exposure to an investment. In addition to the general risks involved in any hedging activities, engaging in derivative transactions is subject to specific risks. The prices of all derivative instruments,

including options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities or other instruments underlying them. In addition, the Fund will also be subject to the risk of the failure of any of the exchanges on which it trades derivative instruments or of their clearinghouses.

The Fund may purchase and sell ("write") options on securities on national securities exchanges and in the domestic over-the-counter market. The seller ("writer") of a put option that is covered (e.g., where the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price (in establishing the short position) of the underlying security plus the premium received, and has sold the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of securities with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The writer of a call option that is covered (*e.g.*, where the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and has sold the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells the underlying security short, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security.

Options may be settled in cash, by physical delivery or by entering into a closing purchase (or sale) transaction. In entering into a closing purchase (or sale) transaction, the Fund may be subject to the risk of loss to the extent that the premium paid (or received) for entering into such closing purchase (or sale) transaction exceeds the premium received (or paid) when the option was first written (or purchased).

The Fund may buy or sell protection synthetically on various investments through the use of credit default swaps ("CDS") (or through credit linked notes), the reference obligations of which represent an interest in and are linked to structured products and other real estate-related investments. Investments in such types of assets through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of such investments. When the Fund is a buyer of protection in an unfunded CDS ("short"), upon the occurrence of a credit event, the counterparty to the Fund has an obligation to pay the par value of a defaulted reference obligation and take delivery from the Fund of such obligation, or to settle in cash. In order for physical settlement, the Fund would first need to purchase the reference obligation in order to deliver it and obtain payment under the CDS. The reverse is true when the Fund is a seller of protection ("long"). An active market may not exist for any of the CDSs in which the Fund invests or in the reference obligations subject to the CDS. As a result, the Fund's ability to maximize returns or minimize losses on such CDSs may be impaired. Other risks of CDSs include the difficulties in valuing the CDS, pricing transparency and the risk that the CDSs utilized by the Fund perform in a manner that does not correlate to the underlying markets or performs in other ways that are not expected. The Fund's positions in CDSs are also subject to counterparty risk, credit risk, market risk and interest rate risk. In addition, when the Fund is a buyer of protection on structured products, it may not be able to realize upon expected defaults if the underlying problem loans are bought out of the transaction at par by the issuer or another related party.

With respect to CDS, the Fund will not have a contractual relationship with the reference obligor on the reference obligation. The Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of either the reference obligation or any rights of set-off against the reference obligor, nor will the Fund generally have any voting or other consensual rights of ownership with respect to the reference obligation. The Fund will not directly benefit from any collateral supporting the reference obligation and will not have the

benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the CDS counterparty, the Fund will be treated as a general creditor of such counterparty and will not have any claim of title with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the CDS counterparty as well as that of the reference obligor.

The Fund may gain exposure to various investments through the use of total return swaps. The Fund can express a positive or negative view on the market by agreeing to either pay or receive the total return on a specific index. Investments in total return swaps may be unfunded, effectively involving leverage. Additionally, the term of any total return swap may be limited, and there is no guarantee than any active market will exist at any time. The Fund's positions in total return swaps are also subject to counterparty risk, credit risk, market risk and interest rate risk.

In order to further protect its investors from volatility, the General Partner may employ various forms of currency hedging, including using futures contracts. The General Partner may also leverage the investment return with commodity futures contracts. Futures markets are highly volatile. Price movements of futures markets are influenced by such factors as: changing supply and demand relationships; weather; governmental actions and interventions; agricultural, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and speculative frenzy and emotions of the marketplace.

Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund. (Also see Section IX - "Risk Factors and Conflicts of Interest.")

Futures interests may be illiquid. Most United States commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have moved the daily limit for several consecutive days with little or no trading in the past. Similar occurrences could prevent the Fund from promptly liquidating unfavorable positions and thus subject the Fund to substantial losses, which could greatly exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Fund may not be able to execute trades at favorable prices if there is only light trading in the contracts involved. Forward contracts and options thereon generally are not traded on exchanges and are not regulated or standardized. Trading in interbank exchange contracts may be subject to more risk than futures or options trading on regulated exchanges. (See Section IX – "Risk Factors and Conflicts of Interest.") The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. Participants in these markets may refuse to quote prices for certain currencies or commodities or quote prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell.

Swaps, certain options and other custom instruments are subject to the risk of nonperformance by the swap counterparty, including the risks relating to the financial soundness and creditworthiness of the swap counterparty. The Fund does not have any fixed credit-rating requirements for the counterparties with which it may engage in swaps.

Limits on trading in options contracts have been established by the various options exchanges and FINRA. The General Partner believes that established position limits will not adversely affect the Fund's contemplated trading. However, it is possible that the trading decisions of the General Partner may have to be modified and that positions held by the Fund may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the Fund's operations and profitability.

Other Financial Instruments

The Fund may take advantage of opportunities with respect to financial instruments that presently are not contemplated for use or that currently are unavailable, but that may be developed, to the extent such opportunities are legally permissible. Special risks may apply to instruments in which the Fund in the future may invest that cannot be determined at this time or until such instruments are developed or the Fund invests in them. Other financial instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Ability to Acquire Assets at Favorable Spreads; Competition and Supply

The Fund's return will depend, in large part, on the General Partner's ability to acquire investments for the Fund on advantageous terms. In acquiring investments, the Fund will compete with other investors, which may have greater financial resources than the Fund. Unanticipated increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments, which could narrow the yield spread over borrowing costs and reduce the Fund's returns.

Appraisal Reduction Risk

Upon the occurrence of certain events generally relating to a payment or other default on an underlying mortgage loan or events relating to the insolvency of the underlying mortgage loan borrower, the special servicer of the relevant asset will order an updated appraisal and calculate an "appraisal reduction" with respect to such mortgage loan. As a result of calculating one or more appraisal reductions, the amount of any required principal and interest advance with respect to such mortgage loan will be reduced by an amount equal to the amount of the appraisal reduction. This will have the effect of reducing the amount of interest available to the most subordinated class of CMBS outstanding, including the CMBS acquired by the Fund. Such reductions in interest, if they occur, may never be recouped. Consequently, the Fund may suffer from reductions in the amount of interest paid to it as the holder of such investments.

Counterparty Risk

During the recent financial crisis, several prominent financial market participants failed or nearly failed to perform their contractual obligations when due – creating a period of great uncertainty in the financial markets, government intervention in certain markets and in certain failing institutions, severe credit and liquidity contractions, early terminations of transactions and related arrangements, and suspended and failed payments and deliveries.

Many of the markets in which the Fund will affect its transactions will be "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the applicable contract (whether or not such dispute is bona fide) or because of a credit or liquidity problem, causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The General Partner has no internal credit function that evaluates the creditworthiness of a counterparty.

Insolvency Considerations

Debt securities held by the Fund may be subject to various laws enacted in the home country of the issuer of such debt securities (i.e., U.S., Canada, Mexico or the Caribbean, as applicable) for the protection of creditors. Insolvency considerations will differ depending on the country in which each issuer is located and may differ depending on whether the issuer is a non-sovereign or a sovereign entity. If a court in a lawsuit brought by an

unpaid creditor or representative of creditors of an issuer of debt securities, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such debt security and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the issuer or recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were greater than all of its property at a fair valuation or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the debt securities, or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a debt security, payments made on such debt security could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency.

In addition, if an issuer of a debt security is the subject of a bankruptcy proceeding, payments to the Fund with respect to such debt security may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court including the following: (a) an "automatic stay," under which the Fund will not be able to institute proceedings or otherwise enforce its rights against the issuer or obligor with respect to such debt security without permission from the court, (b) conversion by the bankruptcy court of such debt security into more junior debt or into an equity obligation of the issuer thereof or obligor thereon, (c) modification of the terms of the debt security by the bankruptcy court, including reduction or delay of the interest or principal payments thereon and (d) grant of a priority lien to a new money lender to the issuer of, or obligor on, the debt security.

Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists.

Usury

Any loans made by the Fund to any borrower entity may be subject to state usury laws. The Fund intends to comply with any applicable usury laws; however, in some instances, the General Partner may not be aware that the usury laws of a state are applicable and/or may not be successful in causing the Fund to comply with such laws.

Failure of the Fund to comply with any applicable usury laws could result in a significant loss with respect to any such loan and/or equity investment.

Limited Information

The Fund may not receive access to all available information to fully determine the origination, credit appraisal and underwriting practices utilized with respect to the investments or the manner in which the investments have been serviced or operated prior to acquisition of the investment by the Fund. In such cases, the information available to the General Partner and the Investment Manager at the time of making an investment decision may be limited, and they may not have access to detailed information regarding the investment. Therefore, no assurance can be given that the General Partner and the Investment Manager will have knowledge of all circumstances that may adversely affect an investment.

Expedited Transactions

Investment analyses and decisions by the General Partner and the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these circumstances, the General Partner and the Investment Manager often expect to rely upon independent consultants or the resources at various companies with which the Investment Committee Members were previously associated in connection with its evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Fund may incur liability as a result of such consultants' actions. Further, indemnification or other remedies may not be available to the Fund due to contractual provisions with such independent consultants limiting such indemnification or other remedies.

Diversification

Although the Fund intends to have certain diversification limitations (the Fund intends not to invest more than 15% of the aggregate Capital Commitments of all Limited Partners in any single investment, except in the limited circumstances described below), to the extent the Investment Manager concentrates the Fund's investments in a particular market, the Fund's portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular market. In addition, up to 25% of the aggregate amount of Capital Commitments may be invested in any one investment if the General Partner believes in good faith that the Capital Contributions invested in such investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial investment therein. In these circumstances and in other transactions where the General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Currency Risk

Foreign investors may experience currency risk with respect to their investment in the Fund. The value of the U.S. dollar fluctuates and it may change in relation to the value of other currencies around the world. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments.

Hedging Policies/Risks

In connection with the financing of certain investments, the Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency

exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. The General Partner does not in the ordinary course of business expect to hedge currency risks.

Troubled Origination

The Fund's investments may have been originated by financial institutions that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected.

Potential of No Current Income

The Fund's investment policies should be considered speculative, as there can be no assurance that the General Partner's assessments of the short-term or long-term prospects of investments will generate a profit. An investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

Liability of Partners

The General Partner has unlimited liability for all debts and obligations of the Fund. The total liability of a Limited Partner is limited to the amount of its Capital Commitment, unless in certain circumstances where such Limited Partner was involved in the management or otherwise engaged in the business of the Fund or externally represented the Fund. Any Limited Partner's Capital Commitment is susceptible to risk of loss as a result of any liability of the Fund irrespective of whether such liability is attributable to an investment to which such Limited Partner did not contribute any capital. If the Fund is otherwise unable to meet its obligations, the Limited Partners may, under Delaware law or other applicable law, be obligated to return, with interest, distributions previously received by them pursuant to any applicable rules regarding fraudulent conveyances to the Fund or to creditors whose interests have been injured. In addition, a Limited Partner may be liable under applicable bankruptcy law to return a distribution made during the Fund's insolvency.

Uncertainty of Financial Projections

The General Partner will generally establish the capital structure of portfolio entities on the basis of financial projections for such portfolio entities. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Indemnification

The Fund will be required to indemnify the General Partner, the Investment Manager, their respective affiliates and the respective members, partners, shareholders, officers, directors, employees, agents and representatives thereof for liabilities incurred in connection with the affairs of the Fund. Members of the Advisory Committee will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Partnership Agreement. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the Unfunded Commitments of the Limited Partners. If the assets of the Fund are insufficient, the General Partner may recall the distributions previously made to the Limited Partners, subject to certain limitations set forth in the Partnership Agreement. The General Partner may cause the Fund to purchase insurance for the Fund, the General Partner, the Investment Manager and their employees, agents and representatives.

Public Disclosure and FOIA

To the extent that the General Partner determines in good faith that, as a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of its affiliates may be required to disclose information relating to the Fund, its affiliates, or any entity in which an investment is made (other than certain fund-level, aggregate performance information described in the Partnership Agreement), the General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Limited Partner. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in the Investment Manager or the Fund becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, the Fund may be required to make representations about such investment. The Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In that regard, Limited Partners may be required to return amounts distributed to them to fund obligations of the Fund, including indemnity obligations, subject to certain limitations set forth in the Partnership Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to re-contribute such distribution to the Fund.

ECI

As further described in Section X – "Certain Regulatory, Tax and ERISA Considerations—United States Federal Income Taxation – Non-U.S. Limited Partners," certain activities conducted, and investments made by the Fund, such as loan originations or preferred equity or other investments in real property, may cause the Fund to be considered engaged in a U.S. trade or business for U.S. federal income tax purposes. As a result, income of the Fund from such investments may be treated as effectively connected income with such trade or business for such purposes ("ECI"). Non-U.S. Limited Partners must generally file U.S. federal income tax returns and pay U.S. federal income tax with respect to ECI of the Fund allocable to them. In addition, regardless of whether the Fund's activities constitute a trade or business, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), gain derived by the Fund from the disposition of U.S. real property interests (including certain participating loans, preferred equity investments and other investments in real property) is generally treated as ECI. Thus, Non-U.S. Limited Partners that invest in the Fund should be aware that a significant portion of the Fund's income and gain may be treated as ECI and thus may cause the non-U.S. Limited Partners to be subject to U.S. federal income tax (and possibly state and local income tax) with respect to their shares of such income and gain. The Fund will be required to withhold tax at the highest U.S. tax rates on effectively connected income allocable to non-U.S. Limited Partners. The Fund has no obligation to minimize ECI; however, non-U.S. Limited Partners who do not wish to be treated as engaged in a U.S. trade or business and to file U.S. tax returns and pay U.S. tax directly may be offered the opportunity to make their commitments to a Parallel Vehicle. Non-U.S. Limited Partners should refer to the discussion of "Non-U.S. Limited Partners" in Section X – "Certain Regulatory, Tax and ERISA Considerations—U.S. Federal Income Taxation."

UBTI

The Fund is permitted to incur substantial debt that could, in turn, cause the Fund to generate substantial debt-financed income that will be treated as "unrelated business taxable income ("UBTI"). In addition, certain activities of the Fund, e.g., loan originations and fee-generating activities, may be treated as an unrelated trade or business for UBTI purposes. The Fund may make investments and conduct activities through a subsidiary REIT or other entity to "block" UBTI but is not required to do so. Accordingly, tax-exempt investors should be aware that they may be allocated substantial amounts of UBTI unless they invest through a UBTI "blocker."

Risks from the Provision of Managerial Assistance

The General Partner will use reasonable efforts to avoid having the assets of the Fund constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the Code and may, in this regard, elect to operate the Fund as a "venture capital operating company" ("VCOC") or a "real estate operating company" ("REOC"), each within the meaning of regulations promulgated under ERISA. Operating the Fund as a VCOC or REOC would require that the Fund obtain rights to substantially participate in or influence the conduct of the management of a number of the Fund's Portfolio Investments. The Fund may designate a director to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. While the General Partner intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

ERISA Considerations

In the event the Fund is operated to qualify as a VCOC or REOC in order to avoid holding "plan assets" within the meaning of ERISA, the Fund may be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate Fund investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to the Fund than might have been the case without the need to qualify as a VCOC or REOC.

Certain Proposed Federal Income Tax Legislation

The Obama administration has recently proposed legislation and Congress has previously considered proposed legislation that would treat carried interests as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation could adversely affect employees or other individuals performing services for the Fund who hold direct or indirect interests in the General Partner and benefit from carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund.

Legal, Tax and Regulatory Risks

The Fund must comply with various legal requirements, including those imposed by securities laws, tax laws and pension laws. Should any of such laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Partners may be subject could differ materially from the current requirements and adversely affect the Partners.

Forward Looking Statements

Forward looking statements (including estimated returns, opinions or expectations about any future event) contained in the Memorandum are based on a variety of estimates and assumptions by the Fund and the General Partner, including, among others, estimates of future operating results, the value of assets and market conditions at the time of disposition, and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of the Fund's and the General Partner's control. There can be no assurance that any such estimates and assumptions will prove accurate, and actual results may differ materially, including the possibility that an investor may lose some or all of any invested capital. The inclusion of any forward looking statements herein should not be regarded as an indication that the Fund and the General Partner consider such forward looking statement to be a reliable prediction of future events and no forward looking statement should be relied upon as such. Neither the Fund nor any of its representatives has made or makes any representation to any person regarding any forward looking statements and none of them intends to update or otherwise revise such statements to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such forward looking statements are later shown to be in error.

Internal Rates of Return and Yields

To the Fund's knowledge, there are no established standards for the calculation of internal rates of return or yields for investment portfolios of the sort discussed herein. The use of a methodology other than the one used herein may result in different and possibly lower Returns. In addition, the current unrealized or estimated returns that are reflected in the overall track record may not be realized in the future, which would materially and adversely affect actual Returns for the applicable investments and potentially the overall track record of which it is a part.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE FUND, ESPECIALLY SINCE THE FUND HAS THE FLEXIBILITY TO ENGAGE IN A WIDE RANGE OF INVESTMENT STRATEGIES AND THE FULL RANGE OF STRATEGIES, SECURITIES AND MARKETS IN WHICH THE FUND MAY INVEST CANNOT BE SPECIFIED IN ADVANCE. POTENTIAL INVESTORS SHOULD READ THIS MEMORANDUM, THE SUBSCRIPTION DOCUMENTS AND THE PARTNERSHIP AGREEMENT IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE FUND.

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CONFLICTS OF INTEREST

The Fund may be subject to a number of actual and potential conflicts of interest. Although the General Partner and the Investment Committee Members will devote to the Fund as much time as is necessary or appropriate, in their judgment, to manage the Fund's activities, certain of the Investment Committee Members and their affiliates also provide discretionary investment management services to other investment programs. The following briefly summarizes some other conflicts, but is not intended to be an exclusive list of all such conflicts. Any references to the General Partner and the Investment Manager in this Section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees.

Other Activities of the Investment Committee Members

The Investment Committee Members will devote such time as shall be reasonably necessary to conduct the business affairs of the Fund in an appropriate manner. The Investment Committee Members and their affiliates are not prohibited from engaging directly or indirectly, in any other business venture. Because certain of the Investment Committee Members may devote significant time to other projects as discussed previously, including other financial services firms or other real estate investment funds and businesses, conflicts may arise in the allocation of management resources. The Fund will have no interest in such other projects, investments, funds and businesses. None of the Investment Committee Members are prohibited from raising money for another entity that makes the same type of investments that the Fund seeks to acquire.

Not only do certain of the Investment Committee Members have investments and commitments away from the Fund, certain of the Investment Committee Members are the owners or employees of companies and businesses that are separate from the Fund and as a result they may owe fiduciary obligations to these companies and businesses. Mr. Stanger is a partial owner of Bridge-LLC and has time commitments away from the Fund as a member of Bridge-LLC's board of directors. Messrs. Hartman, Morse and Stanger are actively involved in the affairs of Bridge-IGP, ROC I and ROC II. Messrs. Hartman and Morse are also actively involved in the affairs of ROC Seniors. Furthermore, certain other personnel of the Investment Manager and its affiliates also continue to manage various real estate investments currently held by Bridge-LLC. (See Section VII – "The General Partner, the Investment Manager and Management.")

If a member of the Investment Committee is deemed to have a material conflict of interest with respect to a presented investment opportunity, such member will be prohibited from voting on the matter.

Related Party Transactions

In the operation of the Fund, the General Partner, the Investment Manager and the Investment Committee Members may have conflicts of interest in connection with transactions with or services provided to the Fund itself. If the General Partner, the Investment Manager or any of its affiliates, including the Investment Committee Members, engages in any related party transaction in which compensation is paid, the General Partner will evaluate the terms of such transactions to ensure that the terms will, in the good faith judgment of the General Partner, be fair to the Fund and will be consistent with market rates. Conflicts may arise, however, because such compensation will not be determined through arm's-length negotiation and the General Partner will not guarantee the performance by its affiliates of any services provided to the Fund.

Fees for Services

The General Partner and its affiliates may receive certain fees from Investments in connection with property management services or the purchase, monitoring or disposition of Investments or in connection with unconsummated transactions (e.g., transaction, consulting, management, Investment banking, advisory, closing, topping, break-up and other similar fees). For example, the Fund may be offered co-investment opportunities in transactions led by other investors. The General Partner or its affiliates may be engaged to provide asset management or other services in connection with the underlying portfolios acquired. With respect to the portion of any such portfolios owned by other investors, the General Partner or its affiliates may receive compensation at

competitive market rates. The General Partner is not obligated and does not expect to share any such earned fees with the Fund or the Limited Partners therefore, conflicts may arise in the allocation of management resources.

The voting members of the Advisory Committee will be independent and will not be affiliated with the General Partner, but conflicts may arise in connection with this committee as industry professionals are permitted to be appointed as non-voting members of the Advisory Committee and such industry professional members are eligible to be compensated for their service to the Fund in equity interests in the General Partner and paid market rate fees by the Fund.

Other Investment Vehicles and Accounts

The General Partner and the Investment Manager and their affiliates, including certain of the Investment Committee Members, currently manage and advise other businesses, investment vehicles, accounts and clients that may have objectives similar, in whole or in part, to the Fund; as a result, in certain situations conflicts of interest may arise with the allocation of investment opportunities.

To the extent that any of the Investment Committee Members become aware of a commercial real estate debt investment opportunity available to an affiliated company or business that is consistent with the Fund's Investment Guidelines (as defined in the Partnership Agreement), the Investment Committee will review the opportunity at the next scheduled Investment Committee meeting and will either vote to (i) assume the affiliate's bidding position with respect to the investment opportunity, or (ii) refuse to take further action with respect to the investment opportunity on behalf of the Fund. The members of the Investment Committee may vote to refuse to take further action with respect to the investment opportunity for any reason. Should the Investment Committee vote to refuse to take further action with respect to the investment opportunity, then the affiliate would be permitted to pursue and invest in the investment opportunity.

In addition, the General Partner and the Investment Manager or their affiliates may manage and advise other investment vehicles (including funds qualified under Internal Revenue Code Section 1031), accounts and clients which may have objectives similar, in whole or in part, to those of the Fund. In particular, the General Partner, the Investment Manager and their affiliates reserve the right to raise or manage one or more managed accounts or other similar arrangements structured through an entity (collectively, "Managed Account Vehicles") for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that overlap with, those of the Fund. The Fund may co-invest with such other investment vehicles, accounts and clients, including any Managed Account Vehicle, on a basis that the General Partner believes in good faith to be fair and reasonable. To the extent that the Fund holds interests that are different (or more senior) than those held by a Managed Account Vehicle or any of such other vehicles, accounts and clients, the General Partner and the Investment Manager may be presented with decisions involving circumstances where the interests of a Managed Account Vehicle or such other vehicle, account or client are in conflict or competition with those of the Fund. In that regard, actions may be taken for the Managed Account Vehicle or other vehicle that are adverse to the Fund.

It should be noted that the terms of a Managed Account Vehicle (including the economic terms, investment limitations, diversification parameters and governance rights afforded to investors in such Managed Account Vehicle) may materially differ from, or be materially more favorable to the investors in such Managed Account Vehicle than, the terms of the Fund. Moreover, as a result of a Managed Account Vehicle's terms, including, for example, its investment limitations, diversification parameters and excuse and exclusion provisions, there may be one or more investment opportunities where such Managed Account Vehicle's participation is restricted or with respect to which the Fund's share is disproportionate relative to such Managed Account Vehicle's interest therein. Conversely, it is also possible that a Managed Account Vehicle could receive a disproportionate share with respect to certain investment opportunities for such reasons. In addition, conflicts may arise in connection with the operation of the Fund and a Managed Account Vehicle. Specifically, the Limited Partners in the Fund and the limited partners of such Managed Account Vehicle vote separately on matters pertaining to their respective partnerships. For example, a determination by the investors in a Managed Account Vehicle to terminate such Managed Account Vehicle or its investment period where a corresponding action is not taken on behalf of the

Fund could affect the General Partner's ongoing investment management decisions with regard to the Fund's Investments, including, with respect to the timing, size and terms of any disposition of such Investments on behalf of the Fund, and any actions taken on behalf of such Managed Account Vehicle with respect to the winding up of its portfolio could adversely affect the Fund's Investments. There can be no assurance that the return on any of the Fund's Investments will be equivalent to or better than the returns obtained by a Managed Account Vehicle participating in such transaction.

As more fully set forth in Section VIII – "Detailed Summary of Terms – Restrictions on Non-Fund Investments," not all investments which are consistent with the Fund's investment objectives will be presented to the Fund. As set forth under Section VIII – "Detailed Summary of Terms – Co-Investment Policy" in some instances, investments may be made available to and shared with third-party co-investors, and thus not all amounts available to the Fund relating to an investment will be presented to the Fund.

Other Potential Real Estate Funds

The General Partner reserves the right to raise additional real estate investment funds ("Other Real Estate Funds"), including a fund formed to make investments that would be precluded or materially limited by the Fund's investment limitations or applicable law or regulation. See Section VIII – "Detailed Summary of Terms – Restriction on Competing Funds." The closing of an Other Real Estate Fund could result in the reallocation of personnel to such Other Real Estate Fund. In addition, potential investments that may be suitable for the Fund may be directed toward or shared with such Other Real Estate Fund.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, the General Partner and its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Diverse Limited Partner Group

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Fund and with respect to the interests of investors in other investment vehicles managed or advised by the General Partner and the Investment Manager that may participate in the same investments as the Fund. The conflicting interests of Limited Partners with respect to other Limited Partners and relative to investors in other investment vehicles may relate to or arise from, among other things, the nature of investments made by the Fund and such other partnerships, the structuring or the acquisition of investments and the timing of disposition of investments by the Fund and such other partnerships. As a consequence, conflicts of interest may arise in connection with the decisions made by the General Partner and the Investment Manager, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, the Fund may make investments that may have a negative impact in related investments made by the Limited Partners in separate transactions. In selecting and structuring investments appropriate for the Fund, the General Partner and the Investment Manager will consider the investment and tax objectives of the Fund and its Partners (and those of investors in other investment vehicles managed or advised by the General Partner and the Investment Manager) as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Effect of Carried Interest

The existence of the General Partner's 15% Carried Interest may create an incentive for the General Partner to make investments that are more speculative than would be the case in the absence of such performance-based compensation, although the General Partner's investment in the Fund should somewhat reduce this incentive.

General Partner Counsel

Alston & Bird LLP currently serves as U.S. counsel ("Counsel") for the General Partner, the Fund and the Investment Manager. The firm renders legal services to the General Partner, the Fund and the Investment Manager and does not represent the interests of any Limited Partner in the Fund. Prospective investors should seek their own legal, tax and financial advice before making an investment in the Fund. Counsel may be removed by the General Partner at any time without the consent of, or notice to, the Limited Partners. In addition, Counsel does not undertake to monitor the compliance of the Fund, the General Partner, the Investment Manager and their affiliates with the investment program, investment strategies, investment restrictions and other guidelines and terms set forth in this Memorandum and the Partnership Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of any information set forth in this Memorandum.

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X. CERTAIN REGULATORY, TAX AND ERISA CONSIDERATIONS

Federal Securities Laws

Securities Act of 1933

The Interests are not registered under the Securities Act, or any other securities laws, including state securities or blue sky laws and the Fund does not intend to register the Interests under such laws. The Interests are offered in reliance upon the exemption from registration thereunder provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder. Each prospective purchaser is required to represent, among other customary private placement representations, that it is an accredited investor, as defined in Regulation D and is acquiring the Interests for investment purposes only and not for resale or distribution.

Securities Exchange Act of 1934

It is not expected that the Fund will be required to register the limited partnership interests or any other security of the Fund under the Exchange Act. As a result, the Fund would not be subject to the periodic reporting and related requirements of the Exchange Act and Limited Partners should only expect to receive the information and reports required to be delivered pursuant to the Fund Agreement and applicable law.

Investment Company Act of 1940

The Fund is not subject to the provisions of the 1940 Act in reliance upon Section 3(c)(7) thereof, which excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers," and that meet the other conditions contained therein. A "qualified purchaser" generally includes a natural person who owns not less than $5,000,000 in investments or a company acting for its own account or the accounts of other qualified purchasers which owns and invests on a discretionary basis not less than $25,000,000 in investments and certain trusts. The Subscription Documents and the Fund Agreement contain representations and restrictions on transfer designed to assure that these conditions are met. The Fund may in its sole discretion determine in the future to require that the number of beneficial owners of Interests in the Fund for purposes of the 1940 Act be limited to no more than 100 persons in order for the Fund to qualify for the exemption from the provisions of the 1940 Act as set forth in Section 3(c)(1) thereof. With respect to determination of the number of such beneficial owners, the Fund will obtain and rely on appropriate representations and undertakings from each Limited Partner in order to assure that the Fund meets the conditions of the exemption on an ongoing basis.

Investment Advisers Act of 1940

Bridge-IGP has registered as an investment adviser under the Advisers Act and is the "filing adviser" with the SEC, and the Investment Manager is the "relying adviser" in such registration and both are together an integrated investment adviser.

Anti-Money Laundering

In order to comply with applicable anti-money laundering requirements, each investor must represent in its subscription agreement with the Fund that neither the investor, nor any person having a direct or indirect beneficial interest in the Interest being acquired by the investor, appears on the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control in the U.S. Department of the Treasury or in Annex I to U.S. Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, and that the investor does not know or have any reason to suspect that (a) the monies used to fund the investor's investment in the Fund have been or will be derived from or related to any illegal activities and (b) the proceeds from the investor's investment in the Fund will be used to finance any illegal activities. Each investor must also agree to provide any information to the Fund and its agents as

the Fund may require in order to determine the investor's and any of its beneficial owners' source and use of funds and to comply with any anti-money laundering laws and regulations applicable to the Fund.

Certain ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Fund by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Fund of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Fund, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, absent an exemption, the fiduciaries of a Plan should not invest in the Fund with the assets of any Plan if the General Partner or any of its affiliates is a fiduciary with respect to such assets of the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Interests by an ERISA Plan with respect to which the Fund is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the "DOL") has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of investments in the Fund. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers.

Plan Assets

Under ERISA and one of the regulations promulgated thereunder (the "Plan Asset Regulations"), when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors" as defined in Section 3(42) of ERISA (the "25% Test") or that the entity is an "operating company," as defined in the Plan Asset Regulations. For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interests in the entity, less than 25% of the total value

of each class of equity interest in the entity is held by "benefit plan investors," excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term "benefit plan investors" is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. Thus, absent satisfaction of another exception under ERISA, if 25% or more of the total value of any class of equity interests of the Fund were held by benefit plan investors, an undivided interest in each of the underlying assets of the Fund would be deemed to be "plan assets" of any ERISA Plan that invested in the Fund.

The definition of an "operating company" in the Plan Asset Regulations includes, among other things, a VCOC. Generally, in order to qualify as a VCOC, an entity must demonstrate on its "initial valuation date" (as defined in the Plan Asset Regulations), and annually thereafter, that at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in operating companies (other than VCOCs) (i.e., operating entities that (x) are primarily engaged directly, or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, or (y) qualify as REOC in which such entity has direct contractual management rights. In addition, to qualify as a VCOC, an entity must, in the ordinary course of its business, actually exercise such management rights with respect to at least one of the operating companies in which it invests. Similarly, generally in order to qualify as a REOC an entity must demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets valued at cost (other than short term investments pending long term commitment or distribution to investors) are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must in the ordinary course of its business actually be engaged directly in such real estate management or development activities. The Plan Asset Regulations do not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

Plan Asset Consequences

If the assets of the Fund were deemed to be "plan assets" under ERISA, this would result, among other things, in (a) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Fund and (b) the possibility that certain transactions in which the Fund might seek to engage could constitute "prohibited transactions" under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the General Partner and/or any other fiduciary that has engaged in the prohibited transaction could be required to (a) restore to the ERISA Plan any profit realized on the transaction and (b) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. ERISA Plan fiduciaries who decide to invest in the Fund could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Fund or as co-fiduciaries for actions taken by or on behalf of the Fund or the General Partner. With respect to an IRA that invests in the Fund, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

The General Partner will use reasonable efforts to (i) limit equity participation by benefit plan investors in the Fund to less than 25% of the total value of each class of equity interests in the Fund as described above, and/or (ii) operate the Fund in such a manner so as to qualify the Fund as a VCOC or REOC so that the underlying assets of the Fund should not constitute "plan assets" of any ERISA Plan which invests in the Fund. However, there can be no assurance that, notwithstanding the reasonable efforts of the General Partner, the Fund will qualify as a VCOC

or REOC, the structure of the particular investments of the Fund will satisfy the Plan Asset Regulations, or the underlying assets of the Fund will not otherwise be deemed to include ERISA plan assets.

Under the Partnership Agreement, the General Partner will have the power to take certain actions to avoid having the assets of the Fund characterized as "plan assets," including, without limitation, the right to cause a Limited Partner that is a benefit plan investor to withdraw from the Fund. While the General Partner and the Fund do not expect that the General Partner will need to exercise such power, neither the General Partner nor the Fund can give any assurance that such power will not be exercised.

Under certain circumstances certain investors may invest in the Fund or one or more alternative investment vehicles (each, an "Alternative Vehicle") through an entity or entities established by the General Partner or an affiliate thereof (each, a "Feeder Vehicle"). The discussion above under "General Fiduciary Matters," "Plan Assets" and "Plan Asset Consequences" will be similarly applicable to any investment in the Fund or Alternative Vehicle either directly or indirectly through a Feeder Vehicle. While the General Partner will use its reasonable efforts, as described above, to provide that the underlying assets of the Fund and each Alternative Vehicle should not constitute "plan assets" under ERISA, a Feeder Vehicle is not expected to qualify as an "operating company" for purposes of the Plan Asset Regulations and it is possible that a Feeder Vehicle may not satisfy the 25% Test, in which case the assets of such Feeder Vehicle, or a portion thereof, will constitute "plan assets" for purposes of ERISA and Section 4975 of the Code. However, the general partner (or similar managing entity) of the Feeder Vehicle is not intended to act as a fiduciary with respect to any Plan that invests in a Feeder Vehicle. In this regard, the General Partner intends to structure each such Feeder Vehicle as an intermediate entity for purposes of an investment in the Fund or an Alternative Vehicle, as applicable, and intends to limit any discretion with respect to the management or disposition of the assets of each such Feeder Vehicle. Consequently, when investing in the Fund or an Alternative Vehicle through such a Feeder Vehicle, each Limited Partner investing the assets of a Plan will, by making a capital contribution to the Feeder Vehicle, be deemed to (a) direct the general partner (or similar managing entity) of the Feeder Vehicle to invest the amount of such capital contribution in the Fund or Alternative Vehicle, as applicable, and acknowledge that during any period when the underlying assets of the Feeder Vehicle are deemed to constitute "plan assets" of any Plan for purposes of Title I of ERISA, Section 4975 of the Code or applicable Similar Law, the general partner (or similar managing entity) of the Feeder Vehicle will act as a custodian with respect to the assets of such Plan but is not intended to be a fiduciary with respect to any such Plan for purposes of ERISA, Section 4975 of the Code or any applicable Similar Law and (b) represent that such capital contribution, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, or a violation of any applicable Similar Law or a fiduciary breach. However, there can be no assurance that the fiduciary and prohibited transaction provisions of ERISA, Section 4975 of the Code or applicable Similar Law will not be applicable to activities of any such Feeder Vehicle. During any period when the underlying assets of a Feeder Vehicle are deemed to constitute "plan assets" of any ERISA Plan under ERISA, the general partner (or similar managing entity) of the Feeder Vehicle will, or will cause an affiliate of the general partner (or managing entity) to, hold the counterpart of the signature page of the Feeder Vehicle's partnership agreement (or similar governing document) in the United States.

Reporting of Indirect Compensation

The descriptions contained in this Memorandum of fees and compensation, including the Management Fee and the Carried Interest, are intended to satisfy the disclosure requirements for "eligible indirect compensation" for which the alternative reporting option on Schedule C of Form 5500 Annual Return/Report may be available.

The foregoing discussion is general in nature and is not intended to be all-inclusive. As indicated above, Similar Laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws and regulations on an investment in the Fund and the considerations discussed above, if applicable.

The fiduciaries of each Plan proposing to invest in the Fund represent that they have made the decision to invest in the Fund, they have been informed of and understand the Fund's investment objectives, policies and strategies and that the decision to invest in the Fund is consistent with the relevant provisions of ERISA and/or the Code. By its investment, each Limited Partner will be deemed to represent that either: (A) no portion of the assets used by the purchaser to acquire and hold Interests constitute assets of any Plan, or (B) if the purchaser is a Plan or subject to Similar Law, (i) the purchase and holding of Interests will not constitute a nonexempt prohibited transaction under § 406 of ERISA or § 4975 of the Code or a violation under any applicable Similar Law, and (ii) the purchaser has made its own discretionary decision to acquire and hold the Interests.

EACH PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR AS TO THE PROPRIETY OF AN INVESTMENT IN INTERESTS IN LIGHT OF THE CIRCUMSTANCES APPLICABLE TO THAT PLAN BEFORE MAKING AN INVESTMENT IN THE FUND. ACCEPTANCE OF INVESTMENTS IS IN NO RESPECT A REPRESENTATION THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT THE INVESTMENT IS APPROPRIATE FOR SUCH PLAN.

U.S. Federal Income Taxation

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT ANY DISCUSSION OF TAX MATTERS SET FORTH IN THIS MEMORANDUM WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN AND WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY PROSPECTIVE INVESTOR, FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER FEDERAL, STATE OR LOCAL TAX LAW. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a discussion of certain U.S. federal income tax considerations in connection with an investment in the Fund. Investors should note that the discussion covers only a limited number of U.S. federal income tax considerations and does not generally address state or local or foreign tax considerations. In addition, this summary does not generally discuss the tax treatment of the Fund's investments. Moreover, there is no discussion of the tax consequences to a non-U.S. investor or tax-exempt investor in the Fund, except where otherwise noted, or of any special tax considerations applicable to certain investors, such as dealers, traders that elect to mark their securities to market, insurance companies, and financial institutions. This discussion is based upon the Code, Treasury Regulations, judicial decisions, and IRS rulings in existence on the date hereof, all of which are subject to change. Each prospective investor should obtain advice from its own tax advisor as to the income and other tax consequences of an investment in the Fund.

For purposes of this discussion, a "U.S. Person" or a "U.S. Limited Partner" is an individual who is a citizen or resident of the United States, a corporation or entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) it is subject to the primary supervision of a court within the United States and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. Person. A "non-U.S. Person" is a person that is not a U.S. Person, and a "non-U.S. Limited Partner" is a Limited Partner (other than a partnership) that is not a U.S. Person.

If a partnership holds Interests in the Fund, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the Fund. If the prospective investor is a partnership or a partner of a partnership investing in the Fund, the prospective investor should consult its own tax advisors.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE FUND.

Partnership Status

Under Treasury Regulations, a domestic entity such as the Fund will generally be classified as a partnership for U.S. federal income tax purposes unless it elects to be treated as a corporation. The Fund has not elected, and does not intend to elect, to be taxed as a corporation. Thus, subject to the discussion of "publicly traded partnerships" set forth below, the Fund will be treated as a partnership for U.S. federal income tax purposes. The classification of an entity as a partnership for U.S. federal income tax purposes may not be respected for state or local tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund will not be traded on an established securities market. Treasury Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent hereof). The Fund may not be eligible for any of those safe harbors. Even if a partnership is a publicly traded partnership, it will not be taxed as a corporation if 90% or more of its gross income each year consists of passive type "qualifying income" within the meaning of Section 7704(d) of the Code. The General Partner intends to operate the Fund to ensure that the Fund is not treated as a publicly traded partnership that is taxed as a corporation. However, in the absence of a ruling from the United States Internal Revenue Service (the "IRS"), there can be no assurance that the IRS will not attempt to recharacterize the Fund as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. If the Fund were determined to be taxable as a corporation, it would be taxed on its earnings at corporate income tax rates and any distributions to the Partners would be taxable as dividends to the Partners to the extent of the earnings and profits of the Fund.

The remainder of this discussion assumes that the Fund will be treated as a partnership for U.S. federal income tax purposes.

An organization that is classified as a partnership for U.S. federal income tax purposes and is not a publicly traded partnership taxable as a corporation is not subject to U.S. federal income tax itself, although it must file annual information returns.

Taxation of U.S. Limited Partners

Each Partner will be taxed upon its distributive share of each item of the Fund's income, gain, loss, deduction and credit for each taxable year of the Fund ending with or within the Partner's taxable year. Each item will have the same character to a Partner as though the Partner realized the item directly. Partners must report these items regardless of the extent to which, or whether, they receive cash distributions from the Fund for such taxable year and thus may incur income tax liabilities unrelated to and in excess of any distributions from the Fund. Any reinvestment by a Partner of a distribution from the Fund will not change the Partner's taxability on its share of the Fund's taxable income.

Allocations of Income, Gain, Loss and Deduction

Pursuant to the Partnership Agreement, items of the Fund's income, gain, loss and deduction are allocated so as to take into account the varying interests of the Partners in the Fund. Treasury Regulations provide that allocations of items of partnership income, gain, loss, deduction or credit will be respected for tax purposes if such allocations have "substantial economic effect" or are determined to be in accordance with the partners' interests in the partnership. The Fund believes that, for U.S. federal income tax purposes, allocations pursuant to the

Partnership Agreement should be given effect, and the General Partner intends to prepare tax information returns based on such allocations. If the IRS were to re-determine the allocations to a particular U.S. Limited Partner, such re-determination could be less favorable than the allocations set forth in the Partnership Agreement.

Partnership Distributions

In general, a cash distribution from the Fund to a Partner will reduce the adjusted basis of the Partner's Interest in the Fund and, to the extent it exceeds the adjusted basis of the Partner's Interest in the Fund, will result in treatment as gain from the sale or exchange of the Interest. However, the portion of the distribution attributable to "unrealized receivables" or "substantially appreciated inventory" (including any gain realized in respect of certain short-term or market discount debt) will give rise to ordinary income under Section 751 of the Code in certain circumstances. For these purposes, a reduction in a Partner's share of the Fund's non-recourse debt, such as when a new Partner is admitted to the Fund, will result in a deemed cash distribution to the Partner in an amount equal to the reduction.

In addition, under Section 731 of the Code, a distribution consisting of "marketable securities" generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii). The Fund will determine at the appropriate time whether it qualifies as an "investment partnership."

A U.S. Limited Partner's tax basis in its Interest in the Fund is, in general, equal to the amount of cash the U.S. Limited Partner has contributed to the Fund, increased by the U.S. Limited Partner's proportionate share of income and liabilities of the Fund, and decreased by the U.S. Limited Partner's proportionate share of reductions in such liabilities, distributions, and losses.

Sale or Disposition of Limited Partner Interests

A U.S. Limited Partner that sells or otherwise disposes of an Interest in the Fund in a taxable transaction generally will recognize gain or loss equal to the difference, if any, between the adjusted basis of the Interest and the amount realized from the sale or disposition. The amount realized will include the U.S. Limited Partner's share of the Fund's liabilities outstanding at the time of the sale or disposition. If the U.S. Limited Partner holds the Interest as a capital asset, such gain or loss will generally be treated as capital gain or loss to the extent a sale of assets by the Fund would qualify for such treatment. Gain from the sale or other disposition of an Interest will be treated as ordinary income to the extent of the U.S. Limited Partner's distributive share of any "unrealized receivables" and "inventory items." Gain or loss from the disposition of an Interest will generally be long-term capital gain or loss if the U.S. Limited Partner had held the Interest for more than one year on the date of such sale or disposition, provided, that a capital contribution by the U.S. Limited Partner within the one-year period ending on such date may cause part of such gain or loss to be short-term. In addition, if the contribution of a new Limited Partner is distributed to the Partners (other than such new Limited Partner), such as in the case of a Limited Partner admitted in a subsequent closing, for U.S. federal income tax purposes such distributions will likely be treated as a taxable sale of a portion of their Interests by U.S. Limited Partners receiving such distributions. In the event of a sale or other transfer of an Interest at any time other than the end of the Fund's taxable year, the share of income and losses of the Fund for the year of transfer attributable to the Interest transferred will be allocated for U.S. federal income tax purposes between the transferor and the transferee on either an interim closing-of-the-books basis or a pro rata basis reflecting the respective periods during such year that each of the transferor and the transferee owned the Interest.

Medicare Tax on Unearned Income

High-income U.S. individuals, estates and trusts are subject to an additional 3.8% tax on net investment income. For these purposes, net investment income includes interest, dividends, gains from sales of debt instruments, and stock and income derived from a passive activity or a trade or business of trading in financial instruments or commodities. In the case of an individual, the tax will be 3.8% of the lesser of: (1) the individual's

net investment income; or (ii) the excess of the individual's modified adjusted gross income over (a) $250,000 in the case of a married individual filing a joint return or a surviving spouse, (b) $125,000 in the case of a married individual filing a separate return or (c) $200,000 in the case of a single individual.

Tax Treatment of Fund Investments

Gains and Losses

The Fund generally expects to act as a trader or investor, and not as a dealer, with respect to its securities transactions. A trader and an investor are persons who buy and sell securities for their own accounts. A dealer, on the other hand, is a person who purchases securities for resale to customers rather than for investment or speculation. Except as described below, the Fund generally does not expect to take the position that its securities transactions constitute a trade or business. The determination of whether the Fund is an investor or a trader will be made on an annual basis and, accordingly, may change from one year to the next.

The Fund also expects to be engaged in the business of lending money. In this connection the Fund could be considered a dealer in loans or could elect to be treated as a dealer. If the Fund is treated as a dealer with respect to its lending activities and certain other transactions, gains or losses would be taxed under a "mark-to-market" method, other than for securities that it identifies as being held for investment and certain other assets. Under this "mark-to-market" accounting method, (i) gains or losses recognized by the Fund upon an actual disposition of loans and other securities subject to such accounting method are treated as ordinary income or loss and (ii) any such loans and other securities held by the Fund on the last day of each taxable year are treated as if they were sold by the Fund for their fair market value on that day, and gains or losses recognized on this deemed sale are treated as ordinary income or loss. For purposes of measuring gain or loss with respect to any such security in any subsequent year, the amount of any gain or loss previously recognized under the mark-to-market rules is taken into account in determining the tax basis for the security.

The Fund expects to generally identify its non-loan assets as being held for investment and gains or losses with respect to such assets will generally be treated as capital gains or losses. However, some of the Fund's non-loan assets may be subject to the mark-to-market accounting method described above or to another method of accounting for federal tax purposes.

If the Fund incorrectly identifies a security as being held for investment, the Fund would be required to recognize "mark-to-market" gains on such security as ordinary income at the end of each taxable year, but defer recognition of any "mark-to-market" losses, to the extent they exceed gains previously recognized with respect to such security, until the security is sold. There can be no assurance that the IRS would agree with any designation of certain securities as being held for investment.

Gain or loss realized in respect of investments that constitute "Section 988 transactions" will constitute ordinary income or loss to the extent such gain or loss is attributable to exchange rate fluctuations. Section 988 transactions generally include acquiring and disposing of debt instruments denominated in a foreign currency, and entering into or acquiring forward contracts, futures contracts, swaps and other similar instruments in respect of or denominated in a foreign currency.

Generally, the gains and losses realized by a trader or an investor on the sale of securities are capital gains and losses. Capital gains and losses recognized by the Fund may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment. The application of certain rules (e.g., those relating to short sales, to so-called "straddle" and "wash sale" transactions and to Section 1256 Contracts) may alter the timing and character of income and loss of the Fund's investments.

The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of $3,000. Capital losses of an individual taxpayer may generally

be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the $3,000 annual limitation). Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

Interest and Similar Income

The Fund's principal source of income should be interest on the loans it makes and the debt securities it acquires. The Fund may hold debt obligations with "original issue discount." In such case, the Fund would be required to include amounts in taxable income on a current basis even though receipt of such amounts may occur in a subsequent year. In addition, certain investments held by the Fund, by reason of imputed "discount," "pay-in-kind," dividend accruals or similar features, may give rise to current income even though there has been no corresponding cash distribution to the Fund. There can be no assurance that the IRS will agree with the Fund's characterization of the income from such investments.

Investments by the Fund in certain securities such as original issue discount obligations (including contingent payment debt instruments), preferred stock with redemption premium or "Section 1256 contracts" or in positions that constitute "straddles" for income tax purposes, and methods of accounting adopted by the Fund, or the participation by the Fund in debt restructurings or exchanges may result in the recognition of substantial amounts of taxable income (including ordinary income) without receipt of cash, or substantial amounts of taxable income when little economic income is realized.

In addition, the Fund may purchase debt instruments with "market discount." Under the market discount rules, the Fund will be required to treat any gain on the sale, exchange or redemption of a debt instrument as ordinary income to the extent of the market discount that has not previously been included in income and is treated as having accrued on such debt instrument at or prior to the time of such payment or disposition. In addition, a Limited Partner may be required to defer the deduction of a portion of the interest expense on borrowing used to purchase Interests in the Fund to the extent allocable to market discount debt instruments. Market discount in respect of a debt instrument is generally considered to accrue ratably during the period from the date of acquisition to the maturity date of such debt instrument, unless the holder elects to accrue market discount on the debt instrument under the constant yield method.

There are a number of uncertainties in the federal income tax law relating to debt restructuring. In general, a "significant modification" of a debt obligation acquired by the Fund at a discount may be treated as a taxable event to the Fund, with the resulting gain or loss measured by the difference between the principal amount of the debt after the modification and the Fund's tax basis in such debt before the modification. However, other than for certain "safe harbor" modifications specified in Treasury Regulations, the determination of whether a modification is "significant" is based on all of the facts and circumstances. Therefore, it is possible that the IRS could take the position that the restructuring of a debt obligation acquired by the Fund at a discount amounts to a "significant modification" that should be treated as a taxable event even if the Fund did not so treat the restructuring on its tax return.

It is possible that, from time to time, the Fund may not have sufficient cash to make distributions sufficient for U.S. Limited Partners to pay their tax liabilities with respect to their shares of the Fund's income, including by reason of timing differences between the Fund's actual receipt of cash and the Fund's inclusion of items in income for federal income tax purposes. Potential sources of non-cash taxable income include securities that have been financed through securitization structures, such as the term-debt structure, which require some or all of available cash flows to be used to service borrowings, loans or mortgage-backed securities the Fund holds that have been issued at a discount and require the accrual of taxable economic interest in advance of its receipt in cash, and distressed loans on which the Fund may be required to accrue taxable interest income even though the borrower is unable to make current payments in cash.

Fund Subsidiaries

The Fund may hold certain of its investments through an entity electing to be treated as a REIT. To qualify as a REIT, a company must meet a number of technical requirements relating to the ownership of its shares and the nature of its assets and income. In addition, a REIT must generally distribute annually to its shareholders an

amount that equals at least 90% of its real estate investment trust taxable income before the deduction of dividends paid and excluding any net capital gain. If the real estate investment trust taxable income of any REIT is more than the cash flow it receives, such REIT may, among other things, use a "consent dividend" procedure to satisfy the distribution requirement.

In general, a REIT will not be subject to U.S. federal income tax on the portion of its ordinary income and capital gain that is distributed to its shareholders. The REIT may be subject to various taxes if it (a) fails to distribute income; (b) ceases to meet certain requirements; or (c) engages in certain "prohibited transactions."

Each of the Partners in the Fund will be (a) allocated a portion of the income that the Fund realizes with respect to its ownership of REIT shares and (b) taxed with respect to such allocated income in the same manner as if such Partner held the REIT shares directly. Income from a REIT investment in the form of regular dividends is generally taxable as ordinary income and will not be eligible for the dividends received deduction for corporations or the lower 20% rate on dividends for individuals currently in force (subject to exceptions). Income from a REIT investment in the form of capital gain dividends is generally taxable in the same manner as capital gains. Gain or loss upon disposition of REIT shares, including gain or loss in connection with the liquidation of a REIT, is generally taxable in the same manner as gain or loss from disposition of other stock investments.

It is possible that the Fund may invest in non-U.S. corporations treated as PFICs or controlled foreign corporations ("CFCs"). In the case of PFICs (in the absence of certain elections, which may or may not be available depending on the circumstances), a U.S. Limited Partner's share of certain distributions from such corporations and gains from the sale by the Fund of interests in such corporations (or gains from the sale by a U.S. Limited Partner of its Interest in the Fund) could be subject to an interest charge and certain other disadvantageous tax treatment, including ordinary income treatment. If a U.S. person, including any U.S. Limited Partner, owns actually or constructively at least 10% of the voting stock of a foreign corporation, such U.S. person is considered a "U.S. Shareholder" with respect to the foreign corporation. If U.S. Shareholders in the aggregate own more than 50% of the voting power or value of the stock of such corporation, the foreign corporation will be classified as a CFC. In the case of CFCs, a portion of the income of such corporations (whether or not distributed) could be imputed currently as ordinary income to Limited Partners. Furthermore, in the case of PFICs and CFCs, gains from the sale by the Fund of an interest in such corporations (or gains recognized by Limited Partners on the sale of their Interests in the Fund) could be characterized as ordinary income (rather than as capital gains) in whole or in part.

Taxable Mortgage Pools

An entity, or a portion of an entity, may be classified as a taxable mortgage pool under the Code if: (i) substantially all of its assets consist of debt obligations or interests in debt obligations; (ii) more than 50% of those debt obligations are real estate mortgages or interests in real estate mortgages as of specified testing dates; (iii) the entity has issued debt obligations (liabilities) that have two or more maturities; and (iv) the payments required to be made by the entity on its debt obligations (liabilities) "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets. Under Treasury Regulations, if less than 80% of the assets of an entity (or a portion of an entity) consist of debt obligations, these debt obligations are considered not to comprise "substantially all" of its assets, and therefore the entity would not be treated as a taxable mortgage pool.

Where an entity, or a portion of an entity, is classified as a taxable mortgage pool, it is generally treated as a taxable corporation for federal income tax purposes. Special rules apply, however, in the case of a taxable mortgage pool that is a REIT, a portion of a REIT or a disregarded subsidiary of a REIT. In that event, the taxable mortgage pool is not treated as a corporation that is subject to corporate income tax and does not directly affect the tax status of the REIT, although any "excess inclusion income" will be subject to special tax rules to the REIT's shareholders.

If the Fund were to utilize a taxable mortgage pool financing structure other than under a subsidiary REIT, the taxable mortgage pool would be treated as a corporation for federal income tax purposes and would potentially

be subject to corporate income tax. The Fund does not intend to acquire interests in taxable mortgage pools and will attempt to avoid securitization structures that may be treated as taxable mortgage pools.

Limitations on Deductions and Losses

For noncorporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (i.e., interest for "indebtedness properly allocable to property held for investment"). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "net investment income," consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, qualified dividends and long-term capital gains are excluded from net investment income unless the taxpayer elects to pay tax on such amounts at ordinary income tax rates.

For purposes of this provision, the Fund's activities (other than certain activities that are treated as "passive activities" under Section 469 of the Code) will be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation would apply to a noncorporate Limited Partner's share of the interest and short sale expenses attributable to the Fund's operation. In such case, a noncorporate Limited Partner would be denied a deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to interest unless it had sufficient investment income from all sources including the Fund. A Limited Partner that could not deduct losses currently as a result of the application of Section 163(d) would be entitled to carry forward such losses to future years, subject to the same limitation.

The investment interest limitation would also apply to interest paid by a noncorporate Limited Partner on money borrowed to finance its investment in the Fund. Potential investors are advised to consult with their own tax advisers with respect to the application of the investment interest limitation in their particular tax situations.

For each taxable year, Section 1277 of the Code limits the deduction of the portion of any interest expense on indebtedness incurred by a taxpayer to purchase or carry a security with market discount which exceeds the amount of interest (including original issue discount) includible in the taxpayer's gross income for such taxable year with respect to such security ("Net Interest Expense"). In any taxable year in which the taxpayer has Net Interest Expense with respect to a particular security, such Net Interest Expense is not deductible except to the extent that it exceeds the amount of market discount which accrued on the security during the portion of the taxable year during which the taxpayer held the security. Net Interest Expense which cannot be deducted in a particular taxable year under the rules described above can be carried forward and deducted in the year in which the taxpayer disposes of the security. Alternatively, at the taxpayer's election, such Net Interest Expense can be carried forward and deducted in a year prior to the disposition of the security, if any, in which the taxpayer has net interest income from the security. Section 1277 would apply to a Limited Partner's share of the Fund's Net Interest Expense attributable to a security with market discount held by the Fund. In such case, a Limited Partner would be denied a current deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to such Net Interest Expense and such losses would be carried forward to future years, in each case as described above. Although no guidance has been issued regarding the manner in which an election to deduct previously disallowed Net Interest Expense in a year prior to the year in which a bond is disposed of should be made, it appears that such an election would be made by the Fund rather than by the Limited Partner. Section 1277 would also apply to the portion of interest paid by a Limited Partner on money borrowed to finance its investment in the Fund to the extent such interest was allocable to securities with market discount held by the Fund.

Investment expenses (e.g., investment advisory fees) of an individual, trust or estate are deductible only to the extent they exceed 2% of adjusted gross income. In addition, the Code further restricts the ability of an individual with an adjusted gross income in excess of a specified amount to deduct such investment expenses. Under such provision, there is a limitation on the deductibility of investment expenses in excess of 2% of adjusted gross income to the extent such excess expenses (along with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over the specified amount or (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating its

alternative minimum tax liability.

Pursuant to Temporary Regulations, these limitations on deductibility should not apply to a noncorporate Limited Partner's share of the trade or business expenses of the Fund. These limitations on deductibility will apply to a noncorporate Limited Partner's share of certain expenses of the Fund, including the Management Fee. As described above, the Fund expects to be engaged in the business of lending money. Accordingly, the Fund intends to treat its expenses attributable to such business as not being subject to such limitations, although there can be no assurance that the IRS will agree.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, noncorporate Limited Partners should consult their tax advisers with respect to the application of these limitations.

In general, neither the Fund nor any Partner may deduct organization or syndication expenses. An election may be made by a partnership to amortize organizational expenses over a 15-year period. However, syndication expenses must be capitalized and cannot be amortized or otherwise deducted. U.S. Limited Partners may claim ordinary deductions for the Management Fee paid to the Investment Manager but the IRS may take the view that such amounts must be capitalized and treated as part of the cost of an investment made by the Fund.

The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to Temporary Regulations, income or loss from the Fund's securities investment and trading activity generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Limited Partner's share of such income and gain from the Fund. However, income or loss attributable to certain activities of the Fund may constitute passive activity income or loss.

In addition, pursuant to Temporary Regulations, all or a portion of the Fund's net income from an "equity-financed lending activity", if any, will be characterized as nonpassive. As described above, the Fund expects to be engaged in the business of lending money, and, accordingly, all or a portion of the net income from such business may constitute income from an "equity-financed lending activity" that is treated as nonpassive. However, a net loss from such business is generally expected to constitute a passive activity loss that is subject to the deductibility limitations described above.

The amount of any loss of the Fund that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its interest as of the end of the Fund's taxable year in which such loss occurred. Generally, a Limited Partner's adjusted tax basis for its interest is equal to the amount paid for such Interest, increased by the sum of (i) its share of the Fund's liabilities, as determined for federal income tax purposes, and (ii) its distributive share of the Fund's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Fund liabilities) made by the Fund to such Limited Partner and (ii) such Limited Partner's distributive share of the Fund's realized losses and expenses.

Similarly, a Limited Partner that is subject to the "at risk" limitations (generally, noncorporate taxpayers and closely held corporations) may not deduct losses of the Fund to the extent that they exceed the amount such Limited Partner has "at risk" with respect to its Interest at the end of the year. The amount that a Limited Partner has "at risk" will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Fund (other than certain loans secured by real property and certain other assets of the Fund) or any amount borrowed by the Limited Partner that is secured by the Limited Partner's Interest on a non-recourse basis. Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

Tax Audits, Tax Returns and Tax Elections

The General Partner will represent the Fund at any tax audit as the "tax matters partner" and has considerable authority to make decisions affecting the tax treatment and procedural rights of the Partners. Adjustments by the IRS of the Fund's items of income, gain, loss, deduction or expense could change a Partner's U.S. federal income tax liabilities and possibly require the filing of amended returns.

The General Partner decides how to report the partnership items on the Fund's tax returns. All Partners are required to treat the partnership items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. In certain cases, the Fund may be required to file a statement with the IRS disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. Given the uncertainty and complexity of the tax laws, it is possible that the IRS may not agree with the manner in which the Fund's items have been reported.

The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. The General Partner, in its sole discretion, may cause the Fund to make such an election. Any such election, once made, cannot be revoked without the IRS's consent.

The Fund is generally required to adjust its tax basis in its assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of $250,000) in respect of the partnership's property. The Fund is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists a "substantial built-in loss" (i.e., in excess of $250,000) in respect of partnership property immediately after the transfer. For this reason, the Fund will require a transferee of an Interest (including a transferee in case of death) and any other Partner in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Interest.

Tax-Exempt Investors

In general, income recognized by a tax-exempt investor is exempt from U.S. federal income tax, except to the extent of the entity's UBTI. With exceptions for certain types of entities, UBTI is generally defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the entity is a partner). Subject to the discussion below of "unrelated debt-financed income," however, UBTI does not include, among other items, dividends, interest, rent, annuities, royalties, consideration for entering into agreements to make loans and gains from the sale of property that is neither inventory nor held for sale to customers in the ordinary course of business. Preferred equity investments and other investments in real property may also generate UBTI. In addition, fee income actually received or deemed to be received by the Fund or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager, or its affiliates, such income results in a reduction in the Management Fee) may be treated as UBTI in certain circumstances. The Fund intends to take the position that Limited Partners do not share in fee income by virtue of such a reduction in Management Fee. Certain fees paid on account of debt and loan purchase, origination or other such investment, which may be paid to the Fund, may be exempt from UBTI.

If a tax-exempt entity's acquisition of an interest in the Fund is debt-financed, or the Fund incurs "acquisition indebtedness" with respect to the acquisition of a partnership investment, then, UBTI generally includes a percentage of gross income (less the same percentage of deductions) derived from such investment regardless of whether such income would otherwise be excluded from UBTI as dividends, interest, rents, gain or loss from sale of eligible property or similar income. The percentage of income treated as UBTI, in the case of operating income, is the average amount of acquisition indebtedness for a taxable year with respect to property over the average adjusted basis for such year for the property or, in the case of a sale of debt-financed property, the highest amount of indebtedness outstanding for the 12-month period prior to the sale with respect to the property over the average adjusted basis for such year for the property. Acquisition indebtedness includes the amount of (a) any

mortgage or lien to which property is subject at the time of its acquisition and (b) debt incurred after the acquisition or improvement of any property if the debt would not have been incurred but for such acquisition or improvement and the incurrence of the debt was reasonably foreseeable at the time of the acquisition or improvement.

The Fund expects to incur debt, subject to limitations provided in the Partnership Agreement, either directly or through entities through which the Fund invests. Generally, debt incurred by a partnership is attributed to its partners. In addition, the Fund or the entities through which it invests may earn operating income that would be UBTI if earned by a U.S. tax-exempt Limited Partner directly.

The Fund may form a REIT through which to make a U.S. investment. If the REIT requirements are satisfied and it distributes all of its taxable income, a REIT is generally not subject to U.S. federal income tax. Dividends from a REIT generally are not UBTI to tax exempt investors, even if the property held by the REIT is debt-financed. However, a pension trust qualified under Section 401(a) of the Code (a "qualified trust") that owns more than 10% of a REIT's shares is required to recognize any UBTI from REIT distributions if the REIT is considered to be "pension-held." A "pension held REIT" is a REIT that is more than 50% owned by a group of five or fewer individuals and qualified trusts if either (a) at least one qualified trust holds more than 25% of the interests in the REIT or (b) a group of qualified trusts, each separately holding more than 10% of the REIT, collectively owns more than 50% of the REIT. If a REIT is pension-held, it must determine the extent to which its dividends would constitute UBTI for its more than 10% qualified trust shareholders. For this purpose, the activities of the REIT are tested for UBTI as if it were a qualified trust. If the REIT would have recognized UBTI at least equal to 5% of its income if it were a qualified trust, then any qualified trust that owns more than 10% of a pension-held REIT will recognize UBTI on the REIT's dividends in the same proportion as the REIT's deemed gross UBTI (less direct expenses) bears to its total gross income (less direct expenses).

In some instances, an investment in the Fund by a private foundation could be subject to an excise tax to the extent that it constitutes an "excess business holding" within the meaning of the Code. For example, if a private foundation (either directly or after taking into account the holdings of its disqualified persons) acquires more than 20% of the profits interest of the Fund (or 35%, if the private foundation does not directly or indirectly "control" the Fund), the private foundation may be considered to have an excess business holding unless at least 95% of the Fund's gross income is from passive sources within the meaning of Section 4943(d)(3)(B) of the Code and the private foundation does not own, through the Fund, an excess amount of the voting stock or equivalent in any business enterprise owned by the Fund. Additionally, if a private foundation generates a substantial amount of UBTI, it may risk losing its tax-exempt status. Private foundations should consult their own tax advisers regarding the excess business holdings provisions and all other aspects of Chapter 42 of the Code as they relate to an investment in the Fund, including the level of UBTI that a private foundation may generate as a result of an investment in the Fund.

As a result of recently enacted legislation, certain tax-exempt investors may be subject to an excise tax if the Fund engages in a "prohibited tax shelter transaction" or a "subsequently listed transaction" within the meaning of Section 4965 of the Code. In addition, if the Fund engages in a "prohibited tax shelter transaction," tax-exempt investors may be subject to substantial penalties if they fail to comply with special disclosure requirements and managers of such tax-exempt investors may also be subject to substantial penalties. Although the Fund does not expect to engage in any such transaction, the rules are new and are subject to interpretation. Tax-exempt investors should consult their own tax advisors regarding the legislation.

Non-U.S. Limited Partners

The discussion below addresses special rules applicable to non-U.S. Limited Partners. It assumes that a non-U.S. Limited Partner is not engaged in a U.S. trade or business apart from its Interest in the Fund and, in the case of an individual, is not present in the United States for 183 days or more in any year.

Investments made by, and activities of, the Fund in the United States may constitute a U.S. trade or business. In general, in that event, non-U.S. Limited Partners would themselves be considered engaged in a trade or business

in the United States through a permanent establishment. Thus, non-U.S. Limited Partners that invest in the Fund directly or through an entity that is transparent for U.S. federal income tax purposes should be aware that the Fund's income and gain from (as well as gain on sale Interests in the Fund attributable to) U.S. investments may be treated as effectively connected with the conduct of a U.S. trade or business through a permanent establishment and thus be subject to U.S. federal income tax (and possibly state and local income tax), even though such investor has no other contact with the United States. In that event, the Fund would be required to withhold tax at the highest regular income tax rate applicable to such non-U.S. Limited Partners from such income and gain allocable to each non-U.S. Limited Partner. Notwithstanding that some or all of taxes may be collected by withholding, such non-U.S. Limited Partners would be required to file appropriate federal (and possibly state and local) income tax returns. In addition, fee income actually received or deemed to be received by the Fund or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager or its affiliates, such income results in a reduction in the Management Fee) may cause the Fund and the Limited Partners to be treated as engaged in a U.S. trade or business in certain circumstances. The Fund intends to take the position that Limited Partners do not share in fee income by virtue of that reduction in the Management Fee.

Prospective non-U.S. Limited Partners that are foreign corporations should also be aware that the 30% U.S. branch profits tax and branch-level interest tax may apply to a non-U.S. corporate Limited Partner that is allocated effectively connected income, although the rate at which such taxes apply may be reduced or eliminated for residents of certain countries having tax treaties with the United States. Non-U.S. Limited Partners who wish to claim the benefit of an applicable income tax treaty may be required to satisfy certain certification requirements.

Non-U.S. Limited Partners who do not wish to be treated as engaged in a U.S. trade or business and to file U.S. tax returns and pay U.S. tax directly or who would otherwise be subject to branch profits tax may be given the opportunity to invest through a Parallel Vehicle. The Parallel Vehicle or Vehicles may utilize certain structures to minimize certain tax reporting and tax filing obligations, but such structures may not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with certain investments.

In the case of U.S.-source income that is not effectively connected with a U.S. trade or business, non-U.S. Limited Partners will be subject to a U.S. federal withholding tax of 30% (unless reduced by applicable treaty) on all "fixed or determinable annual or periodical gains, profits and income" (as defined in the Code and including, but not limited to, interest and dividends), and certain other gains and original issue discount that are included in the non-U.S. Limited Partners' distributive share of Partnership income (whether or not distributed). Non-U.S. Limited Partners will not be subject to U.S. federal income tax on interest income that is not effectively connected income and qualifies for the "portfolio interest" exemption. Not all interest will qualify for the portfolio interest exemption, e.g., certain contingent interest.

Regardless of whether the Fund's activities constitute a trade or business giving rise to U.S. "effectively connected" income under provisions added to the Code by FIRPTA, non-U.S. Limited Partners are taxed on the gain derived from the dispositions of U.S. real property interests (including gain allocated pursuant to the Partnership Agreement upon a sale of such property interests by the Fund) and certain interests in entities owning such property. Gains from sale of domestically-controlled REIT stock, however, are not considered gains from U.S. real property interests. Under FIRPTA, as described above, non-U.S. Limited Partners treat gain or loss from dispositions of U.S. real property as if the gain or loss were "effectively connected" with a U.S. trade or business and, therefore, are required to pay U.S. taxes at regular U.S. rates on such gain or loss. Generally, the Fund will be required under Section 1445 of the Code to withhold an amount equal to as much as 35% of the gain attributable to the U.S. real property interest realized on the sale of the Fund's property to the extent such gain is allocated to a non-U.S. Limited Partner. Also, such gain may be subject to a 30% branch profits tax (as discussed above).

Upon a sale of a Limited Partner's interest, if (a) 50% or more of the Fund's gross assets consist of U.S. real property interests and (b) 90% or more of the Fund's gross assets consist of U.S. real property interests and cash or cash equivalents, a purchaser will be required to withhold tax pursuant to Section 1445 of the Code on the full amount of the purchase price. Regardless of whether the Fund satisfies these requirements, gain attributable to the Fund's U.S. real property interests may be subject to U.S. federal income tax.

The Fund may establish a domestically controlled REIT through which U.S. investments may be made. A REIT is domestically controlled if less than 50% of its stock is held directly or indirectly by non-U.S. Persons. Assuming the REIT requirements are satisfied and the REIT distributes all of its taxable income, the REIT will generally not be subject to U.S. federal income tax. Dividends from the REIT that are not attributable to gains from the sale of U.S. real property interests would be subject to U.S. federal withholding tax at a 30% rate, unless reduced by applicable treaty. Dividends and liquidating distributions that are attributable to gains from the sale of U.S. real property interests would be subject to a 35% withholding tax. For those purposes, dividends paid are first considered attributable to gains from the sale of U.S. real property interests, if any. Distributions from a REIT may also be subject to a 30% branch profits tax when paid to a corporate non-U.S. Limited Partner that is not entitled to treaty exemption. In general, gains on sale of stock in a domestically controlled REIT would not be subject to U.S. federal income tax.

Foreign Account Tax Compliance Act

After June 30, 2014, withholding at a rate of 30% will be required on U.S.-source interest (including original issue discount) and certain other types of income, and after December 31, 2016, withholding at a rate of 30% will be required on gross proceeds from the sale of debt instruments of U.S. obligors and stock of U.S. corporations held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury (unless alternative procedures apply pursuant to an applicable intergovernmental agreement between the United States and the relevant foreign government) to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. Accordingly, the entity through which Interests are held will affect the determination of whether such withholding is required. Similarly, after June 30, 2013, U.S.-source interest (including original issue discount) and certain other types of income, and after December 31, 2016, gross proceeds from the sale of debt instruments of U.S. obligors and stock of U.S. corporations, by an investor that is a non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial U.S. owners" or (ii) provides certain information regarding the entity's "substantial U.S. owners," which we will in turn provide to the Secretary of the Treasury. Non-U.S. stockholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in Interests.

These rules promulgated under the Foreign Account Tax Compliance Act could also complicate our use of non-U.S. Parallel Vehicles of Alternative Investment Vehicles or subsidiaries.

Changes to U.S. Federal Income Tax Legislation

A number of items of legislation have been proposed in the past that could significantly alter certain of the U.S. federal income tax consequences of an investment in the Fund. It is uncertain whether any such proposed legislation (or similar legislation) will be enacted. Prospective investors should consult their own tax advisors regarding proposed legislation.

Certain Reporting and Return Requirements

U.S. persons may be subject to substantial penalties if they fail to comply with special information reporting requirements with respect to their investment in any non-U.S. partnership, including an indirect investment through the Fund. In addition, U.S. persons that own stock in foreign corporations, including CFCs and PFICs, may be subject to special information reporting requirements. Potential investors should consult their own tax advisors regarding such reporting requirements.

Treasury Regulations require the Fund to complete and file Form 8886 ("Reportable Transaction Disclosure Statement") with its tax return for any taxable year in which the Fund participates in a "reportable transaction." Additionally, each Partner treated as participating in a reportable transaction of the Fund is generally required to file Form 8886 with its tax return (or, in certain cases, within 60 days of the return's due date). If the IRS designates a transaction as a reportable transaction after the filing of a taxpayer's tax return for the year in which

the Fund or a Partner participated in the transaction, the Fund and/or such Partner may have to file Form 8886 with respect to that transaction within 90 days after the IRS makes the designation. The Fund and any such Partner, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis.

The Fund intends to notify the Partners that it believes (based on information available to the Fund) are required to report a transaction of the Fund and intends to provide such Limited Partners with any available information needed to complete and submit Form 8886 with respect to the transactions of the Fund. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the IRS at its request.

A Partner's recognition of a loss upon its disposition of an interest in the Fund could also constitute a "reportable transaction" for such Partner, requiring such Partner to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The penalty is generally $10,000 for natural persons and $50,000 for other persons (increased to $100,000 and $200,000, respectively, if the reportable transaction is a "listed" transaction). Investors should consult with their own advisers concerning the application of these reporting obligations to their specific situations.

Reporting of Indirect Compensation

The descriptions contained in this Memorandum of fees and compensation, including the Management Fee payable to the Investment Manager and the carried interest allocable to the General Partner, are intended to satisfy the disclosure requirements for "eligible indirect compensation" for which the alternative reporting option on Schedule C of Form 550 Annual Return/Report may be available.

United States State and Local Taxes

In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which the Fund acquires an interest may conduct business in a jurisdiction which will subject to tax a Partner's share of the partnership's income from that business and may cause Partners to file tax returns in those jurisdictions. Many of such states may permit the Fund to file a composite, combined, group, block or similar tax return and to make tax payments on behalf of eligible non-resident Partners. As a convenience to Partners, the Fund may make composite state filings and payments whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by state law. Any state taxes (including estimated taxes) paid by the Fund on behalf of a Partner will be charged to such Partner's Capital Account. Prospective investors should consult their tax advisers with respect to the availability of a credit for such tax in the jurisdiction in which that Partner is a resident.

The tax laws of various states and localities limit or eliminate the deductibility of itemized deductions for certain taxpayers. These limitations may apply to a Partner's share of some or all of the Fund's expenses, including interest expense, to the extent that the expenses are not considered to be trade or business expenses in the applicable jurisdiction. Prospective investors are urged to consult their tax advisers with respect to the impact of these provisions on the deductibility of certain itemized deductions, including interest expense, on their tax liabilities in the jurisdictions in which they are resident.

Limited Partners may be subject to state and/or local income franchise, withholding, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Fund is regarded as doing business or

earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Limited Partners are resident.

One or more states may impose reporting requirements on the Fund and/or its Partners in a manner similar to that described above regarding tax shelters. Investors should consult with their own advisers as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

The Fund is expected to be subject to the New York City Unincorporated Business Tax, which is a 4% tax imposed on the income of a partnership that is attributable to business activities conducted in New York City. The determination of whether the Fund will be subject to such tax is made on an annual basis and, accordingly, may change from one year to the next. Nonresident individual Partners will be subject to New York State personal income tax with respect to their share of the New York source income or gain realized directly by the Fund. The Fund may make composite state filings and payments in New York whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by New York law so as to minimize any such tax payment obligations and filing requirements.

Individual Limited Partners who are residents of New York State and New York City should be aware that the New York State and New York City personal income tax laws limit the deductibility of itemized deductions and interest expense for individual taxpayers at certain income levels. As described above, the Fund expects to be engaged in the business of lending money. Accordingly, the Fund intends to treat its expenses attributable to such business as not being subject to the foregoing limitations on deductibility. However, there can be no assurance that New York State and New York City will not treat such expenses as investment expenses which are subject to such limitations. These limitations may apply to a Limited Partner's share of the Fund's other expenses. Prospective Limited Partners are urged to consult their tax advisers with respect to the impact of these provisions and the federal limitations on the deductibility of certain itemized deductions and interest expense on their New York State and New York City tax liability.

For purposes of the New York State corporate franchise tax and the New York City general corporation tax, a corporation generally is treated as doing business in New York State and New York City, respectively, and is subject to such corporate taxes as a result of the ownership of a partnership interest in a partnership which does business in New York State and New York City, respectively. (New York State (but not New York City) generally exempts from corporate franchise tax a non-New York corporation which (i) does not actually or constructively own a 1% or greater limited partnership interest in a partnership doing business in New York and (ii) has a tax basis in such limited partnership interest not greater than $1 million.) Each of the New York State and New York City corporate taxes are imposed, in part, on the corporation's taxable income or capital allocable to the relevant jurisdiction by application of the appropriate allocation percentages. Moreover, a non-New York corporation which does business in New York State may be subject to a New York State license fee. A corporation which is subject to New York State corporate franchise tax solely as a result of being a limited partner in a New York partnership may, under certain circumstances, elect to compute its New York State corporate franchise tax by taking into account only its distributive share of such partnership's income and loss. There is currently no similar provision in effect for purposes of the New York City general corporation tax. Regulations under both the New York State corporate franchise tax and the New York City general corporation tax, however, provide an exception to this general rule in the case of a "portfolio investment partnership," which is defined, generally, as a partnership which meets the gross income requirements of Section 851(b)(2) of the Code. New York State (but not New York City) has adopted regulations that also include income and gains from commodity transactions described in Section 864(b)(2)(B)(iii) as qualifying gross income for this purpose. The qualification of the Fund as a portfolio investment partnership must be determined on an annual basis and, with respect to a taxable year, the Fund may not qualify as a portfolio investment partnership. Therefore, a corporate limited partner may be treated as doing business in New York State and New York City as a result of its interest in the Fund.

New York State imposes a quarterly withholding obligation on certain partnerships with respect to partners that are individual non-New York residents or corporations (other than "S" corporations). Accordingly, the Fund will be required to withhold on the distributive shares of New York source partnership income allocable to such Partners, unless such Partners timely deliver to the Fund an executed New York State Department of Taxation and

Finance Form IT-2658-E or New York State Department of Taxation and Finance Form CT-2658-E, as applicable, or any successor forms, and update such form as required.

A trust or other unincorporated organization which by reason of its purposes or activities is exempt from federal income tax is also exempt from New York State and New York City personal income tax. A nonstock corporation which is exempt from Federal income tax is generally presumed to be exempt from New York State corporate franchise tax and New York City general corporation tax. New York State imposes a tax with respect to such exempt entities on UBTI (including unrelated debt-financed income) at a rate which is currently equal to the New York State corporate franchise tax rate (plus the corporate surtax). There is no New York City tax on the UBTI of an otherwise exempt entity.

Each prospective Partner should consult its tax adviser with regard to the New York State and New York City tax consequences of an investment in the Fund.

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APPENDIX A. NOTICE TO CERTAIN NON-U.S. INVESTORS

Notice to All Non-U.S. Investors Generally

It is the responsibility of any persons wishing to subscribe for interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of interests, and any foreign exchange restrictions that may be relevant thereto.

Notice to Residents of Argentina

This Memorandum does not constitute an invitation to buy or a solicitation of an offer to sell securities or any other products or services in Argentina. Interests in the Fund are not and will not be offered or sold in Argentina, in compliance with section No. 310 of the argentine criminal code. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Fund or the interests thereof in Argentina. Documents relating to this offering may not be supplied or made available in Argentina or used in connection with an offer to sell or a solicitation of an offer to buy in Argentina.

Notice to Residents of Australia

The offer of interests contained in this Memorandum is directed only to persons who qualify as "wholesale clients" within the meaning of section 761g of the Corporations Act 2001 (CTH). If the Interests are to be on sold to investors in Australia without a product disclosure statement, within 12 months of their issue, they may only be on sold to persons in Australia who are 'wholesale clients' under section 761g of the Corporations Act 2001 (CTH). Each recipient of this Memorandum warrants that it is, and at all times will be a 'wholesale client.'

This Memorandum is not a product disclosure statement or other disclosure document for the purposes of the Corporations Act 2001 (CTH). This Memorandum has not been, and will not be, reviewed by, nor lodged with, the Australian securities and investments commission and does not contain all the information that a product disclosure statement or other disclosure document is required to contain. The distribution of this Memorandum in Australia has not been authorized by any regulatory authority in Australia.

This Memorandum is provided for information purposes only and does not constitute the provision of any financial product advice or recommendation. This Memorandum does not take into account the investment objectives, financial situation and particular needs of any person and the Fund is not licensed to provide financial product advice in Australia. You should consider carefully whether the investment is suitable for you. There is no cooling-off regime that applies in relation to the acquisition of any interests in Australia.

Notice to Residents of Austria

The interests described in this Memorandum and the related documents may be offered, solicited, sold, distributed or advertised, directly or indirectly, in Austria only to identified and predetermined investors, each of which has been individually approached and identified by its name prior to dispatching the offer, solicitation for the offer, sale, distribution or advertisement, and in all cases only in circumstances where no public offering of the interests is constituted in Austria within the definition of the Austrian Capital Market Act or, the Austrian Investment Funds Act 2011 or any other law and regulation in Austria applicable to the offer and the sale of the securities in Austria. Neither this Memorandum nor any other material or information relating to the securities is a prospectus within the meaning of the Austrian Capital Market Act or the Austrian Investment Fund Act 2011 nor a public offering or a public solicitation to subscribe for or purchase the interests or a public invitation to make an offer for the interests or any advertisement or marketing which may be considered equivalent to a public offer or solicitation in Austria. No prospectus has been or will be published pursuant to the Austrian Capital Market Act or, the Austrian Investment Funds Act 2011, the Austrian Real Estate Investment Funds Act or the Austrian Stock Exchange Act. The interests have not been and will not be registered or otherwise authorized for public offer in

Austria under the Austrian Capital Market Act, the Austrian Investment Funds Act 2011, the Austrian Real Estate Investment Funds Act or the Austrian Stock Exchange Act or otherwise. This Memorandum and the related documents are solely for the use of the person to whom they have been delivered and may not be distributed other than to the qualified professional advisors of the person to whom such documents have been delivered.

Notice to Residents of the Bahamas

This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering or a solicitation of an offer to buy the securities described therein in the Bahamas. Neither the Securities Commission nor any similar authority in the Bahamas has reviewed or in any way passed upon the Memorandum or the merits of the securities described herein, and any representation to the contrary is an offence. Interests may not be offered or sold, transferred to, registered in favor of, beneficially owned by or otherwise disposed of in any manner to persons (legal or natural) deemed by the Central Bank of the Bahamas as resident for exchange control purposes, unless such persons deemed as resident obtain the prior approval of the Central Bank of the Bahamas. This Memorandum is not, and under no circumstances is it to be construed as, an advertisement to or a solicitation of an offer to buy the securities described therein to such non-resident persons.

Notice to Residents of Bahrain

This offer is a private placement. It is not subject to the regulations of the central bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This Memorandum is therefore intended only for "accredited investors" as defined in the glossary to this Memorandum.

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of $100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

The Board of Directors and the management of the issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Board of Directors and the management, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

Notice to Residents of Belgium

This Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority (Autoriteit voor financiële diensten en markten / Autorité des services et marchés financiers) or any other competent authority in the European Economic Area and, accordingly, the Interests may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 2.1(d) of the Prospectus Directive and Article 3, §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time, save in those circumstances (commonly called "Private Placement") set out in Article 3.2 of the Prospectus Directive and Article 3, §2 of the aforementioned Belgian Law of 16 June 2006.

Prospective purchasers shall only acquire Interests for their own account.

In addition, Interests may not be offered or sold to any person qualifying as a consumer within the meaning of the Belgian Law of 6 April 2010 on market practices and the protection of the consumer unless such sale is made in compliance with this law, the Prospectus Directive and the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and any applicable implementing regulation. Belgian investors should seek advice from their own advisers about the consequences of the investment in the Interests, including the tax consequences.

Notice to Residents of Bermuda

The Interests being offered hereby are being offered on a private basis to investors who satisfy the criteria outlined in this Memorandum. This Memorandum is not subject to, and has not received approval from either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorized to be made in this regard.

Notice to Residents of Brazil

The interests may not be offered or sold to the public in Brazil. Accordingly, the offering of the Interests has not been submitted to the Brazilian securities commission ("CVM") for approval. documents relating to such offering, as well as the information contained herein and therein may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

Notice to Residents of the British Virgin Islands

The Interests may not be offered in the British Virgin Islands unless the Fund or the person offering the Interests on its behalf is licensed to carry on business in the British Virgin Islands. The Fund is not licensed to carry on business in the British Virgin Islands. The Interests may be offered to British Virgin Islands business companies (from outside the British Virgin Islands) without restriction. A British Virgin Islands business company is a company formed under or otherwise governed by the BVI Business Companies Act, 2004 (British Virgin Islands).

Notice to Residents of Brunei

This Memorandum does not, and is not intended to constitute an invitation, offer, sale or delivery of the Interests in Brunei Darussalam. This Memorandum is not intended to be a prospectus. It is for information purposes only. This Memorandum may not be distributed or redistributed to and may not be relied upon or used by any person in Brunei Darussalam. Any offers, acceptances, subscription, sales and allotments of the Interests shall be made outside Brunei Darussalam. This Memorandum, the Fund and the Interests have not been registered with, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam; nor has it been registered with the Registrar of Companies or the Brunei Darussalam Ministry of Finance.

Notice to Residents of Canada

This offering is being made in the provinces of Alberta, British Columbia, Ontario and Québec (the "Canadian Jurisdictions") solely by this Memorandum and any decision to purchase the Interests should be based solely on information contained in this Memorandum.

Resale Restrictions

The distribution of the Interests in the Canadian Jurisdictions is being made on a private placement basis only and is therefore exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian regulatory authority. accordingly, any resale of the Interests must be made in accordance with applicable securities laws, which will vary depending on the relevant Canadian Jurisdiction, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements. Canadian resale restrictions in some circumstances may apply to resales of interests made outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the interests.

The Fund and the General Partner are not, and may never be, "reporting issuers," as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the interests will be offered and there currently is no public market for any of the interests in Canada, and one may never develop. Under no circumstances will the Fund or the General Partner be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the interests to the public in any province

or territory of Canada. Canadian investors are advised that the Fund and General Partner currently have no intention to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Interests to the public in any province or territory in Canada.

Representations of Purchasers

Each Canadian investor who purchases the Interests will be deemed to have represented that: (1) the offer and sale was made exclusively through the final version of the Memorandum and was not made through an advertisement in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada; (2) such investor has reviewed the terms referred to above under "resale restrictions"; (3) where required by law, such investor is, or is deemed to be, acquiring the interests as principal for its own account in accordance with the laws of the Canadian Jurisdiction in which the investor is resident and not as agent or trustee; (4) such investor, or any ultimate investor for which such investor is acting as agent, is entitled under applicable Canadian securities laws to acquire the interests without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing, such investor or any ultimate investor for which such investor is acting as agent (a) is an "accredited investor" as defined in section 1.1 of national instrument 45-106 – prospectus and registration exemptions ("NI 45-106") who is purchasing the interests from an "investment dealer" as defined in section 1.1 of national instrument 31-103 – registration requirements, exemptions and ongoing registrant obligations ("NI 31-103") registered in the relevant Canadian Jurisdiction; or (b) is a "permitted client" as defined in section 1.1 of NI 31-103 who (i) is a person or company registered under the securities legislation of the Canadian Jurisdiction as an adviser or a dealer; or (ii) has received the notice required pursuant to paragraph 8.18(4)(b) of NI 31-103; and (5) such investor, if not an individual or an investment fund, has a pre-existing purpose and was not established solely or primarily for the purpose of acquiring the interests in reliance on an exemption from applicable prospectus requirements in the Canadian Jurisdiction.

Important Information Regarding the Collection of Personal Information

Each resident of Ontario who purchases the Interests will be deemed to have represented to the Fund and the General Partner that such investor: (a) has been notified by the Fund and the General Partner (i) that the Fund is required to provide information ("personal information") pertaining to the investor as required to be disclosed in schedule I of form 45-106F1 (including its name, address, telephone number and the aggregate amount and value of any interests purchased), which form 45-106F1 is required to be filed by or on behalf of the Fund under NI 45-106; (ii) that such personal information will be delivered to the Ontario Securities Commission (the "OSC") in accordance with NI 45-106; (iii) that such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario; (iv) that such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the administrative assistant to the director of corporate finance at the OSC, suite 1903, box 55, 20 Queen Street West, Toronto, Ontario m5h 3s8, telephone: (416) 593-8086; and (b) has authorized the indirect collection of the personal information by the OSC. Further, the investor acknowledges that its name, address, telephone number and other specified information, including the aggregate amount of interests it has purchased and the aggregate purchase price to the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. each resident of a Canadian Jurisdiction other than Ontario who purchases the interests hereby acknowledges to the Fund and the general partner that its name and other specific information, including the aggregate amount of the interests it has purchased and the aggregate amount and value of any interests purchased, may be disclosed to Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian securities laws. By purchasing the Interests, each investor consents to the disclosure of such information and also agrees to provide such information and documents as the Fund and the General Partner may reasonably require from time to time to comply with any filings and other requirements of applicable Canadian securities laws.

The investor certifies that none of the funds being used to purchase securities are, to its knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and that: (i) the funds being used to purchase the securities and advanced by or on behalf of the applicant do not represent proceeds of crime for the purpose of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "PCMLTFA") and (ii) the Fund and the general partner or any person acting on their behalf or as their agent may in the future be required by law to disclose the applicant's name and other information relating to the applicant and any purchaser of the securities, on a confidential basis, pursuant to the PCMLTFA and the criminal code of Canada (Canada or as otherwise may be required by applicable laws, regulations or rules).

Rights of Action for Damages or Rescission

Securities legislation in some of the Canadian Jurisdictions provides some purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages or both where an offering memorandum (such as this memorandum) and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. Those remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the relevant securities legislation and are advised to consult their own legal advisers as to which, or whether any, of such rights may be available to them.

The rights of action discussed below will be granted to the purchasers to whom such rights are conferred upon the subscription for the interests. The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law. Similar rights may be available to investors resident in other Canadian jurisdictions under local provincial securities laws.

Rights for Purchasers in Ontario

Section 130.1 of the Securities Act (Ontario) (the "Ontario Act") provides that every purchaser of securities pursuant to an offering memorandum (such as this Memorandum) shall have a statutory right of action for damages or rescission in the event that the offering memorandum contains a misrepresentation. where used herein, "misrepresentation" means an untrue statement of a material fact (meaning a fact that would reasonably be expected to have a significant effect on the value of the interests) or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. a purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission provided that:

(A) If the purchaser exercises its right of rescission, it shall cease to have a right of action for damages;

(B) The Fund and the general partner will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;

(C) The Fund and the general partner will not be liable for all or any portion of damages that they prove do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(D) In no case shall the amount recoverable exceed the price at which the securities were offered. Section 138 of the Ontario act provides that no action shall be commenced to enforce these rights more than:

(a) In the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or

(b) In the case of an action for damages, the earlier of:

(i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years from the day of the transaction that gave rise to the cause of action.

The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirement in section 2.3 of NI 45-106 (the "Accredited Investor" exemption) if the prospective purchaser is:

(A) A Canadian financial institution (as defined in NI 45-106) or a schedule iii bank;

(B) The business development bank of Canada incorporated under the business development bank of Canada act (Canada); or

(C) A subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The rights of action for damages or rescission under the Ontario act are in addition to and do not derogate from any other right which a purchaser may have at law.

Rights for Purchasers in Québec

Legislation has been adopted in Québec, but is not yet in force, that will provide the purchasers of the securities with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to the purchasers of the securities under ordinary civil liability rules, purchasers are granted the same rights of action for damages or rescission as purchasers in Ontario. If and when this legislation is in force, then purchasers of the securities residing in the province of Québec will no longer have the rights granted to purchasers in Ontario and the following will apply, in addition to any other right or remedy available to purchasers of securities residing in the province of Québec under ordinary civil liability rules:

If there is a misrepresentation in the offering document, purchasers will have a statutory right to sue:

(A) To cancel subscription agreement to buy the securities or to revise the price at which the securities were sold to the purchaser; and

(B) For damages against the issuer, the persons in charge of the issuer's patrimony, the dealer(s) under contract to the issuer in connection with the sale of the securities and any expert whose opinion appears in the offering document if such opinion contains a misrepresentation.

This statutory right to sue will be available to purchasers whether or not purchasers have relied on the offering document. Purchasers will be able to elect to cancel their agreement to buy the securities or to bring an action to revise the price without prejudice to their claim for damages.

However, there will be various defenses available to the persons that purchasers will have a right to sue. For example, they will have a defense if purchasers knew of the misrepresentation when they purchased the securities. In an action for damages, a person listed above, other than the issuer or the persons in charge of the issuer's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(A) The offering document contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(B) There was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If purchasers of securities intend to rely on the rights described in (A) or (B) above, they will have to do so within strict time limitations. Purchasers will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. Purchasers will have to commence an action for damages within the earlier of (i) three years after they first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to purchaser's negligence) or (ii) five years after the filing of the offering document with the autorité des marchés financiers.

This summary is subject to the express provisions of the securities act (Québec) and the regulations and rules made under it, and you should refer to the complete text of those provisions.

Language of Documents

Each purchaser of interests hereby agrees that it is the purchaser's express wish that all documents evidencing or relating in any way to the sale of the interests be drafted in the English language only.

Chaque acheteur au canada des billets reconnaît que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des billets soient rédigés uniquement en anglais.

Notice to Residents of the Cayman Islands

This is not an offer to the public in the Cayman islands to subscribe for Interests, and applications originating from the Cayman islands will only be accepted from exempted Cayman islands companies, trusts registered as exempted in the Cayman islands, Cayman islands exempted limited partnerships or companies incorporated in other jurisdictions and registered as foreign corporations in the Cayman islands.

Notice to Residents of Chile

The Interests offered hereby are not required to be registered in Chile and, in consequence, have not been, and will not be, registered with the Superintendencia de Valores y Seguros de Chile and therefore are not subject to its surveillance. Furthermore, the issuer is not obliged to deliver public information regarding these interests. These interests will not be subject to a public offering unless registered with the registry of securities. This offering commences on the date of the memorandum and is performed according to norma de carácter general 336 of the superintendencia de valores y seguros de chile.

Esta oferta se realiza conforme a la norma de carácter general n° 336 de la superintendencia de valores y seguros (svs) y comienza en la fecha de este memorandum/documento. Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la svs y, por lo mismo, estos valores no están sujetos a su fiscalización. Por lo mismo, no existe de parte del emisor obligación de entregar en chile información pública respecto de estos valores. Finalmente, estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.

Notice to Residents of China

This Memorandum does not constitute a public offering of securities, whether by way of sale or subscription, in the People's Republic of China. The offer or sale of the Interests has not been and will not be filed with any securities or other regulatory authorities of the People's Republic of China pursuant to relevant securities-related or other laws and regulations and may not be offered or sold within the mainland of the People's Republic of China through a public offering or in circumstances which require an examination or approval of any securities or other regulatory authorities in the People's Republic of China or unless otherwise in accordance with the laws and regulations of the People's Republic of China.

Notice to Residents of Colombia

This Memorandum is for the sole and exclusive use of the addressee as a determined individual/entity, and cannot be understood as addressed or be used by any third party, including any of its shareholders, administrators or by any of the employees of the addressee.

This Memorandum has not been and will not be filed with or approved by the Colombian Financial Superintendency or any other regulatory authority in Colombia.

The issuance of the Interests, its trading and payment shall occur outside Colombia, therefore the Interests have not been and will not be registered before the National Securities and Issuers Registry, nor with the Bolsa de Valores de Colombia. The delivery of this Confidential Memorandum does not constitute a public offer of securities under the laws of Colombia. The Interests may not be solicited, publicly offered, transferred, sold or delivered, whether directly or indirectly, to any individual or legal entity in Colombia.

The addressee acknowledges the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment made in connection with this agreement and represents that it is the sole responsible party for full compliance therewith. Additionally, Colombian investors shall be the sole responsible party for compliance therewith. Additionally, Colombian investors are solely liable for conducting an investment suitability analysis as per their applicable investment regime.

Notice to Residents of the Cyprus

The information contained in this Memorandum has not been prepared with the intention to make an offer or invitation to the public to subscribe for the Interests. This Memorandum is specifically addressed to a limited number of investors which in the aggregate do not amount to more than 50 as regards the Cypriot market. All information contained in this Memorandum is strictly confidential and the Interests, if subscribed for, are not renounceable in favor of any third party.

Notice to Residents of the Czech Republic

This Memorandum is provided only to professional customers and/or experienced investors. The information contained herein should neither be regarded as an offer nor a solicitation to buy, sell or otherwise deal with any investment referred to herein and is not intended for distribution to, or use by, any person in the Czech Republic, where the Fund is not authorized or registered for distribution or in which the dissemination of information on the Fund is forbidden. This Memorandum may not be distributed to any person or entity other than the recipient hereof. The Interests have not been and will not be registered or approved by the Czech National Bank or any other relevant supervisory authority. The Interests must not be distributed within the Czech Republic by way of public offer or in any similar manner.

The key investor information forms an integral part of this Memorandum.

Notice to Residents of Denmark

This Memorandum has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark and the Interests have not been and are not intended to be listed on a Danish regulated market place. Furthermore, the Fund Interest has not been and will not be offered to the public in Denmark. Consequently, this Memorandum may not be made available nor may the Interests otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 643 of 19 June 2012.

Notice to Residents of Dubai International Financial Center

This Memorandum relates to a partnership which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). This Memorandum is intended for distribution only to persons meeting the criteria of a "professional client" in accordance with the DFSA's rules and must not, therefore, be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any Memorandum or other documents in connection with this Partnership. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum, and has no responsibility for it. The Interests to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the units. If you do not understand the contents of this document you should consult an authorized financial advisor.

Notice to Residents of Egypt

The securities discussed in the enclosed materials are not being offered or sold publicly in Egypt and they have not been and will not be registered with the Egyptian Capital Market Authority and may not be offered or sold to the public in Egypt. No offer, sale or delivery of such securities, or distribution of any prospectus relating thereto, may be made in or from Egypt except in compliance with the applicable Egypt laws and regulations.

Notice to Residents of Finland

This Memorandum does not constitute an offer to the public in Finland. The Interests cannot be offered or sold in Finland by means of any document to any persons other than "Qualified Investors" as defined by the Finnish Securities Markets Act (Fin: Arvopaperimarkkinalaki, 495/1989) as amended or in any other circumstances which do not require the publication by the issuer or any other entity of a prospectus pursuant to Article 3 of the Directive 2003/71/EC (Prospectus Directive). No action has been taken to authorize an offering of the Interests to the public in Finland and the distribution of this Memorandum is not authorized by the Financial Supervision Authority in Finland. This Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this Memorandum has been delivered by the Fund or its representative. This Memorandum may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

Notice to Residents of France

This Memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of Article l.411-1 of the French Code Monétaire et Financier and Title I of book II of the Règlement Général of the Autorité des Marchés Financiers (the "AMF") and therefore has not been and will not be submitted for clearance to the AMF. Consequently, the interests are not being offered, directly or indirectly, to the public in France and this Memorandum has not been and will not be distributed to the public in France. offers, sales and distributions of the interests in France will be made only to qualified investors (Investisseurs Qualifiés) acting for their own accounts or to a closed circle of investors (cercle restreint d'investisseurs) acting for their own accounts, and/or to providers of the investment service of portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers) as defined in, and in accordance with, articles l. 411-2 and d. 411-1 to d. 411-4, d. 744-1, d. 754-1 and d. 764-1 of the French code monétaire et financier. The interests may only be offered, directly or indirectly, to the public in France, in compliance with articles l. 411- 1, l. 411-2, l. 412-1 and l. 621-8 through l. 621-8-3 of the French code monétaire et financier.

Le present memorandum (Memorandum) n'a pas ete prepare dans le cadre d'une offre au public d'instruments financiers realisee en france au sens de l'article l. 411-1 du code monetaire et financier français et du titre i du livre ii du reglement general de l'autorite des marches financiers (l' « AMF ») et n'a donc pas ete et ne fera pas l'objet d'une demande de visa ou d'autorisation aupres de l'amf. En consequence, les parts ne sont pas offertes,

directement ou indirectement, au public en france. les offres, ventes, et distributions des parts en france ne seront faites qu'aupres d'investisseurs qualifies agissant pour leur propre compte, ou a un cercle restreint d'investisseurs agissant pour leur propre compte, et/ou aux prestataires fournissant le service de gestion de portefeuille pour le compte de tiers, tel que definis par, et en application, des articles l. 411-2, d. 411-1 a d. 411-4, d. 744-1, d. 754-1 et d. 764-1 du code monetaire et financier. les parts ne pourraient faire l'objet d'une offre au public en france, directement ou indirectement, que si l'offre etait realisee conformement aux articles l. 411-1, l. 411-2, l. 412-1, et l. 621-8 a l.621-8-3 du code monetaire et financier francais.

Notice to Residents of Germany

This offering Memorandum and other offering documentation have not been submitted to the German federal Financial Supervisory Authority (bundesanstalt für finanzdienstleistungsaufsicht, bafin) and the Interests have not been and will not be admitted or registered for public distribution under the Securities Sale Prospectus Act (WpPG), the Investment Products Act (VermanlG) and the Investment Act (InvG). The Interests must not be distributed within Germany by way of public offer, public advertisement or in any similar manner. This offering Memorandum and any other marketing materials relating to the interests as well as information contained therein are strictly confidential and may not be supplied to the public in Germany or used in connection with any offer for subscription of the interests to the public in Germany and may not be distributed to any person or entity other than the recipients hereof. Recipients may not pass this offering Memorandum or any other offering materials onto third persons except for purposes of evaluating their own investment.

Notice to Residents of Greece

The Fund has not been approved by the Hellenic capital market commission for distribution and marketing in Greece.

This Memorandum and the information contained therein do not and shall not be deemed to constitute an invitation to the public in Greece to purchase interests in the Fund. The Interests have not been and will not be distributed or sold by any form of solicitation or advertising to the public in Greece. The Interests may not be distributed, offered or in any way sold in Greece except as permitted by Greek law. The Fund does not have a guaranteed performance and past returns do not guarantee future ones.

Notice to Residents of Guernsey

This Memorandum has not been approved or authorised by the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey. Accordingly, this Memorandum may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000.

Notice to Residents of Hong Kong

The contents of this Memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Memorandum, you should obtain independent professional advice.

The Fund has not been authorized by the Securities and Futures commission in Hong Kong pursuant to the Securities and Futures Ordinance (cap. 571 of the laws of Hong Kong) (the "SFO").

No advertisement, invitation or document related to the interests has been or will be issued, in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to interests

which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that ordinance.

Notice to Residents of India

This Memorandum does not constitute an offer to sell or an offer to buy interests from any person other than the person to whom this Memorandum has been sent by the Fund or its authorized agent. This Memorandum is not and should not be construed as a prospectus. The Interests in the Fund are not being offered to the public for sale or subscription but are being privately placed with a limited number of sophisticated investors. Prospective investors must seek legal advice as to whether they are entitled to subscribe for the Interests of the Fund and must comply with all relevant Indian laws in this respect.

Notice to Residents of Indonesia

This Memorandum may not be distributed in the Republic of Indonesia and the Interests may not, directly or indirectly, be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian entities or residents in a manner which constitutes a public offering of the Interests under the laws of the Republic of Indonesia.

Notice to Residents of Ireland

This Memorandum and the information contained herein is confidential and has been prepared and is intended for use on a confidential basis solely by those persons in Ireland to whom it is sent. It may not be reproduced, redistributed or passed on to any other persons or published in whole or in any part for any purpose. The Offer is being made pursuant to an exemption or exemptions under the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and accordingly no Prospectus pursuant to those Regulations is required to be published. Facilities for participation by the public are not being provided in respect of the offer.

Notice to Residents of Israel

The offering under this Memorandum does not constitute an "offer to the public" as defined in the Israeli securities law 5728-1968, and investors will not be able to rely on such securities law in any matters related to or deriving from this Memorandum and/or their investment in the Fund. The securities offered hereby have not been approved or disapproved by the securities authority or any other authority of the state of Israel.

Notice to Residents of Italy

The Fund is not a ucits complying fund. This Memorandum has not been nor will it be filed with the Italian authorities for registration. No action has been or will be taken which would allow the offering of the interests in Italy. Accordingly, the Interests can only be offered upon the express and unsolicited request of an investor who has directly contacted the Fund on his/her/its own initiative. No active marketing of the Fund or the Interests has been made in Italy, and this Memorandum has been sent to the investor at such investor's express and unsolicited request.

Notice to Residents of Japan

Registration pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan, as amended (the "FIEA") has not been and will not be made with respect to the solicitation of an offer to purchase an Interest ("Interest") of the Fund on the ground that the solicitation qualifies as a "solicitation for a small number of investors" (as defined in article 23-13, paragraph 4 of the FIEA), and the interests are "securities" as defined in article 2, paragraph 2, item 6 of the fiea and being offered in accordance with article 2, paragraph 3, item 3 of the FIEA where the interests are to be acquired by 499 or fewer investors.

Prospective investors should be aware that the general partner has not been and will not be registered under the FIEA as "type 2 financial instrument trader" (dainishu kinyushohin torihiki gyo) nor "Investment Management Business" (toshi unyo gyo), and no transfer of interests shall be permitted in any manner whatsoever if such transfer causes the general partner to be registered as "Type 2 Financial Instrument Trader" (dainishu kinyushohin torihiki gyo) and/or "investment management business" (toshi unyo gyo) under the FIEA.

In the event that the general partner chooses to rely on the exemption for registration requirement for "type 2 financial instrument trader" (dainishu kinyushohin torihiki gyo) as provided for in article 63, paragraph 1, item 1 of the FIEA with respect to the offering and sale of the interests, the investor acknowledges and agrees that: (i) no interests shall be sold to or held by any resident in Japan (including those who have been solicited in Japan to subscribe for the interests) unless at least one "qualified institutional investor," as defined in article 2, paragraph 3, item 1 of the FIEA and article 10 of the cabinet order regarding definitions under article 2 of the FIEA (the "QII"), purchases and holds an interest; (ii) the number of the investors who are not QII in Japan (including those who have been solicited in Japan to subscribe for the interests) that purchase or hold interests shall not exceed 49 during any given six months period (subject to the rules of integration as provided for under the FIEA); (iii) no interest shall be sold to or held by any person falling under article 63, paragraph 1, item 1, sub-items (i) to (iii) of the FIEA (any such person being referred to as an "unqualified investor"); (iv) if the investor is a QII, it agrees not to transfer the interests if (a) the transferee is not a QII or (b) the transferee is an unqualified investor; and (v) if the investor is not a QII, it can transfer the interests only in a single block transaction to a single transferee who is not an unqualified investor, and all of the investor's interests must be transferred to the transferee in such transaction.

Furthermore, in the event that the general partner chooses to rely on the exemption for registration requirement for "investment management business" (toshi unyo gyo), no interests shall be sold in Japan or held by Japanese investors, unless either (a): (i) all of the Japanese investors in the Fund who are "direct investors" (as defined in article 16, paragraph 1, item 13 of the cabinet order regarding definitions under article 2 of the FIEA) are (x) QIIs or (y) those who have filed the notification form for special business activities for qualified institutional investors in respect of "investment management business" (as defined in article 63, paragraph 1, item 2 of the FIEA) in accordance with article 63, paragraph 2 of the FIEA (the "article 63 notification"); (ii) all of the Japanese investors in the Fund who are "indirect investors" (as defined in article 16, paragraph 1, item 13 of the cabinet order regarding definitions under article 2 of the FIEA), if any, are QIIs; (iii) the number of Japanese investors (including "indirect investors") in the Fund is not more than 9; and (iv) the aggregate amount of investment in the Fund made by the "direct investors" is not more than one-third (1/3) of the aggregate amount of the investment made by all investors in the Fund, or (b): (i) at least one QII holds, at any given time, an interest; (ii) the number of investors who are not QIIs ("non-QII") in Japan holding the interests, if any, does not exceed 49 during any given six months period (subject to the aggregation rules provided for in article 17-12, paragraph 3, item 2, sub-item (b) of the enforcement ordinance of the FIEA); (iii) no interests are sold to or held by unqualified investors; and (iv) the general partner of the Fund has filed the article 63 notification prior to the commencement of the management of the assets of the Fund.

Notice to Residents of Jersey

Interests in the Fund are only suitable for sophisticated investors who have the requisite knowledge and experience of financial and business matters to evaluate the merits and understand the risks of such an investment. Neither this Memorandum nor the offer of Interests pursuant to this Memorandum has been approved by or filed with the jersey financial services commission. Consent under the control of borrowing (Jersey) order 1958 ("COBO") has not been obtained for the circulation of this Memorandum. accordingly, the offer that is the subject of this Memorandum may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Notice to Residents of Jordan

This Memorandum has not been presented to, or approved by the Jordanian Securities Commission or the Board for Regulating Transactions in Foreign Exchanges. Sending this Memorandum or establishing direct contact about it with potential investors in Jordan cannot be made unless and until proper registration, filing and licenses, or exemptions therefrom, required under the Jordanian Securities Law and the law regulating trading in foreign exchanges have been secured.

Notice to Residents of Korea

The Fund makes no representation with respect to the eligibility of any recipients of this Memorandum to acquire the interests under the laws of Korea, including, without limitation, the foreign exchange transaction law and regulations thereunder. The Interests have not been registered with the Financial Services Commission of Korea (the "FSC") in Korea under the financial investment services and capital markets act of Korea, and the interests may not be offered, sold or delivered, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the interests may not be resold to Korean residents unless the purchaser of the interests complies with all applicable regulatory requirements (including, without limitation, governmental approval requirements under the foreign exchange transaction law and its subordinate decrees and regulations) in connection with the purchase of the Interests.

Notice to Residents of Kuwait

With respect to the content of this Memorandum, you are recommended to seek advice from a person licensed in accordance with the law and specialized in rendering advice on the purchase of stocks and securities before you make a subscription decision.

Notice to Residents of Liechtenstein

The Interests are offered to a narrowly defined category of investors, in all cases and under all circumstances designed to preclude a public solicitation in Liechtenstein. This Memorandum may not be reproduced or used for any other purpose nor be furnished to any other person than those to whom copies have personally been sent. This offer is a private offer, this Memorandum and the transaction described therein is therefore not, nor has it been, subject to the review and supervision of the Liechtenstein Financial Market Authority.

Notice to Residents of Luxembourg

This Memorandum is strictly private and confidential. The Interests are being issued to a limited number of sophisticated investors, and this Memorandum may not be reproduced or used for any other purpose, nor provided or sold to any other person other than the recipient thereof. In Luxembourg, the sale of the Interests has not been authorized by the Commission de Surveillance du Secteur Financier and, accordingly, the Interests have not been and may not be offered directly or indirectly, to the public in or from Luxembourg, and further they may not be offered in Luxembourg outside the scope of the exemptions provided for in the Luxembourg Law of 10 July 2005 on prospectuses for securities, as amended.

Notice to Residents of Malaysia

Prior permission of the Malaysian Securities Commission pursuant to the Malaysian Capital Markets and Services Act 2007 has not and will not be obtained for the making available, offering for subscription or purchase or issuance of an invitation to subscribe for or purchase the Interests in Malaysia. Neither the Memorandum nor any document or other material in connection therewith has been registered as a prospectus or deposited with the securities commission under the Capital Markets and Services Act 2007. Accordingly:

(A) the Memorandum and any document or other material in connection therewith may not be distributed, circulated or made available directly or indirectly in Malaysia and the offeror shall not be liable in any manner whatsoever in the event this Memorandum and any document or other material in connection therewith is distributed or made available in Malaysia; and

(B) the Interests may not be made available, offered for subscription or purchase directly and indirectly in Malaysia, and no invitation to subscribe for or purchase of the Interests may be made directly or indirectly to any person in Malaysia. If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisor immediately. It is your sole responsibility to satisfy yourself as to the full observance of the laws of Malaysia and to obtain all relevant government and regulatory approvals including but not limited to exchange control laws;

(C) nothing in this Memorandum and any document or other material in connection therewith shall constitute in any manner whatsoever a proposal to make available, offer for subscription or purchase or to issue an invitation to subscribe for or purchase any securities in Malaysia or a proposal to implement any of the foregoing in Malaysia; and

(D) the securities are being offered to you outside Malaysia under a very limited and exclusive private placement.

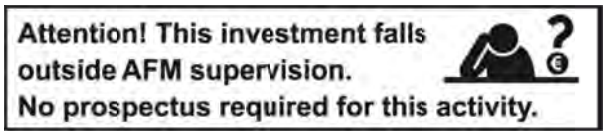
Notice to Residents of Mexico

The Interests have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and may not be publicly offered in Mexico. This Memorandum may not be publicly distributed in Mexico. The Interests may be offered as private offering in terms of article 8 of the Securities Market Law.

Notice to Residents of the Netherlands

The Interests have not been and will not be offered, sold, transferred or delivered in the Netherlands, as part of their initial distribution or at any time thereafter, directly or indirectly, other than (a) to individuals or legal entities which are considered to be "qualified investors" (gekwalificeerde beleggers) within the meaning of Section 1:1 of the Dutch Financial Supervision Act (wet op het financieel toezicht, the "WFT"); and/or (b) for a minimum consideration of €100,000 (or the equivalent amount in another currency); and/or (c) in a minimum denomination of €100,000 (or the equivalent amount in another currency); and/or (d) in circumstances where other exemptions in respect of the offering of the Interests apply.

The offering of the Interests does not require the Fund to have a license pursuant to the WFT and the Fund is not subject to supervision of the Netherlands Authority for Financial Markets (autoriteit financiële markten, the "AFM") or supervision of the dutch central bank (DE Nederlandsche Bank, the "DNB").



Notice to Residents of New Zealand

Warning (please read the following important information):

The offer of Interests in the Fund is restricted in New Zealand to persons:

(A) Whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money;

(B) Who otherwise pay a minimum subscription price of at least nz$500,000 for Interests under this offer;

(C) Who have within the last 18 months paid a minimum subscription price of at least nz$500,000 for the same Interests in the Fund in a single transaction before the allotment of those initial securities.

This Memorandum does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for securities in the Fund by persons in New Zealand who do not meet the above criteria. Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

By applying for Interests in the Fund, each New Zealand investor is deemed to agree that:

(A) They are not acquiring the Interests in the Fund with a view to offering them for sale to members of the public in New Zealand (as that expression is used in the securities act 1978), and that if in the future they elect to sell any of the Interests in the Fund, they will not do so in any manner which will, or is likely to, result in the Interests in the Fund being subject to the securities act 1978 or may result in the Fund or any of its directors or related bodies corporate incurring any liability whatsoever; and

(B) If Interests in the Fund are found to have been offered to persons in New Zealand who do not meet the above criteria, they will provide their consent to the making of a relief order under the securities act 1978, in accordance with the procedure prescribed by that act.

Notice to Residents of Nicaragua

The present is not a public offering document. Interests are not to be offered, placed or traded in by any means to the public or determined groups, including the use of mass media and any other public offering means.

Notice to Residents of Norway

The Fund is not subject to regulation under the Norwegian Securities Funds Act of 2011. No action has been, nor will be, taken for the offering of Interests in the Fund and the Memorandum to be registered nor approved by the Norwegian Financial Supervisory Authority (Finanstilsynet) according to the Norwegian Securities Funds Act No 44 of 25 November 2011 nor under the public offering rules of the Norwegian Securities Trading Act No. 75 of 29 June 2007 Chapter 7. The Fund has not been, nor will be under supervision by the Financial Supervisory Authority of Norway (Finanstilsynet). Interests in the Fund will only be sold to selected professional investors in Norway. This Memorandum must not be copied or otherwise distributed by the recipient. Each investor should carefully consider individual tax issues before investing in the Fund.

Notice to Residents of Oman

The interest in the Fund, this Memorandum or any offering material relating to the Interests in the Fund may not be marketed or distributed to any person in Oman other than by an entity licensed to market non-Omani securities by the capital market authority and then only in accordance with any terms and conditions of such license.

Notice to Residents of Panama

These Interests have not been and will not be registered with the Superintendence of Securities Market of the Republic of Panama (former National Securities Commission) under Decree Law No. 1 of July 8, 1999 and Law 67 of September 1, 2011 and/or its regulations (the "Panamanian Securities Act") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. These Interests do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Superintendence of Securities Market of the Republic of Panama.

Notice to Residents of Peru

The Interests will be sold through a private offering in Peru. The offering will not be registered with the Peruvian Securities and Exchange Commission (Superintendencia del Mercado de Valores) and will not qualify as a public offering pursuant to Peruvian Securities Market Law (Ley del Mercado de Valores).

Notice to Residents of the Philippines

The Philippine Securities and Exchange Commission has not approved these securities or determined if this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense and should be reported immediately to the Philippine Securities and Exchange Commission. The Interest will be offered in the Philippines only pursuant to exemptions under the Securities Regulation Code (the "SRC"). Accordingly, securities may not be offered or sold or made the subject of an solicitation for subscription or purchase nor may this Memorandum or any other document or material in connection with the offer or sale, or solicitation for subscription or purchase, of securities circulated or distributed whether directly or indirectly to any person in the Republic of the Philippines except in a transaction exempt from the SRC's registration requirements under Section 10 of the SRC. The Interest being offered or sold have not been registered with the Philippine Securities and Exchange Commission under the SRC. Any future offer or sale thereof is subject to registration requirements under the SRC unless such offer or sale qualifies as an exempt transaction.

Notice to Residents of Poland

The Interests described in this Memorandum and related documents may not be publicly offered in the Republic of Poland. The Memorandum has been neither submitted for approval nor was it notified to the Polish Financial Supervision Commission (komisja nadzoru finansowego) or any other public authority in the Republic of Poland in any way.

It is therefore neither an issue prospectus (prospekt emisyjny) nor an information memorandum (memorandum informacyjne) in the understanding of the Act on Public Offering, conditions governing the introduction of financial instruments to organised trading, and public companies (ustawa o ofercie publicznej I warunkach wprowadzania instrumentów finansowych do zorganizowanego systemu obrotu oraz o spólkach publicznych), its by-laws and the Act on the Investment Funds (ustawa o funuszach inwestycyjnych).

There are no Polish language counterparts of this Memorandum and related documents and at the same time these are not intended to constitute a public offering in the Republic of Poland and should not be regarded as such.

In particular, this Memorandum does not constitute an offer to sell (nor a solicitation of any offer to buy) the Interests in the Polish jurisdiction and no steps may be taken which would constitute or result in a public offering of the Interests in the Republic of Poland.

This Memorandum is strictly for private use by its holder and may not be passed on to third parties. It has been prepared for private information purposes only. Sale of Interests to Polish residents regardless whether direct or indirect will be made in compliance with all applicable requirements.

Notice to Residents of Portugal

This material is being provided by the Fund at the request of the addressee for its exclusive use. This offer is addressed only to institutional investors, as so qualified pursuant to the Portuguese securities code (decree-law 486/99, dated November 13, 2000, as amended) and pre-determined investors, and does not qualify as marketing of participation unites in undertakings for collective investments, as per article 1 no. 3 ex vi article 15 of undertaking for collective investment law. The Fund has not been and will not be registered with the Portuguese Securities Market Commission (comissão do mercado de valores mobiliários) as a foreign non-harmonized

investment fund (article 71 ss of CMVM Regulation 15/2003 ex VI article 78 of decree-law 252/2003, dated 17 October 2003), as amended.

Notice to Residents of Qatar

This offering has not been filed with, reviewed or approved by the Qatar central bank, any other relevant Qatar governmental body or securities exchange.

Notice to Residents of Russia

This Memorandum is not registered with the Russian regulator (Federal Service for Financial Markets) and intended exclusively for the qualified investors (as defined in Section 51.2 of the Federal Law No. 39-FZ of April 22, 1996 (as amended), "On the Securities Market" and in the Order of the Federal Service on Financial Markets No. 08-12/pz-n of March 18, 2008). Accordingly, the securities (financial instruments) cannot be advertised or otherwise publicly marketed and/or offered for sale in the Russian Federation.

Notice to Residents of Saudi Arabia

This Memorandum may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Memorandum. Prospective purchasers of the Interests offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

Notice to Residents of Scotland

This Memorandum has not been approved by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA"), nor is it a prospectus approved under Section 87a et seq. of the FSMA, nor has any regulatory filing been made in the United Kingdom in respect of this Memorandum. The distribution of this Memorandum in the United Kingdom is restricted by the FSMA and related legislation (together, the "Regulations") and this Memorandum is for distribution in the United Kingdom only to persons to whom it may lawfully be communicated under such Regulations ("relevant persons").

This communication is directed only at persons in the United Kingdom who are relevant persons and must not be distributed to, acted on or relied on by persons who are not relevant persons.

Notice to Residents of Singapore

This Memorandum has not been registered as a prospectus with the monetary authority of Singapore. Accordingly, this Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Interests may not be circulated or distributed, nor may Interests be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) pursuant to, and in accordance with, the conditions of an exemption under any provision of subdivision (4) of division 1 of part XIII of the Securities and Futures Act, chapter 289 of Singapore (the "SFA"), other than an exemption in section 272b and section 280 of the SFA or (ii) pursuant to, and in accordance with, the conditions of an exemption in section 272b of the SFA where the offer, sale or invitation to the person named above is not made with a view to the Interests being subsequently the subject of an offer, sale or invitation to another person under section 272b or section 280 of the SFA.

Notice to Residents of South Africa

This Memorandum is not intended to be and does not constitute solicitation for investments from members of the public in South Africa in terms of Collective Investment Schemes Control Act 45 of 2002 (as amended).

A South African investor who has received such Memorandum warrants that they have received such Memorandum on a reverse-solicitation basis.

Recipients who accept this offer warrant that they have obtained the relevant exchange control approval.

Notice to Residents of Spain

This Memorandum is neither approved by nor registered in the administrative registries of the Spanish Comisión Nacional del Mercado de Valores ("CNMV"). The Interests may not be offered or sold in Spain or targeted to Spanish resident investors save in compliance with the requirements of the Spanish Securities Market Law, as amended and restated, from time to time and decrees, regulations and any further subsequent legislation issued thereunder.

Notice to Residents of Sweden

The Fund is not authorised under the Swedish Investment Funds Act (SFS 2004:46) (the "Funds Act"). This Memorandum has not been nor will it be registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority) under the Funds Act or the Swedish Financial Instruments Trading Act (SFS 1991:980). Accordingly, this Memorandum may not be made available, nor may the Interests offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus under the Trading Act. Prospective investors should not construe the contents of this Memorandum as legal or tax advice. This Memorandum has been prepared for marketing purposes only and does not constitute investment advice.

Notice to Residents of Switzerland

The Fund has not been approved by the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of June 23, 2006 ("CISA"). The Interests may not be publicly offered in or from Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Memorandum has been prepared without regard to the disclosure standards for issuance of prospectuses under the CISA, Article 652a or 1156 of the Swiss Code of Obligations or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Article 652a or 1156 of the Swiss Code of Obligations or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. The Interests may not be publicly offered in or from Switzerland and may only be offered to qualified investors as such term is defined by the CISA and its implementing ordinance. Neither this Memorandum nor any other offering or marketing material relating to Fund or the Interests may be publicly distributed or otherwise made available in or from Switzerland through a public offering within the meaning of the CISA, the Swiss Code of Obligations and all other applicable laws and regulations in Switzerland. Neither this Memorandum nor any other offering or marketing material relating to the Fund or the Interests have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to acquirers of the Interests.

Notice to Residents of Taiwan

Interests in the Fund cannot be offered, distributed, transferred or resold in Taiwan without prior approval or registration from or with the roc financial supervisory commission pursuant to the applicable laws or meeting the private placement exemption under the applicable laws.

Transfer of the Interests in the Fund is only limited to the following situations:

(A) Redemption of the interests by foreign fund institutions;

(B) Transfer to another qualified institutional investor or qualified non-institutional investor as mentioned above;

(C) Where the transfer occurs by operation of laws; or

(D) Where otherwise approved by the roc financial supervisory commission.

Notice to Residents of Thailand

No solicitation for investment in the Interests can be made in Thailand or to any resident of Thailand unless

(A) such solicitation is conducted by an offshore securities company holding securities licences granted by an offshore regulator which is an ordinary member of the International Organisation of Securities Commission (IOSCO); and

(B) such solicitation is made to:

(a) the government pension fund;

(b) the social security fund;

(c) insurance companies;

(d) commercial banks;

(e) banks established under specific law;

(f) securities companies for management of their own assets;

(g) other financial institutions as specified by the office of the Thai Securities and Exchange Commission with approval from the Thai Securities and Exchange Commission; and

(h) securities companies for management of the assets of the eligible investors in (a) to (g) above by means of private fund management, or for management of mutual funds or provident funds.

(C) the investment by each investor as mentioned in (ii) above is also subject to the specific governing law of each entity.

And otherwise in compliance with applicable regulations of the Thai Securities and Exchange Commission.

Notice to Residents of Turkey

The issuance in Turkey of ownership interests in non-Turkish limited partnerships is subject to the authorization of the capital markets board. Below are the general conditions applied by the capital markets board for the issuance of foreign securities by private placement.

This Memorandum is intended solely for qualified investors and individuals (such as banks, intermediary institutions, pension funds and other institutional investors and individuals holding large scale portfolios in the minimum amount of 1.900.000 new Turkish lira) permitted to acquire securities by private placement under Turkish capital markets law, and this Memorandum may not be considered either as a circular or an offering memorandum or promotion for sales by private placement. The sale of the interests by private placement is subject to a registration requirement with the CMB and can be made only by an intermediary institution authorized in Turkey. The sale of the Interests to any person, directly or indirectly, in Turkey is subject to the capital markets law, the tax laws and to the other applicable laws and regulations of the republic of Turkey.

Notice to Residents of the United Arab Emirates

The Interests offered are not regulated under the laws of the United Arab Emirates ("UAE") relating to funds, investments or otherwise. Neither the Fund nor this Memorandum is approved by the UAE Central Bank, the Securities and Commodities Authority, or any other regulatory authority in the UAE. This Memorandum is strictly private and confidential and is being distributed to a limited number of selected institutional and other sophisticated investors merely to provide information. This Memorandum (a) does not constitute a public offer, or an advertisement or solicitation to the general public; (b) is intended only for the original recipients hereof to whom this document is personally provided and may not be reproduced or used for any other purpose; and (c) no sale of securities or other investment products is intended to be consummated within the UAE. The Interests referred to in this Memorandum are not offered or intended to be sold directly or indirectly to the public in the UAE. Further, the information contained in this Memorandum is not intended to lead to the conclusion of any contract of any nature within the territory of the United Arab Emirates. The placement agents are not licensed brokers, dealers, financial advisors or investment advisors under the laws applicable in the United Arab Emirates, and do not advise individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the United Arab Emirates. This document is confidential and for your information only and nothing in this Memorandum is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Notice to Residents of the United Kingdom

The Fund is a collective investment scheme as defined in part XVII of the United Kingdom Financial Services and Markets Act 2000, as amended ("FSMA"). The Fund has not been authorised, recognised or otherwise approved by the financial services authority in accordance with FSMA and, as an unregulated scheme, it cannot be promoted to the general public in the United Kingdom. accordingly, this communication is made to persons in the United Kingdom only if they fall within the following categories of exempt persons under the Financial Services and Markets Act (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Order"): (1) persons who are investment professionals, as defined in article 14 of the Order; (2) persons who are high net worth companies, unincorporated associations etc., as defined in article 22(2) of the Order; or (3) persons to whom it may otherwise lawfully be communicated. By accepting and not immediately returning this Memorandum, recipients warrant that they qualify as such an exempt person. Communication of this Memorandum to any person who is not an exempt person is unauthorised and may contravene FSMA and any such person should return this Memorandum immediately.

Notice to Residents of Uruguay

In Uruguay the interests are being placed relying on a private placement ("Oferta Privada") pursuant to section 2 of law 18, 627. The Interests are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay. This Fund is not constituted under law NR. 16.774 and will not be registered with the Central Bank of Uruguay.

Notice to Residents of Venezuela

The Interests offered hereby may not be offered to the public in Venezuela and may not be sold or offered in Venezuela in any manner that may be construed as a public offering.

APPENDIX B. INVESTMENT PERFORMANCE-ROC I (March 19, 2009 through March 31, 2014)

Real Estate Opportunity Capital Fund, LP

March 19, 2009 through March 31, 2014

Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[2]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[3]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	G	Nov-09	-	1,475,000	1,475,000	-	2,484,387	2,484,387	1,009,387	1.68x	12.6%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,650,000	2,650,000	-	4,769,132	4,769,132	2,119,132	1.80x	17.1%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	7,035,368	5,590,632	23,372,917	28,963,549	18,963,549	2.90x	34.7%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,778,640	11,366,156	13,144,796	6,644,796	2.02x	23.2%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	222,200	4,895,806	5,118,006	2,218,006	1.76x	21.4%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	1,938,500	1,355,724	971,776	3,740,620	4,712,396	2,773,896	2.43x	36.9%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,347,065	8,315,540	11,662,605	5,627,605	1.93x	28.9%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,750,000	1,615,000	889,331	3,253,181	4,142,512	2,392,512	2.37x	40.6%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,960,838	6,960,838	525,000	21,138,260	21,663,260	14,702,422	3.11x	54.7%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	D	Nov-11	-	6,485,000	5,623,000	1,987,000	9,844,172	11,831,172	5,346,172	1.82x	31.9%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,400,000	1,400,000	85,000	3,025,329	3,110,329	1,710,329	2.22x	41.7%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	7,275,000	1,109,000	13,894,619	15,003,619	7,728,619	2.06x	40.2%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,275,000	5,275,000	343,000	6,807,760	7,150,760	1,875,760	1.36x	17.0%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	1,500,000	130,462	1,970,479	2,100,941	600,941	1.40x	20.7%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	297,861	2,964,852	3,262,713	1,762,713	2.18x	61.4%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	124,266	1,929,738	2,054,004	722,184	1.54x	42.1%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,548,500	2,548,500	203,500	3,589,863	3,793,363	1,244,863	1.49x	43.3%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,825,274	1,825,274	97,334	2,337,991	2,435,325	610,051	1.33x	40.5%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,143	1,838,143	116,688	2,429,081	2,545,769	707,626	1.38x	47.2%
Total Multifamily Investments						**89,755,500**	**64,264,003**	**54,243,059**	**132,129,883**	**186,372,942**	**96,617,442**	**2.08x**	**35.0%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	46,950	4,861,012	(338,988)	0.93x	-2.2%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	167,280	15,656,800	9,621,085	2.59x	48.8%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	335,942	4,013,856	1,924,570	1.92x	43.2%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	316,556	3,138,444	3,455,000	1,705,000	1.97x	47.7%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**30,970,595**	**3,688,616**	**34,659,211**	**14,146,479**	**1.69x**	**25.8%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	12,950,000	12,950,000	-	12,941,227	12,941,227	(8,773)	1.00x	0.0%
Total Short-Term Investments and Reserves						**26,470,871**	**12,950,000**	**15,212,227**	**12,941,227**	**28,153,454**	**1,682,583**	**1.06x**	**5.4%**
Total Net Return on Realized Investments[6]						**67,230,300**	**23,475,234**	**72,576,231**	**29,959,489**	**102,535,720**	**35,305,420**	**1.53x**	**18.0%**
Total Net Return on Unrealized Investments						**89,985,192**	**75,450,867**	**17,686,162**	**115,636,175**	**133,322,337**	**43,337,145**	**1.48x**	**20.2%**
RETURN TO THE ROC FUND I[7]						**120,046,948**	**98,926,101**	**58,920,019**	**159,430,137**	**218,350,156**	**98,303,208**	**1.82x**	**23.0%**
TOTAL NET RETURN[8]						**120,046,948**	**98,926,101**	**53,093,849**	**145,595,664**	**198,689,513**	**78,642,565**	**1.66x**	**19.1%**

Notes:

1 See Value Method Key (to the right).

2 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of December 31, 2013 and are supported by recent appraisals, actual contracts and ROC estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.

3 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").

4 ROC realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.

5 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.

6 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.

7 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.

8 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.

B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.

C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.

D "DCF" - Net Present Value of future cash flows and residual supported by third-party sources.

E "UPB" - Unpaid loan balance including principal and accrued interest.

F "Cost" - Acquisition basis net of transaction costs.

G "Estimate" - Internal Management Estimate.

APPENDIX C. INVESTMENT PERFORMANCE-ROC II (April 3, 2012 through March 31, 2014)

ROC II Funds[1]

April 3, 2012 through March 31, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[3]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[4]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	6,888,000	6,888,000	970,000	10,380,241	11,350,241	4,462,241	1.65x	31.3%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,805,000	5,805,000	-	10,370,507	10,370,507	4,565,507	1.79x	36.7%
Andorra Apartments	Indio, CA	Multifamily	D	May-12	Apr-14	3,375,000	3,375,000	293,538	4,433,579	4,727,117	1,352,117	1.40x	20.8%
Pinewood Apartments	Lynwood, WA	Multifamily	D	May-12	-	1,665,000	1,665,000	308,768	2,643,668	2,952,436	1,287,436	1.77x	39.4%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	11,602,000	11,602,000	-	21,359,262	21,359,262	9,757,262	1.84x	41.6%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	342,845	3,389,814	3,732,659	2,017,659	2.18x	52.3%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	155,505	845,812	1,001,317	322,146	1.47x	27.4%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	908,176	908,176	134,628	1,028,634	1,163,262	255,086	1.28x	15.6%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,000,000	5,000,000	365,000	6,977,005	7,342,005	2,342,005	1.47x	30.6%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,099,000	9,099,000	1,302,000	13,988,633	15,290,633	6,191,633	1.68x	44.8%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,490,000	5,490,000	721,000	8,817,985	9,538,985	4,048,985	1.74x	55.9%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	3,987,000	3,987,000	375,000	5,484,481	5,859,481	1,872,481	1.47x	36.3%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,295,000	6,295,000	670,000	8,067,211	8,737,211	2,442,211	1.39x	30.4%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,546,430	9,546,430	890,734	13,832,280	14,723,014	5,176,584	1.54x	41.2%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	19,831,250	2,085,250	45,830,386	47,915,636	28,084,386	2.42x	107.7%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,397,000	6,397,000	1,109,000	14,520,708	15,629,708	9,232,708	2.44x	103.8%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	5,957,000	5,957,000	353,000	7,138,486	7,491,486	1,534,486	1.26x	21.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	3,158,500	3,158,500	203,500	4,199,863	4,403,363	1,244,863	1.39x	42.8%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	3,860,000	3,860,000	-	5,189,766	5,189,766	1,329,766	1.34x	36.2%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,299,000	10,299,000	740,000	14,020,074	14,760,074	4,461,074	1.43x	44.6%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,628,000	7,628,000	571,000	8,958,593	9,529,593	1,901,593	1.25x	27.8%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,421,726	4,421,726	227,666	5,612,374	5,840,040	1,418,314	1.32x	40.2%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,486,857	5,486,857	348,312	7,250,320	7,598,632	2,111,775	1.38x	45.5%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	7,774,000	7,774,000	415,000	8,642,221	9,057,221	1,283,221	1.17x	19.0%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,022,000	6,022,000	308,000	6,870,647	7,178,647	1,156,647	1.19x	24.3%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	16,616,000	16,616,000	726,000	17,757,381	18,483,381	1,867,381	1.11x	16.1%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,159,000	9,159,000	349,000	8,185,041	8,534,041	(624,959)	0.93x	-10.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	13,487,000	13,487,000	731,000	14,778,719	15,509,719	2,022,719	1.15x	24.7%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	8,793,000	8,793,000	428,000	10,406,309	10,834,309	2,041,309	1.23x	39.6%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	F	Oct-13	-	12,033,000	12,033,000	520,000	11,795,024	12,315,024	282,024	1.02x	NM
Meridian Pointe Apartments	Duluth, GA	Multifamily	F	Oct-13	-	3,702,000	3,702,000	183,000	3,493,322	3,676,322	(25,678)	0.99x	NM
Aventerra Apartments	Mesa, AZ	Multifamily	F	Oct-13	-	13,620,000	13,620,000	381,000	13,157,858	13,538,858	(81,142)	0.99x	NM
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	F	Oct-13	-	11,350,000	11,350,000	375,000	10,922,835	11,297,835	(52,165)	1.00x	NM
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	F	Nov-13	-	8,875,000	8,875,000	155,000	8,733,176	8,888,176	13,176	1.00x	NM
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	F	Dec-13	-	16,550,000	16,550,000	110,000	16,305,440	16,415,440	(134,560)	0.99x	NM
Ashley Vista Apartments	Lithonia, GA	Multifamily	F	Jan-14	-	7,063,802	7,063,802	-	6,988,643	6,988,643	(75,159)	0.99x	NM
Bridgewater Apartments	Stockbridge, GA	Multifamily	F	Jan-14	-	3,156,834	3,156,834	-	3,007,712	3,007,712	(149,122)	0.95x	NM
Silver Shadow Apartments	Las Vegas, NV	Multifamily	F	Jan-14	-	4,339,942	4,339,942	-	3,931,473	3,931,473	(408,469)	0.91x	NM
Presidio Apartments	Oceanside, CA	Multifamily	F	Jan-14	-	16,042,062	16,042,062	-	15,441,736	15,441,736	(600,326)	0.96x	NM
Vista at 23rd Apartments	Gresham, OR	Multifamily	F	Mar-14	-	10,000,263	10,000,263	-	9,462,758	9,462,758	(537,505)	0.95x	NM
Total Multifamily Investments						**307,678,014**	**307,678,014**	**16,847,747**	**394,219,977**	**411,067,724**	**103,389,710**	**1.34x**	**39.0%**
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,550,000	21,550,000	455,000	25,311,595	25,766,595	4,216,595	1.20x	13.0%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	7,929,064	7,929,064	509,064	1.07x	7.0%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	830,533	20,961,469	9,381,469	1.81x	123.4%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	-	18,203,909	18,203,909	2,203,909	1.14x	23.9%
Total Commercial Investments						**81,550,000**	**44,970,000**	**46,128,402**	**52,275,101**	**98,403,503**	**16,853,503**	**1.21x**	**26.5%**
Net Unrealized return on Properties acquired on or before September 30, 2013[5]						**259,329,634**	**259,329,634**	**21,600,048**	**320,823,246**	**342,423,294**	**83,093,660**	**1.32x**	**28.0%**
Net Unrealized return on Properties acquired since September 30, 2013[5]						**99,450,279**	**99,450,279**	**-**	**91,604,846**	**91,604,846**	**(7,845,433)**	**0.92x**	**NM**
RETURN TO ALL PARTNERS[6]						**370,134,820**	**370,134,820**	**24,206,081**	**444,020,125**	**468,226,206**	**98,091,386**	**1.27x**	**26.8%**
TOTAL NET RETURN[7]						**358,779,913**	**358,779,913**	**21,600,048**	**412,428,092**	**434,028,140**	**75,248,227**	**1.21x**	**23.2%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP.
2 See Value Method Key (to the right).
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
4 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
5 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
6 Return to All Partners is an annualized realized and unrealized return net of Management Fees, and expenses.
7 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "DCF" - Net Present Value of future cash flows and residual supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

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ROC DEBT AUSTRALIAN FEEDER (USD) LP

an Alberta limited partnership

$500,000,000

of

LIMITED PARTNERSHIP INTERESTS

July 2015

Confidential Private Placement Memorandum

Copy #_____

ROC Debt Australian Feeder (USD) LP

Limited Partnership Interests

This Confidential Private Placement Memorandum (as amended or supplemented from time to time, the "Feeder Fund Memorandum") constitutes an offering of the securities described herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Feeder Fund Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada or elsewhere. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed or in any way passed upon this Feeder Fund Memorandum or the merits of the securities described herein and any representation to the contrary is an offence. This Feeder Fund Memorandum is furnished on a confidential basis to a limited number of sophisticated investors for the purpose of providing certain information about an investment in limited partnership interests ("Feeder Fund Interests") in ROC Debt Australian Feeder (USD) LP (the "Feeder Fund"). The information contained herein supplements the Confidential Private Placement Memorandum dated July 2014 of ROC|Debt Strategies Fund LP (the "Main Fund"), contained in Annex A hereto (the "Memorandum") the full text of which is incorporated herein by reference and forms a part hereof. The investment strategy and objectives of the Feeder Fund, and detailed information regarding the terms of the Feeder Fund, the Feeder Fund's investment background and philosophy and the investment team behind the Feeder Fund are set out in the Memorandum. The Memorandum, along with this Feeder Fund Memorandum, must be read in its entirety by any investor purchasing Feeder Fund Interests in the Feeder Fund. References to the "Partnership," the "Interests" and the other terms throughout the Memorandum also apply generally to the Feeder Fund and Feeder Fund Interests, unless otherwise noted.

This Feeder Fund Memorandum is to be used by the person to whom it has been delivered solely in connection with the consideration of the purchase of the Feeder Fund Interests described herein. The information contained herein should be treated in a confidential manner and may not be reproduced, transmitted or used in whole or in part for any other purpose, nor may it be disclosed without the prior written consent of ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (the "General Partner"). Each prospective investor accepting this Feeder Fund Memorandum hereby agrees to return it, along with any copies, promptly upon request.

The Feeder Fund Interests offered hereby have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), the Alberta Securities Commission or by the securities regulatory authority of any state or of any other federal, state, provincial, local or other jurisdiction, nor has the SEC, the Alberta Securities Commission or any such securities regulatory authority passed upon the accuracy or adequacy of this Feeder Fund Memorandum. Any representation to the contrary is a criminal offense.

Investment in the Feeder Fund involves a high degree of risk (including the possible loss of a substantial part, or even the entire amount of an investment) and potential conflicts of interest that prospective investors should carefully consider before purchasing the Feeder Fund Interests. There can be no assurance that the Feeder Fund's investment objective will be achieved or that investors will receive a return of their capital. In addition, investment results may vary substantially on a monthly, quarterly or annual basis. Investment in the Feeder Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Feeder Fund. Potential investors should pay particular attention to the information under the captions "Certain Risks" and "Potential Conflicts of Interest."

The Feeder Fund Interests have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any state of the United States or the securities laws of any other country or any other jurisdiction, nor is any such registration contemplated. The Feeder Fund will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act"). There is no public

market for the Feeder Fund Interests and no such market is expected to develop in the future. The Feeder Fund Interests may not be sold or transferred except as permitted under the Feeder Fund's limited partnership agreement (as amended or restated from time to time, the "Feeder Fund Partnership Agreement") and unless they are registered under the 1933 Act or an exemption from such registration thereunder and under any other applicable securities law registration and prospectus requirements is available.

This Memorandum is not a prospectus and does not purport to contain all information an investor may require to form an investment decision. It is not intended to be relied upon solely in relation to, and must not be taken solely as the basis for, an investment decision.

This Feeder Fund Memorandum contains a summary of the Feeder Fund Partnership Agreement and certain other documents referred to herein. However, the summaries set forth in this Feeder Fund Memorandum do not purport to be complete. They are subject to and qualified in their entirety by reference to the Feeder Fund Partnership Agreement and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Feeder Fund. In the event that the descriptions in or terms of this Feeder Fund Memorandum are inconsistent with or contrary to the descriptions in or terms of the Feeder Fund Partnership Agreement or such other documents, the Feeder Fund Partnership Agreement and such other documents shall control. The General Partner reserves the right to modify the terms of the offering and of the Feeder Fund Interests described in this Feeder Fund Memorandum and the Feeder Fund Interests are offered subject to the General Partner's ability to reject any subscription in whole or in part in its sole discretion.

Notwithstanding anything in this Feeder Fund Memorandum to the contrary, the Main Fund, the Feeder Fund, the General Partner, ROC Debt Strategies Fund Manager, LLC (the "Investment Manager"), and each investor or prospective investor in the Main Fund (and any employee, representative or other agent of the Main Fund, an investor or a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Feeder Fund Memorandum (including opinions or other tax analyses that are provided to it relating to such tax treatment and tax structure). However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable U.S. federal or state securities laws. For this purpose, tax treatment and tax structure shall not include (a) the identity of the Main Fund, the Feeder Fund, the General Partner, the Investment Manager, or any investor in the Main Fund or the Feeder Fund (or, in each case, any affiliate thereof); (b) any specific pricing information; or (c) other nonpublic business or financial information (including, without limitation, the amount of any fees, expense, rates or payments) that is not relevant to an understanding of the tax treatment of the transactions contemplated by this Feeder Fund Memorandum.

The distribution of this Feeder Fund Memorandum and the offer and sale of the Feeder Fund Interests in certain jurisdictions may be restricted by law. PROSPECTIVE INVESTORS SHOULD REVIEW ANNEX B — "NOTICES TO INVESTORS IN CERTAIN JURISDICTIONS" TO THE MEMORANDUM FOR IMPORTANT ADDITIONAL INFORMATION RELATING TO THE OFFERING OF PARALLEL INTERESTS IN VARIOUS NON-U.S. JURISDICTIONS. Prospective non-U.S. investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of Interests, and any foreign exchange restrictions that may be relevant thereto. The distribution of this Feeder Fund Memorandum and the offer and sale of the Feeder Fund Interests in certain jurisdictions may be restricted by law. This Feeder Fund Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any Feeder Fund Interests in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. No action has been or will be taken to permit a public offering of the Feeder Fund Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Feeder Fund Interests may not be offered or sold, directly or indirectly, and this Feeder Fund Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Feeder Fund Interests that are acquired by persons not entitled to hold them will be compulsorily redeemed. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of

business with respect to the acquisition, holding or disposal of Feeder Fund Interests, and any foreign exchange restrictions that may be relevant thereto.

No person has been authorized to give any information or make any representations other than as contained in this Feeder Fund Memorandum and any representation or information not contained herein must not be relied upon as having been authorized by the Main Fund, the Feeder Fund, the General Partner, the Investment Manager, the placement agent or any of their members or affiliates. The delivery of this Feeder Fund Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof or, if earlier, the date such information is referenced. Unless otherwise stated herein, statements contained herein are not made in any person's individual capacity, but rather on behalf of the General Partner, the Feeder Fund or the Main Fund, as appropriate. References in the Memorandum to the Managers' experience refer to the collective experience of the management team. Each member's individual experience differs. See Section VII –"The General Partner, the Investment Manager and Management" in the Memorandum.

Certain information contained in the Memorandum (including certain economic, financial market and real estate market information, as well as certain forward-looking statements and information) has been obtained from sources outside of the Main Fund and the Feeder Fund. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of the Main Fund, the Feeder Fund, the General Partner, the Investment Manager, the placement agent or any of their respective members, directors, officers, employees, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

Certain information contained in this Feeder Fund Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under the caption "Risks and Potential Conflicts of Interest," actual events or results or the actual performance of the Feeder Fund may differ materially from those reflected or contemplated in such forward-looking statements, and undue reliance should not be placed thereon.

Unless otherwise stated all internal rates of return, including target or projected rates of return, are presented on a "gross" basis (i.e., they do not reflect the management fees, "carried interest," taxes (whether borne by investors or entities through which they participate in investments), broken-deal expenses, transaction costs and other expenses to be borne by investors in the Feeder Fund, which in the aggregate are expected to be substantial). "Net IRRs" contained herein are calculated after management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership).

In considering the target or projected returns of the Feeder Fund contained in this Feeder Fund Memorandum, prospective investors should bear in mind that past, projected or targeted performance, including, without limitation, the performance of Legacy Investments (as defined below), is not necessarily indicative of future results and there can be no assurance that such targeted or projected returns or asset allocations will be met, that the Feeder Fund will achieve comparable results, that the Feeder Fund will be able to implement its strategy or achieve its investment objectives or that the returns generated by any investments by the Feeder Fund will equal or exceed any past, projected or targeted returns presented herein.

The Feeder Fund's target returns contained in this Feeder Fund Memorandum are based on the General Partner's belief about the returns that may be achievable on investments that the Feeder Fund intends to pursue in light of the investment experience of the principals of the General Partner with respect to other investment vehicles, including those investments made by or on behalf of prior unaffiliated investment vehicles (the "Legacy Investments") (See Appendix B – "Investment Performance – Legacy Investments" in the Memorandum), its view on current market conditions, potential investment opportunities that the Investment Manager is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Targeted returns are based on models, estimates and assumptions about performance believed to be reasonable

under the circumstances. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated and will be applicable to the Main Fund's investments. Actual events and conditions may differ materially from the assumptions used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Target returns for individual investments may be greater or less than the Main Fund's overall target return. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX of the Memorandum and in Section IV of the Feeder Fund Memorandum – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors, including in connection with evaluating target returns.

Prospective investors should note that the Legacy Investments were made over the course of various market and macroeconomic cycles and such circumstances may be different than those in which the Main Fund will invest. Moreover, the size, ownership percentage, control rights and investment criteria of the assets to be acquired by the Main Fund will in some cases differ from those of the investments listed in Appendix B. In particular, the Legacy Investments were made under very different market, economic and supply-demand conditions than those in which the Main Fund will operate and which may not be replicated. In addition, there can be no assurance that the Main Fund will be able to implement its investment strategy or achieve its investment objectives.

Each prospective investor is invited to meet with representatives of the General Partner and the Investment Manager and to discuss with, ask questions of and receive answers from them concerning the terms and conditions of this offering of the Feeder Fund Interests, and to obtain any additional relevant information, to the extent they possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. The Feeder Fund Interests are being offered when, as, and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No Feeder Fund Interests may be sold without delivery of this Feeder Fund Memorandum.

The Feeder Fund intends to evaluate its potential investments keeping in mind a target of 10 to 12% or greater net internal rate of return for the Feeder Fund overall; based on a number of factors, including but not limited to (a) those associated with the burdens of ownership of securities collateralized by real properties; (b) general and local economic conditions; (c) changes in supply and demand for competing investments; (d) energy and supply shortages; (e) various uninsured and uninsurable risks, natural disasters, changes in governmental regulations, taxes and interest rates; and (f) proposed capital structures for each investment. The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Feeder Fund or to ensure a diversification of risk for the Feeder Fund as a whole. Accordingly, for the avoidance of doubt, the statement of the Feeder Fund's target net internal rate of return does not oblige, and is not a representation, that the General Partner will only make investments whose individual expected returns are in excess of the target return. Additionally, the General Partner believes that its target net internal rate of return reflects, in part, the measure of risk the Feeder Fund will be taking with respect to the investments it makes. Important risk factors are set forth in the Memorandum. Investors should pay particular attention to the information in Section IX of the Memorandum and in Section IV of the Feeder Fund Memorandum – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective, which should be considered carefully by prospective investors, including in connection with evaluating target returns.

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This Feeder Fund Memorandum is dated July 2015.

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I. INTRODUCTION

ROC Debt Australian Feeder (USD) LP, an Alberta limited partnership (the "Feeder Fund") is being formed to facilitate the indirect participation of certain non-U.S. investors in the ROC|Debt Strategies Fund LP (the "Partnership" or the "Main Fund"). The Feeder Fund will invest alongside, and have the same investment objective as, the Main Fund. Accordingly, prospective investors should carefully read the confidential private placement memorandum of the Main Fund (the "Memorandum"), which is hereby incorporated by reference into this Feeder Fund Memorandum and attached hereto as Appendix A.

II. PRINCIPAL TERMS OF THE FEEDER FUND

Set forth below is a summary of certain terms of the Feeder Fund that differ from the terms of the Main Fund as set forth in the "Principal Terms" section of the Memorandum. The principal terms of the Feeder Fund are, in all other material respects, consistent with those of the Main Fund. This summary is qualified in its entirety by reference to the limited partnership agreement of the Feeder Fund (as amended, restated or otherwise modified from time to time, the "Feeder Fund Partnership Agreement"). The Feeder Fund Partnership Agreement and subscription materials will be provided to qualified investors prior to closing. To the extent that the terms set forth below are inconsistent with those of the Feeder Fund Partnership Agreement, the Feeder Fund Partnership Agreement shall control. All capitalized terms used in this Feeder Fund Memorandum shall have the meanings ascribed to them in the Memorandum unless otherwise defined herein.

The Feeder Fund:

ROC Debt Australian Feeder (USD) LP, an Alberta limited partnership (the "Feeder Fund"). The Feeder Fund will generally invest substantially all of its assets through ROC|Debt Strategies Fund LP, a Delaware limited partnership (the "Main Fund").

References to the "Feeder Fund", the "Feeder Fund's investments", "investments made by the Feeder Fund" and similar such references shall be deemed to include the Feeder Fund and the Main Fund, the Main Fund's investments and investments made by the Main Fund, as the context requires.

Purpose:

The Feeder Fund's investment objectives are to acquire limited partnership interests in the Main Fund, and therefore, the investment objectives of the Main Fund are also investment objectives of the Feeder Fund. The Main Fund's investment objectives are to achieve attractive risk-adjusted returns and investor capital preservation by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States (the "Investments"). The Feeder Fund expects that the Main Fund will acquire Investments that may generate income that is effectively connected to a U.S. trade or business ("ECI Investments") through one or more entities treated as a corporation for U.S. federal income tax purposes (each, a "Corporation") or a real estate investment trust for U.S. federal income tax purposes (each, a "REIT"). See "Section III—Regulatory, Tax and ERISA Considerations—Certain U.S. Feederal Income Tax Considerations."

The Feeder Fund intends to seek to achieve its investment objective by generally investing indirectly in limited partnership interests of the Main Fund, indirectly receiving distributions from the Main Fund in relation thereto and investing indirectly through the Main Fund in Investments. The Feeder Fund generally intends to acquire Investments that are expected to generate income that is effectively connected to a U.S. trade or business ("ECI Investments") through an Australian Unit Trust, which will elect to be treated as a corporation for U.S. federal income tax purposes (the "AUT"). See "Section III — Regulatory, Tax and ERISA Considerations—Certain U.S. Feederal Income Tax Considerations." The AUT will in turn invest in the Main Fund in respect of such

Investments.

An Alberta limited partnership is constituted by the signing of the relevant partnership agreement and the filing of a certificate of limited partnership with the Registrar pursuant to the *Partnership Act* (Alberta) (as amended, the "Act") in Alberta.

Notwithstanding registration, a limited partnership is not a separate legal person distinct from its partners. Under Alberta law, any property of the limited partnership shall be held or deemed to be held by the general partner, and if more than one then by the general partners, jointly upon trust as an asset of the limited partnership in accordance with the terms of the partnership agreement. Similarly, the general partner for and on behalf of the partnership incurs the debts or obligations of the limited partnership. Registration under the Act entails that the partnership becomes subject to, and the limited partners therein are afforded the limited liability and other benefits of, the Act.

The terms and conditions of investment in the Main Fund are as set forth in the Memorandum, a copy of which is attached hereto as Appendix A.

General Partner: The general partner of the Feeder Fund is ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (the "General Partner" and, together with the Limited Partners (as defined below), the "Partners"). The General Partner has full and exclusive management authority over the business and affairs of the Feeder Fund and has delegated the investment management activities of the Feeder Fund to the Investment Manager (as defined below).

Investment Manager The investment manager of the Feeder Fund is ROC Debt Strategies Fund Manager, LLC (the "Investment Manager"), a Delaware limited liability company and an affiliate of the General Partner. The Investment Manager provides administrative and management services to the Feeder Fund in connection with the Investments. The Management Fee (as defined in the partnership agreement of the Main Fund, the ("Partnership Agreement")) is paid to the Investment Manager.

Minimum Commitment: The minimum Capital Commitment by a limited partner of the Feeder Fund (a "Limited Partner") will be US$1 million, although the General Partner reserves the right to accept Capital Commitments of lesser amounts.

Closings: The initial closing of the Feeder Fund, at which time the first Capital Commitments will be accepted (the "Initial Closing"), will occur as soon as practicable at such time as the General Partner determines that sufficient Capital Commitments have been obtained in order for the Feeder Fund to commence operations. Investors that subscribe for limited partnership interests of the Feeder Fund ("Feeder Fund Interests") at closings after the Initial Closing will be treated in a manner comparable to the way limited partners in the Main Fund who subscribe at subsequent closings are treated, as provided in the Memorandum under the heading "Detailed Summary Terms—Subsequent Closings".

Commitment Period:	The Commitment Period of the Feeder Fund will expire on the third anniversary of the initial closing of the Main Fund, unless terminated earlier upon the occurrence of certain events described in the Feeder Fund Partnership Agreement.
Term:	The Feeder Fund will terminate upon the expiration of the term of the Main Fund. The Feeder Fund is subject to earlier dissolution and termination upon the occurrence of certain events described in the Feeder Fund Partnership Agreement.
Feeder Fund Expenses:	The Feeder Fund will pay all expenses related to its own operations, including legal, accounting, compliance, litigation, insurance, auditing and other professional costs, organizational expenses, operating expenses, expenses of liquidating the Feeder Fund, and any taxes, fees or other governmental charges levied against the Feeder Fund, as well as its pro rata share of management fees, organizational expenses and partnership expenses of the Main Fund.
Advisory Committee:	The Advisory Committee of the Main Fund will also be the LP Advisory Committee of the Feeder Fund.
Reports and Meetings:	The Feeder Fund will furnish audited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2015, and for each year thereafter until the termination of the Feeder Fund) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 120 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Feeder Fund.
ERISA:	The General Partner will use its reasonable efforts either to (i) limit equity participation by "benefit plan investors" to less than 25% of the total value of each class of equity interests in the Feeder Fund, or (ii) structure investments of the Feeder Fund and operate the Feeder Fund in such a manner so as to qualify the Feeder Fund as a "venture capital operating company" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") so that the underlying assets of the Feeder Fund should not constitute "plan assets" of any "benefit plan investor" which invests in the Feeder Fund. Prospective Investors should carefully review the ERISA matters discussed under Section III —"Regulatory, Tax and ERISA Considerations —Certain ERISA Considerations,"" and should consult with their own advisors as to the consequences of making an investment in the Feeder Fund.
Certain Tax Matters:	Investors should note that an investment in the Feeder Fund may have certain tax consequences under U.S. federal income tax laws, as well as the laws of states, localities and other countries. In particular, Investors should note that the Feeder Fund intends to hold ECI Investments through one or more Corporations or REITs. Investors should carefully

	review the matters discussed in Section III — "Regulatory, Tax and ERISA Considerations" as well as in the relevant tax sections of the Memorandum and any supplements thereto, and should consult with their own advisors with respect to the tax consequences of making an investment in the Feeder Fund.
Amendments; Side Letters:	Except as required by law and subject to certain limitations set forth in the Feeder Fund Partnership Agreement, the Feeder Fund Partnership Agreement may be amended from time to time with the consent of the General Partner and a majority in interest of the Limited Partners. In certain circumstances described in the Feeder Fund Partnership Agreement, the General Partner may unilaterally amend the Feeder Fund Partnership Agreement (including to accommodate changes negotiated with Combined Limited Partners at Subsequent Closings, subject to certain limitations). Notwithstanding any provision of the Feeder Fund Partnership Agreement to the contrary, the Feeder Fund or the General Partner, without any further act, approval or vote of any other Partner, may enter into side letters or other writings with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of, the Feeder Fund Partnership Agreement as they apply to that Limited Partner. Any rights established, or any terms of the Feeder Fund Partnership Agreement altered or supplemented, in a side letter with a Limited Partner shall be binding on the General Partner and the Feeder Fund and shall govern solely with respect to such Limited Partner notwithstanding any provision of the Feeder Fund Partnership Agreement to the contrary. Rights granted to a Limited Partner in any such side letter shall not be assignable without the express written consent of the General Partner.
Counsel for the Feeder Fund, the General Partner:	Alston & Bird LLP as to U.S. law and, with respect to the Feeder Fund, Stikeman Elliott LLP as to Alberta Law.
Auditors for the Main Fund	Deloitte LLP
Partnership Administrator	Bridge Fund Administration, LLC
Cash Custodian	Wells Fargo Bank N.A., U.S. Bank N.A., and KeyBank N.A.

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III. REGULATORY, TAX AND ERISA CONSIDERATIONS

Certain Regulatory Considerations

Feederal Securities Laws

Securities Act of 1933

The Feeder Fund Interests will not be registered under the 1933 Act, or any other securities laws, including state securities or blue sky laws and the Feeder Fund does not intend to register the Feeder Fund Interests under such laws.

Securities Exchange Act of 1934

It is not expected that the Feeder Fund will be required to register the Feeder Fund Interests or any other security of the Feeder Fund under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, the Feeder Fund would not be subject to the periodic reporting and related requirements of the Exchange Act and Limited Partners should only expect to receive the information and reports required to be delivered pursuant to the Feeder Fund Partnership Agreement and applicable law.

Investment Company Act of 1940

The Feeder Fund will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act") in reliance upon Section 7(d) thereof, which under current interpretations of the U.S. Securities and Exchange Commission exempts from registration any non-U.S. issuer whose outstanding securities are owned exclusively by non-U.S. persons. The Subscription Documents and the Feeder Fund Partnership Agreement contain representations and restrictions on transfer to ensure that the Feeder Fund Interests are owned by non-US persons.

Investment Advisers Act of 1940

The Investment Manager has registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Other jurisdictions may impose similar requirements on the Feeder Fund.

Anti-Money Laundering

In order to comply with applicable anti-money laundering requirements, each investor must represent in its subscription agreement with the Feeder Fund that neither the investor, nor any person having a direct or indirect beneficial interest in the Feeder Fund Interest being acquired by the investor, appears on the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control in the U.S. Department of the Treasury or in Annex I to U.S. Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, and that the investor does not know or have any reason to suspect that (a) the monies used to fund the investor's investment in the Feeder Fund have been or will be derived from or related to any illegal activities and (b) the proceeds from the investor's investment in the Feeder Fund will be used to finance any illegal activities. Each investor must also agree to provide any information to the Feeder Fund and its agents as the Feeder Fund may require in order to determine the investor's and any of its beneficial owners' source and use of funds and to comply with any anti-money laundering laws and regulations applicable to the Feeder Fund and the Main Fund.

As part of the Feeder Fund's responsibility for the prevention of money laundering, the Feeder Fund and the Investment Manager (including its affiliates, subsidiaries or associates) will require a detailed verification of the investor's identity and the source of payment.

The Feeder Fund and the Investment Manager reserve the right to request such information as is necessary to verify the identity of an investor. In the event of delay or failure by the investor to produce any information required for verification purposes, the Feeder Fund and the Investment Manager will refuse to accept the application and the subscription monies relating thereto.

By subscribing, investors consent to the disclosure by the Feeder Fund and the Investment Manager of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the United States and in other jurisdictions.

Certain ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Feeder Fund by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters. ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Feeder Fund of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Feeder Fund, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, absent an exemption, the

fiduciaries of a Plan should not invest in the Feeder Fund with the assets of any Plan if the General Partner, the Investment Manager, or any of their respective affiliates is a fiduciary with respect to such assets of the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Feeder Fund Interests by an ERISA Plan with respect to which the Feeder Fund is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the "DOL") has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of investments in the Feeder Fund. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts, and PTCE 96-23 respecting transactions determined by in-house asset managers.

Plan Assets. Under ERISA and the regulations promulgated thereunder (the "Plan Asset Regulations"), when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors" as defined in Section 3(42) of ERISA (the "25% Test") or that the entity is an "operating company," as defined in the Plan Asset Regulations. For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors," excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term "benefit plan investors" is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan's investment in such entity (*e.g.*, an entity of which 25% or more of the value of any class of equity interests is held by benefit plan investors and which does not satisfy another exception under ERISA). Thus, absent satisfaction of another exception under ERISA, if 25% or more of the value of any class of equity interests of the Feeder Fund were held by benefit plan investors, an undivided interest in each of the underlying assets of the Feeder Fund would be deemed to be "plan assets" of any ERISA Plan that invested in the Feeder Fund.

The definition of an "operating company" in the Plan Asset Regulations includes, among other things, a "venture capital operating company" (a "VCOC"). Generally, in order to qualify as a VCOC, an entity must demonstrate on its "initial valuation date" (as defined in the Plan Asset Regulations), and annually thereafter, that at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in operating companies (other than VCOCs) (i.e., operating entities that (x) are primarily engaged directly, or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, or (y) qualify as "real estate operating companies" (a "REOC") as defined in the Plan Asset Regulations) in which such entity has direct contractual management rights. In addition, to qualify as a VCOC, an entity must, in the ordinary course of its business, actually exercise such management rights with respect to at least one of the operating companies in which it invests. Similarly, generally in order to qualify as a REOC an entity must demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets valued at cost (other than short term investments pending long term commitment or distribution to investors) are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must in the ordinary course

of its business actually be engaged directly in such real estate management or development activities. The Plan Asset Regulations do not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

Plan Asset Consequences. If the assets of the Feeder Fund were to be deemed to be "plan assets" under ERISA, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Feeder Fund, and (ii) the possibility that certain transactions in which the Feeder Fund might seek to engage could constitute "prohibited transactions" under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the General Partner, the Advisor and/or any other fiduciary that has engaged in the prohibited transaction could be required to (i) restore to the ERISA Plan any profit realized on the transaction and (ii) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. ERISA Plan fiduciaries who decide to invest in the Feeder Fund could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Feeder Fund or as co-fiduciaries for actions taken by or on behalf of the Feeder Fund or the General Partner. With respect to an IRA that invests in the Feeder Fund, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

The General Partner will use reasonable efforts either to (i) limit equity participation by benefit plan investors in the Feeder Fund to less than 25% of the total value of each class of equity interests in the Feeder Fund as described above or (ii) operate the Feeder Fund in such a manner so as to qualify the Feeder Fund as a VCOC or REOC so that the underlying assets of the Feeder Fund should not constitute "plan assets" of any ERISA Plan which invests in the Feeder Fund. However, there can be no assurance that, notwithstanding the reasonable best efforts of the General Partner, the Feeder Fund will qualify as a VCOC or REOC, the structure of the particular investments of the Feeder Fund will satisfy the Plan Asset Regulations, or the underlying assets of the Feeder Fund will not otherwise be deemed to include ERISA plan assets.

Under the Feeder Fund Partnership Agreement, the General Partner will have the power to take certain actions to avoid having the assets of the Feeder Fund characterized as "plan assets," including, without limitation, the right to cause a Limited Partner that is a benefit plan investor to withdraw from the Feeder Fund. While the General Partner and the Feeder Fund do not expect that the General Partner will need to exercise such power, neither the General Partner nor the Feeder Fund can give any assurance that such power will not be exercised.

Under certain circumstances certain investors may invest in the Feeder Fund or one or more alternative investment vehicles (each, an "Alternative Vehicle") through an entity or entities (each, a "Feeder Vehicle"). The discussion above under "General Fiduciary Matters," "Plan Assets" and "Plan Asset Consequences" will be similarly applicable to any investment in the Feeder Fund or Alternative Vehicle either directly or indirectly through a Feeder Vehicle. While the General Partner will use its reasonable efforts, as described above, to provide that the underlying assets of the Feeder Fund and each Alternative Vehicle should not constitute "plan assets" under ERISA, a Feeder Vehicle is not expected to qualify as an "operating company" for purposes of the Plan Asset Regulations and it is possible that the Feeder Vehicle may not satisfy the 25% Test, in which case the assets of such Feeder Vehicle will constitute "plan assets" for purposes of ERISA and Section 4975 of the Code. The General Partner may structure a Feeder Vehicle as an intermediate entity for purposes of an investment in the Feeder Fund or an Alternative Vehicle, as applicable, and limit any discretion with respect to the management or disposition of the assets of such Feeder Vehicle. In this regard, when investing in the Feeder Fund or an Alternative Vehicle through such a Feeder Vehicle, each Limited Partner investing the assets

of a Plan will, by making a capital contribution or a loan to the Feeder Vehicle, be deemed to (i) direct the general partner (or similar managing entity) of the Feeder Vehicle to invest directly or indirectly the amount of such capital contribution or the proceeds of such loan in the Feeder Fund or Alternative Vehicle, as applicable, and acknowledge that during any period when the underlying assets of the Feeder Vehicle are deemed to constitute "plan assets" for purposes of ERISA, Section 4975 of the Code or applicable Similar Law, the general partner (or similar managing entity) of the Feeder Vehicle will act as a custodian with respect to the assets of such Plan but is not intended to be a fiduciary with respect to any such Plan for purposes of ERISA, Section 4975 of the Code or any applicable Similar Law and (ii) represent that such capital contribution and the holding of such loan, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Law. However, there can be no assurance that the fiduciary and prohibited transaction provisions of ERISA, Section 4975 of the Code or applicable Similar Law will not be applicable to activities of any such Feeder Vehicle. During any period when the underlying assets of a Feeder Vehicle are deemed to constitute "plan assets" of any ERISA Plan under ERISA, the general partner (or similar managing entity) of the Feeder Vehicle will, or will cause an affiliate of the general partner (or managing member) to, hold the counterpart of the signature page of the Feeder Vehicle's partnership agreement (or similar governing documents) in the United States.

The foregoing discussion is general in nature and is not intended to be all-inclusive. As indicated above, Similar Laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws and regulations on an investment in the Feeder Fund and the considerations discussed above, if applicable.

EACH PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR CONCERNING THE CONSIDERATIONS DISCUSSED ABOVE BEFORE MAKING AN INVESTMENT IN THE FEEDER FUND.

Certain United States Feederal Income Taxation Considerations

To ensure compliance with Internal Revenue Circular 230, you are hereby notified that any discussion of tax matters set forth in this Feeder Fund Memorandum was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a discussion of a limited number of U.S. federal income tax considerations in connection with an investment in the Feeder Fund by non-U.S. Persons (as defined below). Investors should note that the discussion covers only a limited number of the more important U.S. federal income tax considerations, and does not generally address state or local tax considerations. In addition, this summary does not generally discuss the tax treatment of the Feeder Fund's investments. Moreover, there is no discussion of the tax consequences to a tax-exempt investor in the Feeder Fund or of any special tax considerations applicable to certain investors, such as individuals, dealers, traders that elect to mark their securities to market, insurance companies, financial institutions, tax-exempt organizations and foreign persons. The discussion is based on law current as of the publishing of this Feeder Fund Memorandum, which is subject to change, possibly with retroactive effect. Each prospective investor should obtain guidance from its own tax advisor as to the income and other tax consequences of an investment in the Feeder Fund.

For purposes of this discussion, "Feeder Fund Partnership Agreement" means the exempted limited partnership agreement of the Feeder Fund (as amended, restated or otherwise modified from time to time), and the Feeder Fund shall generally include any alternative investment vehicle or Parallel Vehicle. For purposes of this discussion, a "non-U.S. Person" or a "non-U.S. Limited Partner" is a Limited Partner (other than a partnership) that is not an individual who is a citizen or resident of the United States, a corporation or entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) it is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership holds Feeder Fund Interests in the Feeder Fund, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If the prospective investor is a partner of a partnership investing in the Feeder Fund, the prospective investor should consult its own tax advisors.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE FEEDER FUND.

Feeder Fund Status

Subject to the discussion of "publicly traded partnerships" set forth below, under U.S. Treasury regulations, a foreign "eligible entity" (such as the Feeder Fund) that has two or more members can generally elect to be classified as a partnership for U.S. federal income tax purposes. The General Partner intends to treat the Feeder Fund as a partnership for U.S. federal income tax purposes. The classification of an entity as a partnership for such purposes may not be respected for state or local tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may

nonetheless be taxable as a corporation if it is a "publicly traded partnership." The General Partner intends to obtain and rely on representations and undertakings from the Limited Partners to ensure that the Feeder Fund is not a publicly traded partnership. The discussion herein assumes such treatment applies. An organization that is classified as a partnership for U.S. federal income tax purposes is not subject to U.S. federal income tax itself, although it must file an annual information return.

Non-U.S. Limited Partners

The discussion below addresses special rules applicable to non-U.S. Limited Partners. It assumes that a non-U.S. Limited Partner is not engaged in a U.S. trade or business apart from its Feeder Fund Interest in the Feeder Fund and, in the case of an individual, is not present in the United States for 183 days or more in any year. The discussion also assumes the Feeder Fund is not engaged in a U.S. trade or business except as a result of an investment in a flow-through entity that is itself engaged in such a trade or business.

Effectively Connected Income. Investments made by the Feeder Fund in the United States may constitute a U.S. trade or business. In general, in that event, non-U.S. Limited Partners would themselves be considered engaged in a trade or business in the United States through a permanent establishment., in which case, the Feeder Fund would be required to withhold tax at a 35% rate from such income and gain allocable to each non-U.S. Limited Partner and non-U.S. Limited Partners would be required to file appropriate federal (and possibly state and local) income tax returns. In addition, fee income actually received or deemed to be received by the Feeder Fund or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager or its affiliates, such income results in a reduction in the Management Fee) may cause the Feeder Fund and the Limited Partners to be treated as engaged in a U.S. trade or business in certain circumstances. The Feeder Fund intends to take the position that Limited Partners do not share in fee income by virtue of that reduction in the Management Fee.

The Feeder Fund and the Main Fund intend to make investments that are expected to generate income that is effectively connected with the conduct of a U.S. trade or business ("ECI Investments") through one or more entities treated as a real estate investment trust for U.S. federal income tax purposes (each, a "REIT").

Dividends, if any, paid by a REIT on its shares owned by the main Fund or the Feeder Fund generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treat. Assuming gain from the sale of shares of a REIT and gain from the receipt of amounts paid in liquidation of a REIT are not subject to U.S. federal income tax under FIRPTA (discussed below), such gains will generally not be subject to U.S. federal income or withholding tax, unless such gains or losses were "effectively connected" with a U.S. trade or business of a non-U.S. Person, or a non-U.S. Person was present in the United States for 183 days or more in the year of disposition. Under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), gain derived from the dispositions of United States real property interests (including gains from the sale of stock in certain corporations that own such U.S. real property interests and are treated as United States real property holding corporations ("USRPHC")) will be subject to U.S. federal income tax. Under FIRPTA, the Feeder Fund will treat gain or loss from dispositions of U.S. real property interests as if the gain or loss were "effectively connected" with a U.S. trade or business, and, therefore, is required to pay U.S. federal income taxes at regular U.S. federal income tax rates on such gain or loss. Gain from the sale of shares of a REIT will be subject to FIRPTA tax if the REIT is a USRPHC and will be subject to U.S. federal income tax as discussed in the previous sentence. A REIT will be a USRPHC if its U.S. real property interests have a value equal to 50% or more of the total value of its real estate assets and other assets used in a trade or business. However, distributions received by the Feeder Fund in liquidation of a REIT following the sale or exchange of all of its assets in a taxable transaction would not be subject to FIRPTA tax.

Fixed or Determinable Annual or Periodic Income. If the Feeder Fund generates U.S. source income that is not effectively connected with a U.S. trade or business, non-U.S. Limited Partners will be subject to a U.S.

federal withholding tax of 30% (unless reduced by applicable treaty) on all "fixed or determinable annual or periodical gains, profits and income" (as defined in the Code and including, but not limited to, interest and dividends), and certain other gains and original issue discount that are included in the non-U.S. Limited Partners' distributive share of Feeder Fund income (whether or not distributed).

Tax Audits

The General Partner will represent the Feeder Fund at any tax audit as the "tax matters partner" and has considerable authority to make decisions affecting the tax treatment and procedural rights of the Partners. Adjustments by the IRS of the Feeder Fund's items of income, gain, loss, deduction or expense could change a Partner's U.S. federal income tax liabilities and possibly require the filing of amended returns.

Other Taxes

Since the Feeder Fund may invest in foreign securities, foreign withholding or other taxes may be imposed on income received from or gain recognized with respect to such securities. Subject to certain complex limits, Partners may be entitled to foreign tax credits against their U.S. federal income tax liability with respect to such foreign taxes.

FATCA

A certain section of the Code, commonly referred to as "FATCA," impose a 30% withholding tax to certain types of payments made to "foreign financial institutions" (which could include non-U.S. affiliates of the Partnership) and certain other non-U.S. entities. FATCA generally imposes a 30% withholding tax on "withholdable payments" paid to a foreign financial institution, unless the foreign financial institution enters into an agreement with the United States Treasury requiring, among other things, that it undertake to (i) identify accounts (which would include interests in such non-U.S. Alternative Investment Vehicle or Parallel Vehicle) held by certain U.S. persons or foreign entities owned by U.S. persons ("U.S. Investors"), (ii) annually report certain information about such accounts, and (iii) withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. "Withholdable payments" include, but are not limited to, U.S. source dividends, interest and gross proceeds from the sale of any property of a type that can produce U.S. source interest and dividends (generally equity or debt instruments of U.S. issuers). Under Treasury Regulations, the 30% withholding tax currently applies (subject to certain grandfathering rules that are not expected to apply to the Main Fund) to interest, dividends and certain other "fixed or determinable, annual or periodic" payments made after June 30, 2014, and will apply to gross proceeds from a sale or disposition made after December 31, 2016. The General Partner intends to cause any non-U.S. affiliate of the Partnership (each, an "Affected Vehicle") to enter into such an agreement if the General Partner determines in its sole discretion that it is appropriate to do so. In that event, the Affected Vehicle would, among other obligations, be required to disclose to the United States Treasury the identity of, and other information relating to, U.S. Investors who are beneficial owners of such non-U.S. Alternative Investment Vehicle or Parallel Vehicle.

The Main Fund may be required to withhold 30% of distributions to Limited Partners that are non-U.S. partnerships or corporations unless those Limited Partners provide the Main Fund with information regarding their U.S. partners or shareholders, which information will be required to be disclosed to the United States Treasury. **Prospective investors should consult their tax advisers regarding this legislation.**

Any individual owning an interest in "specified foreign financial assets," including a foreign investment fund such as any non-U.S. Separate Investment Vehicle or Parallel Vehicle, the value of which in the aggregate exceeds $50,000, is required to attach to his or her tax return for the year detailed disclosure of such assets. Substantial penalties are imposed for the failure to make such disclosure, and for any understatement of tax from undisclosed foreign financial assets.

United States State and Local Taxes

A Partner may be subject to tax return filing obligations and income, franchise and other taxes in jurisdictions in which the Feeder Fund operates, as well as in such Partner's own state or locality of residence or domicile. In addition, the Feeder Fund itself may be subject to tax liability in certain jurisdictions in which it operates and a Partner may be subject to tax treatment in such Partner's own state or locality of residence or domicile different than that described above with respect to its Feeder Fund Interest in the Feeder Fund.

Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Feeder Fund Interests in the Feeder Fund. This summary is based on the assumptions that:

(i) none of the assets (including, without limitation, the Investments and the Investments made by the Main Fund) of the Feeder Fund have been, are or will be located, deposited or otherwise reside in, or had, have or will have a connection with (including a connection as a result of one of such assets constituting a share of a corporation or an interest in a partnership or trust where such share or interest derives its value directly or indirectly from property that is located, deposited or otherwise residing in, or connected with) Canada (or any subdivision thereof);

(ii) none of the Feeder Fund, the General Partner, nor the Investment Manager had, have or will have any business, operations or other activities in Canada (or any subdivision thereof) (other than the act of forming the Feeder Fund under the laws of Alberta); and

(iii) none of the General Partner, the Investment Manager, any member of the General Partner, any member of the investment committee of the General Partner, any of the purchasers of Feeder Fund Interests, or the employees or agents of, or consultants to, the Feeder Fund has been, is or will be resident in Canada for purposes of the *Income Tax Act* (Canada).

Based on such assumptions above and based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively the "Tax Act"), and our understanding of the current published administrative positions of the Canada Revenue Agency, and taking into account all proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assuming that all such proposed amendments will be enacted substantially in the form proposed, but not otherwise taking into account or anticipating any changes in law, whether by legislative action or judicial decision, or any changes in the administrative positions of the Canada Revenue Agency:

(a) the Feeder Fund itself will not be subject to taxation in Canada provided no investment in the Feeder Fund is listed or traded on a stock exchange or other public market (for this purpose, an investment in the Feeder Fund includes a Feeder Fund Interest in the Feeder Fund, any right which may reasonably be considered to replicate a return on, or the value of, a Feeder Fund Interest in the Feeder Fund, and any right conferred by the Feeder Fund or an entity affiliated with the Feeder Fund to receive an amount that can reasonably be regarded as all or any part of the capital, revenue or income of the Feeder Fund, and an entity will be considered to be affiliated with the Feeder Fund if (among other reasons) that entity, or persons that control that entity or are controlled by that entity or are under common control with that entity, is or are entitled to more than 50% of the income or capital of the Feeder Fund); and

(b) a Limited Partner who is not resident (and is not deemed to be resident) in Canada for purposes of the Tax Act and who does not use or hold (and is not deemed to use or hold) its Feeder Fund Interest in carrying on a business in Canada will not be subject to taxation in Canada solely as a

result of acquiring, holding (including being allocated amounts or receiving distributions in respect thereof) or disposing of such Feeder Fund Interest.

IV. RISK FACTORS AND CONFLICTS OF INTEREST

Certain Risks

Investment in the Feeder Fund entails a high degree of risk and is suitable only for sophisticated individuals and institutions for whom an investment in the Feeder Fund does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Feeder Fund. Prospective investors should carefully consider the following risk factors, among others, in determining whether an investment in the Feeder Fund is a suitable investment. There can be no assurance that the Feeder Fund will be able to achieve its investment objective, and investment results may vary substantially on an annual basis. For a detailed discussion with regard to risks and conflicts of interest generally applicable to the Feeder Fund and the Main Fund, please see Section IX "Risk Factors and Conflicts of Interest" of the Memorandum.

Risks Associated with Investing in the Feeder Fund. The risks and conflicts of interest described in the Memorandum with respect to the Main Fund and its limited partnership interests apply generally to the Feeder Fund and the Feeder Fund Interests issued by it. Moreover, without limiting the application or generality of the foregoing, the Feeder Fund will be a newly formed entity (i) that will not be registered under the 1940 Act, (ii) that will issue illiquid securities that are not registered under the 1933 Act or any U.S. State or non-U.S. laws, (iii) that will not register under the Exchange Act and (iv) with respect to which, investors may lose the entire amount of their capital commitments.

Currency Risk Associated with Investing in the Feeder Fund. Feeder Fund Interests in the Feeder Fund will be denominated in U.S. dollars and investors subscribing for such interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions where the Memorandum is being issued. Each prospective investor in the Feeder Fund should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests of the Feeder Fund.

Investment in the Main Fund. The Feeder Fund intends to seek to achieve its investment objective by investing generally substantially all of its assets through the Main Fund. Changes in governmental regulation, political structure, local economies and tax laws (U.S. or non-U.S.) may adversely impact the Feeder Fund's investment in the Main Fund and/or the Main Fund's investments

Limited Liability and Alberta Law Governing Limited Partnerships. The Feeder Fund will be an Alberta limited partnership. A limited partner will generally not be personally liable for the debts of a limited partnership, such as the Feeder Fund, except as provided in the limited partnership agreement of such limited partnership, and as provided under the Act; under Alberta law, a limited partner may be liable as a general partner for debts or obligations of a limited partnership if it takes part in the control of the business of the limited partnership. Whether a Limited Partner takes part in the control of the business of the Feeder Fund (whether or not as contemplated by the Feeder Fund Partnership Agreement) is a question of fact.

In addition, under Alberta Law, a Limited Partner is liable to the Feeder Fund for the Capital Commitment of that Limited Partner, at the time and on the conditions, if any, stated in the certificate of limited partnership with respect to the Feeder Fund; and where the Limited Partner has rightfully received the return of all or part of a Capital Contribution made by the Limited Partner to the Feeder Fund, the Limited Partner is nevertheless liable to the Feeder Fund for any sum, not in excess of the amount of such Capital Contribution that has been so returned to such Limited Partner with interest, necessary to discharge the liabilities of the Feeder Fund to all creditors who extended credit or whose claims otherwise arose before the return of such Capital Contribution; and a Limited Partner holds as trustee for the Feeder Fund money or other property wrongfully paid or conveyed to the Limited Partner on account of the Limited Partner's Capital Contribution to the Feeder Fund.

Alberta law also provides that if the certificate of limited partnership for the Feeder Fund contains a false or misleading statement, any person suffering a loss as a result of relying upon the statement may hold liable as a general partner every party to the certificate who knew, when the party signed the certificate, that the statement relied on was false, or who became aware, subsequent to the time when the party signed the certificate, but within a sufficient time before the false statement was relied on to enable the party to cancel or amend the certificate or to commence proceedings in accordance with the Act for the cancellation or amendment of the certificate, that the statement relied on was false.

Investing in the Feeder Fund involves significant risks. Investors should refer to the section entitled "Risk Factors and Conflicts of Interest" contained within the Memorandum for additional information. Australian investors should also refer to the section entitled "Notice to Investors" contained within the Memorandum and to the section entitled "Other Notices – Notice to Residents of Australia" for information concerning their eligibility to purchase Feeder Fund Interests under U.S. securities laws.

V. Other Notices

Notice to Residents of Australia

The offer of interests contained in this Memorandum is directed only to persons who qualify as "wholesale clients" within the meaning of section 761g of the Corporations Act 2001 (the "**CTH**"). If the Interests are to be on sold to investors in Australia without a product disclosure statement, within 12 months of their issue, they may only be on sold to persons in Australia who are 'wholesale clients' under section 761g of the CTH. Each recipient of this Memorandum warrants that it is, and at all times will be a 'wholesale client.'

This Memorandum is not a product disclosure statement or other disclosure document for the purposes of the Corporations Act 2001 (CTH). This Memorandum has not been, and will not be, reviewed by, nor lodged with, the Australian securities and investments commission and does not contain all the information that a product disclosure statement or other disclosure document is required to contain. The distribution of this Memorandum in Australia has not been authorised by any regulatory authority in Australia.

This Memorandum is provided for information purposes only and does not constitute the provision of any financial product advice or recommendation. This Memorandum does not take into account the investment objectives, financial situation and particular needs of any person and the Feeder Fund is not licensed to provide financial product advice in Australia. You should consider carefully whether the investment is suitable for you. There is no cooling-off regime that applies in relation to the acquisition of any interests in Australia.

Responsibility

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty, or undertaking (express or implied) is made and no responsibilities or liabilities of any kind or nature whatsoever are accepted by the Feeder Fund as to the accuracy or completeness of the information contained in this Feeder Fund Memorandum or the Memorandum or any other information provided by the Feeder Fund in connection with the offering of the Feeder Fund Interests.

Representations of Purchasers

The purchaser acknowledges that its name, address, telephone number and other specified information, including the amount of Feeder Fund Interests it has purchased and the aggregate purchase price paid by the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian laws. By purchasing Feeder Fund Interests, the purchaser consents to the disclosure of such information. The purchaser shall make certain representations, warranties and covenants with and to the Feeder Fund and the General Partner in the subscription materials.

Enforcement of Legal Rights

The Feeder Fund is organized under the laws of Alberta, Canada. All or substantially all of the Feeder Fund's mind and management may be located outside of Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Feeder Fund or such persons. All or a substantial portion of the assets of the Feeder Fund and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgement against the Feeder Fund or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Feeder Fund or persons outside of Canada.

Language of Documents

Upon receipt of this document, each investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

ANNEX A: Confidential Private Placement Memorandum of ROC | Debt Strategies Fund LP

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

THIRD SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

July 2015

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum, dated July 2014, as amended by the First Supplement to the July 2014 Private Placement Memorandum, dated September 16, 2014 and the Second Supplement to the July 2014 Private Placement Memorandum, dated December 11, 2014 (collectively, the "Memorandum") relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this Third Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Members of the General Partner's Investment Committee

Danuel Stanger is hereby replaced on the Investment Management Committee by Christian Young and all references to Danuel Stanger throughout the Memorandum are hereby replaced with Christian Young.

The biographical paragraph on Danuel Stanger in Section VIII of the Memorandum is hereby replaced in its entirety with the following paragraph on Christian Young:

Christian V. Young, Chief Executive Officer – Bridge Investment Group Holdings, LLC, Investment Committee Member and Executive Committee Chairman

Mr. Young brings 25 years of experience in every phase of the real estate process including sourcing, evaluating, acquiring, financing, developing, operating, improving and harvesting commercial investment properties. He has been directly responsible for more than US$1 billion dollars in real estate investments in multi and single family residential, commercial office, resort golf, hotel and storage properties. This track record includes significant double-digit returns even during difficult time periods. Mr. Young is responsible for all strategic and operational aspects of Bridge Investment Group Holdings and its wholly-owned subsidiaries. He is a member of the Company's Board of Directors and heads its Executive Management Committee. His previous experiences include:

- Principal and Board Member of Bridge Investment Group Partners, LLC (a wholly owned subsidiary of Bridge Investment Group Holdings) from 2012 – 2014. Mr. Young was responsible for the strategic initiatives of the company and Asset Management for a portfolio of owned and affiliated multifamily properties.
- Chairman and co-Founder of Bridge Investment Group, LLC (a Bridge Investment Group Partners, LLC affiliate) since 1997. Mr. Young was involved in all phases of developments and investments since inception; approved all commitments, and was primarily responsible for equity capital formation, structuring, legal, operational and strategic facets of the company and its sponsored investments. This included managing relationships with its many institutional joint venture equity partners.
- Founder and President of Acorn Development Company, LLC from 1990 to 1997. Mr. Young invested syndicated equity capital into commercial investment real estate projects in the western United States exclusively identified, underwritten, financed, managed and sold by the predecessors of Bridge Investment Group, LLC.
- Managing Director of Prowswood Equity Management from 1993 – 1994. Mr. Young was responsible for capital formation in multifamily opportunities developed by Prowswood Companies.

- Prior to embarking on his real estate career, Mr. Young was an executive with AT&T and Lucent Technologies from 1982 – 1997 with increasing responsibilities in their business services and international marketing groups.

Mr. Young earned his Bachelor of Science degree, cum laude, in Business Management from the University of Utah in 1981.

B. Update to the Bridge-IGP's national real estate operating and due diligence platform.

Effective as of June 30, 2015, Bridge-IGP and its affiliates now operate a multifamily and commercial office platform in over 40 submarkets in 17 states, and Bridge-IGP and its affiliates have increased its commercial office space platform from 1.4 million to 2.4 million square feet of commercial office space. All references in the Memorandum and this Third Supplement are references to the updated submarkets and states in which Bridge-IGP and its affiliates operate a multifamily and commercial office platform.

C. Update to the Bridge-IGP's due diligence platform.

Bridge-IGP and its affiliates employ approximately 1,009 real estate professionals in over 40 submarkets across 18 states. These employees include 90 property managers and 135 leasing agents, and 599 on-site personnel providing property maintenance and operations.

All references in the Memorandum and this Third Supplement are references to the updated employment statistics described herein.

D. Update to Section I. Executive Summary.

The paragraph titled "Reduced CMBS Lending Capacity in the Banking Sector" in Section I of the Memorandum is hereby deleted and replaced with the following paragraph:

Reduced CMBS Lending Capacity in the Banking Sector

Lax underwriting standards, liberal structuring considerations and other factors resulted in approximately $2 trillion in losses in the banking sector primarily related to commercial and residential real estate debt during and after the recent financial crisis. This has generally resulted in a decreased risk appetite for mortgage products among investors and potential commercial real estate lenders. The balance sheet allocation and headcount of CMBS groups within banks are significantly lower than before the financial crisis. Nine of the top 30 CMBS lenders from 2007 no longer exist, and seven of the top 30 CMBS lenders have exited the business. Lending capacity in the CMBS market is significantly lower than it was in 2007, during which $223 billion in loans were securitized in the United States. In 2013, only $78 billion in CMBS was issued. The Investment Manager therefore believes that the ability of the banks to absorb the coming wave of CMBS maturities is below capacity and would require banks to dramatically increase their CMBS activities in a time when regulatory pressure is also increasing. This supply-demand mismatch is expected to create opportunities for non-CMBS lenders, such as the Fund, to absorb borrower demand.

E. Update to Section IV. Investment Opportunity & Market Environment.

Section IV of the Memorandum is hereby amended by replacing the paragraph titled "CMBS Market Capacity" with the following:

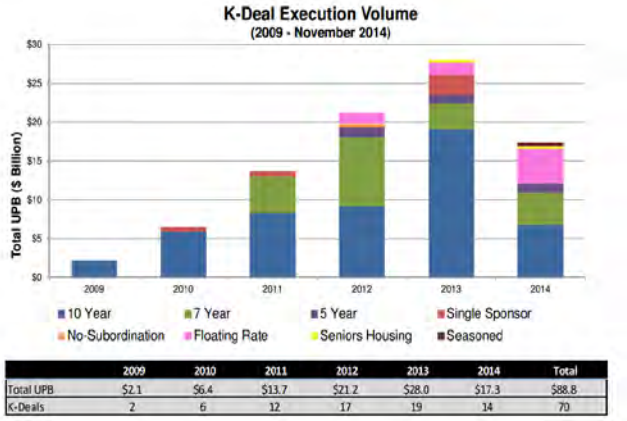
CMBS Market Capacity

The U.S. CMBS market peaked in 2007 with $223 billion of issuance underwritten by 43 different originators. In 2013, new issuance totaled $78 billion underwritten by 29 different originators, representing a decrease of 65% and 37%, respectively. In the last six years, there has been a total of $171 billion of new issuance in the U.S. CMBS market, or $75 billion less than the projected CMBS maturities in 2016 and 2017 alone. In addition, seven of the top 15 CMBS issuers in 2007 are no longer in business, as reflected in the following chart that also shows such issuers' total volume in 2007 at the peak of the CMBS market.

Section IV of the Memorandum is further amended by replacing the paragraph titled "Freddie Mac K-Series" with the following:

Freddie Mac K-Series

Freddie Mac is a government-sponsored enterprise ("GSE") chartered by Congress to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Its statutory mandate is to provide liquidity, stability and affordability to the U.S. housing market. The Multifamily Division of Freddie Mac helps to ensure an ample supply of affordable rental housing by purchasing mortgages secured by apartment buildings with five or more units. It purchases these loans from a network of Freddie Mac-approved Program Plus® Seller/Servicers and Targeted Affordable Housing Correspondents, with over 150 branches nationwide. Underwriting and credit review is performed by Freddie Mac.



	2009	2010	2011	2012	2013	2014	Total
Total UPB	$2.1	$6.4	$13.7	$21.2	$28.0	$17.3	$88.8
K-Deals	2	6	12	17	19	14	70

[1]Total UPB represents the total collateral UPB associated with each transaction, including the portion Freddie Mac does not guarantee.
Source: Freddie Mac Update – December 2014

Since 1993, Freddie Mac's multifamily business has provided more than $332 billion in financing for more than 62,200 multifamily properties. As of September 30, 2014, Freddie Mac had a multifamily whole-loan portfolio of over $51.7 billion, a multifamily investment securities portfolio of over $25.8 billion and a multifamily guarantee portfolio of $84.4 billion. In 2008, Freddie Mac introduced its Capital Markets Execution product, which seeks to aggregate and securitize newly-originated multifamily loans ("CME Loans") made through the Program Plus® Seller/Servicers network. Freddie Mac's primary motivation was to create an alternative to its existing portfolio execution and expand its access to capital, thereby increasing its ability to provide liquidity to the multifamily mortgage market. The lending parameters for Freddie Mac CME Loans are generally summarized below:

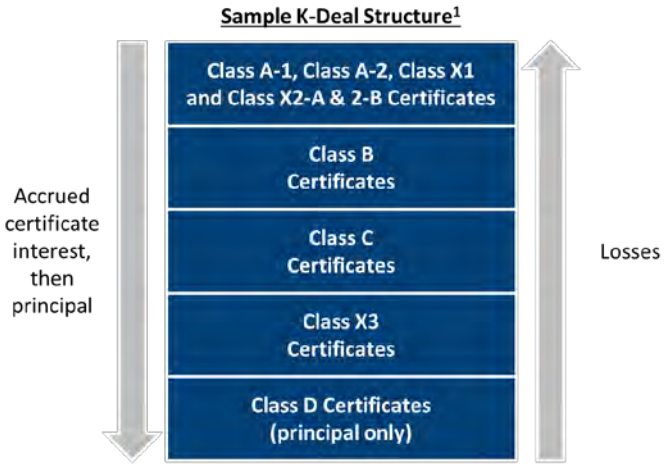
Sources: FFIEC (HMDA), OTS Thrift Financial Report, ACLI Investment Bulletin, MBA Commercial Mortgage Banker Origination Survey, and Freddie Mac.

- Property Types: Multifamily loans secured by occupied, stabilized and completed properties, with a limited amount of senior housing, student housing, cooperative housing and Section 8 housing assistance payments (HAP) contracts.
- Loan Terms: Five-, seven- and 10-year loan terms with maximum amortization of 30 years. May have initial interest-only periods of one to five years. Limited amount of full interest only loans.
- LTV: Maximum LTV of 80% for acquisition and no "cash out" refinance loans. Maximum LTV of 75% for "cash out" refinance loans.

From 2009 through January 2015, Freddie Mac has securitized 74 loan pools totaling approximately $94.18 billion. In 2014, Freddie Mac securitized 14 pools. Given the frequency of these transactions, there is expected to be an ample supply of Freddie Mac K-Series subordinated CMBS available to purchase.

Total multifamily originations are projected to be $210 billion in 2015, which would exceed the 2007 multifamily originations.

The majority of the loans securitized in a K-Series investment consist of fixed rate loans. These securitizations employ a sequential pay structure where principal is distributed to the senior bonds first until they are paid off, and then applied to the next tranche of securities. Losses move in opposite fashion and are applied first to the most subordinated tranche until it is written down and then applied to the next most subordinated tranche. The most junior tranche of the securitization (the "B-piece") is typically structured as a zero coupon bond and is issued at a discount. The buyer of the B-piece usually also purchases an interest-only strip from the trust to provide the B-piece buyer with current income during the term of the loan. The amount of this strip may vary from deal to deal.

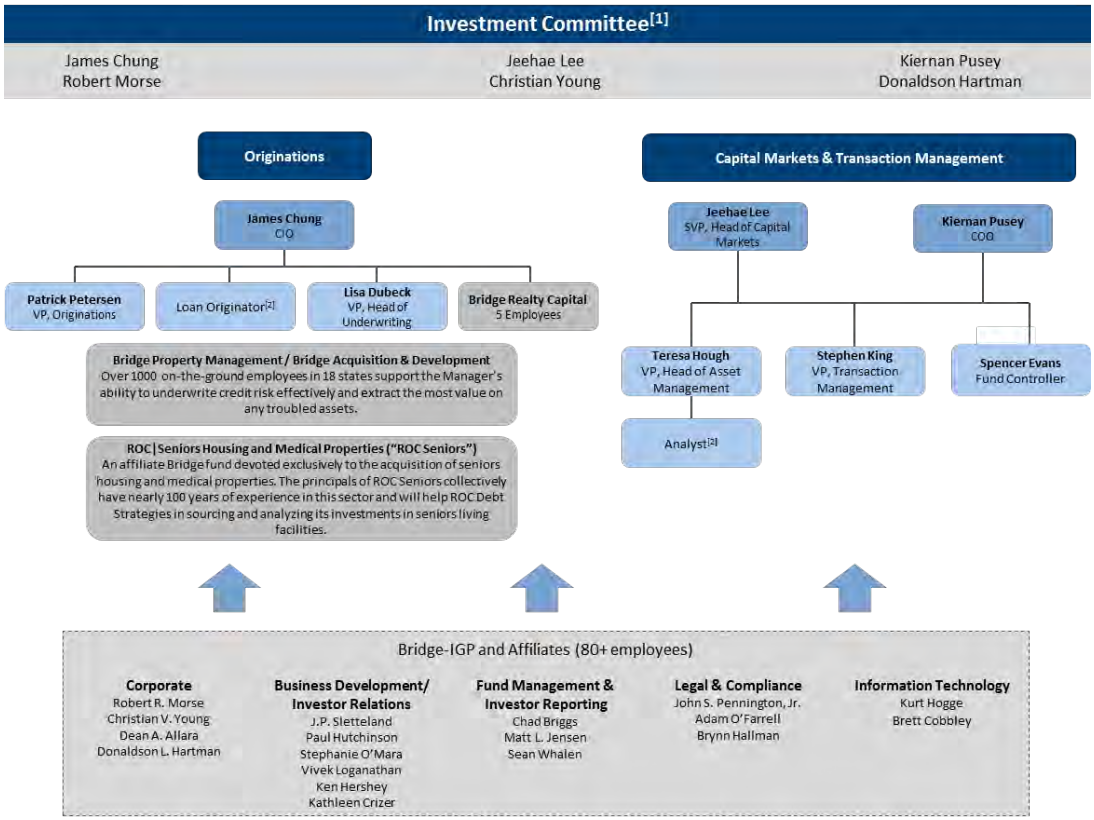


[1] Classes X1, X2A, X2-B and X3 do not receive principal payments. Classes B, C, D, X2-A and X2-B do not have a Freddie Mac

Generally, Freddie Mac limits participation in the auction and auctions negotiation of the terms of subordinated tranches of its K-Series CMBS to buyers with a prior relationship and borrowing history with Freddie Mac and that have deep underlying operational expertise in real estate asset management. The General Partner believes the importance of these qualitative criteria considered by Freddie Mac creates significant competitive advantages for the Fund.

F. Update to Section VII. The General Partner, the Investment Manager and Management

Section VII of the Memorandum is hereby amended by replacing the chart titled "Investment Committee" in the Overview Section with the following:



Source and Notes: [1] Messrs. Chung and Pusey and Ms. Lee are 100% dedicated to ROC|Debt Strategies Fund LP management. Non-dedicated to ROC|Debt Strategies Fund LP; Messrs. Young, Hartman, and Morse, are similarly dedicated to the success for the fund but have IMC responsibilities for Real Estate Opportunity Capital Fund LP (ROC I), Real Estate Opportunity Capital Fund II (ROC II), and ROC Seniors as well. [2] To be hired assuming the Fund reaches its capital target.

G. Update to Section VIII. Detailed Summary of Terms.

Section VIII of the Memorandum is hereby amended by replacing the paragraph titled "Leverage" with the following:

The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately ~~65~~60% of the sum of the acquisition costs of the Investments in the Fund's portfolio.

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

SECOND SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

December 2014

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum, dated July 2014, as amended by the First Supplement to the July 2014 Private Placement Memorandum, dated September 16, 2014 (collectively, the "Memorandum") relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this Second Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Section III. Prior Performance of the Managers

Section III of the Memorandum is hereby amended by replacing the return information for ROC I and ROC II on page 11 of the Memorandum with the following:

Real Estate Opportunity Capital Fund, LP (ROC I) — **March 19, 2009 through September 30, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC I	120.0	71.7	129.6	201.3	81.3	1.68x	17.7%

Real Estate Opportunity Capital Fund II, LP (ROC II) — **April 3, 2012 through September 30, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC II	456.6	35.2	535.9	571.1	114.6	1.25x	21.4%

The Memorandum is also amended by attaching Appendix A attached hereto, which provides further information regarding the investment track record of ROC I, and Appendix B attached hereto, which provides further information regarding the investment track record of ROC II.

B. Update to Section I. Executive Summary

Section I of the Memorandum is hereby amended by adding the following to the end of such section:

PENDING INVESTMENTS AND INVESTMENTS CURRENTLY HELD BY THE PARTNERSHIP

As of the date hereof, the Fund currently holds the investments and expects to complete the transactions described in Appendix C attached hereto. However, no assurance can be given that the Fund will be successful in completing the transactions described in Appendix C or on the terms described therein.

APPENDIX A. Investment Performance ROC I (March 19, 2009 through September 30, 2014)

Real Estate Opportunity Capital Fund, LP
March 19, 2009 through September 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[2]	Unrealized Value[3]	Implied Value[4]	Implied Gain / (Loss)	Return Multiple[5]	IRR[6]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	G	Nov-09	-	1,500,000	1,475,000	25,000	1,896,947	1,921,947	421,947	1.28x	5.3%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,650,000	2,555,000	95,000	4,922,869	5,017,869	2,367,869	1.89x	16.3%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	-	14,554,365	15,590,543	30,144,908	20,144,908	3.01x	33.2%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,958,640	12,437,564	14,396,204	7,896,204	2.21x	23.3%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	302,200	6,086,028	6,388,228	3,488,228	2.20x	26.0%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	A	Apr-11	Jul-14	3,038,248	-	5,285,777	808,101	6,093,878	3,055,630	2.01x	35.7%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,517,065	8,302,491	11,819,556	5,784,556	1.96x	25.9%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,850,000	815,000	2,033,331	2,411,368	4,444,699	2,594,699	2.40x	37.7%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,960,838	6,900,838	1,225,000	23,319,707	24,544,707	17,583,869	3.53x	50.5%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	B	Nov-11	Oct-14	6,485,000	5,623,000	2,247,000	11,332,237	13,579,237	7,094,237	2.09x	33.0%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,425,000	1,357,500	221,500	2,707,622	2,929,122	1,504,122	2.06x	30.3%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	6,450,000	2,249,000	11,792,127	14,041,127	6,766,127	1.93x	29.3%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,325,000	5,275,000	773,000	6,928,349	7,701,349	2,376,349	1.45x	16.7%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	-	2,126,686	(2,826)	2,123,860	623,860	1.42x	20.1%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	468,156	3,612,028	4,080,184	2,580,184	2.72x	62.1%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	230,168	2,258,494	2,488,662	1,156,842	1.87x	44.6%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	353,500	4,209,264	4,562,764	1,772,764	1.64x	39.1%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,880,363	1,880,363	125,518	2,277,707	2,403,225	522,862	1.28x	20.7%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,523	1,838,523	161,263	2,382,622	2,543,885	705,362	1.38x	28.0%
Total Multifamily Investments						**91,352,218**	**52,847,380**	**74,376,473**	**123,273,242**	**197,649,715**	**106,297,498**	**2.16x**	**33.1%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	57,422	4,871,484	(328,516)	0.94x	-2.2%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	171,997	15,661,517	9,625,802	2.59x	48.7%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	419,134	4,097,048	2,007,762	1.96x	43.4%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	394,333	2,889,733	3,284,066	1,534,066	1.88x	33.6%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**31,048,373**	**3,538,286**	**34,586,659**	**14,073,926**	**1.69x**	**26.4%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	14,950,000	14,950,000	-	9,546,283	9,546,283	(5,403,717)	0.64x	-16.0%
Total Short-Term Investments and Reserves						**28,470,871**	**14,950,000**	**15,212,227**	**9,546,283**	**24,758,510**	**(3,712,361)**	**0.87x**	**-11.8%**
Total Net Return on Realized Investments[9]						**71,253,621**	**6,750,000**	**92,987,392**	**18,322,559**	**111,309,951**	**40,056,330**	**1.56x**	**18.5%**
Total Net Return on Unrealized Investments						**88,763,765**	**77,260,650**	**17,486,193**	**111,255,803**	**128,741,997**	**39,978,231**	**1.45x**	**16.8%**
RETURN TO THE FUND[10]						**120,046,948**	**84,010,650**	**78,330,289**	**143,289,860**	**221,620,149**	**101,573,200**	**1.85x**	**21.2%**
TOTAL NET RETURN[11]						**120,046,948**	**84,010,650**	**71,724,801**	**129,578,363**	**201,303,164**	**81,256,217**	**1.68x**	**17.7%**

Notes:

1 See Value Method Key (to the right).
2 Realized Proceeds represent net cash proceeds received in connection with Realized Investments and unrealized investments.
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported, as applicable, by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.
4 Implied value represents the sum of Realized Proceeds and unrealized values.
5 Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to be net of management fees, "carried interest", taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership.
6 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
7 The fund realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.
8 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.
9 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.
10 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
11 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs. "Under Contract" investments are subject to various contingencies so there can be no assurances that any "Under Contract" investment will be consummated or that it will generate the proceeds reported herein.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX B. Investment Performance—ROC II (April 3, 2012 through September 30, 2014)

ROC II Funds[1]

April 3, 2012 through September 30, 2014

Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[3]	Unrealized Value[4]	Implied Value[5]	Implied Gain / (Loss)	Return Multiple[6]	IRR[7]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	7,125,000	7,125,000	1,255,429	9,474,181	10,729,610	3,604,610	1.51x	20.3%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,005,000	5,005,000	-	11,864,549	11,864,549	6,859,549	2.37x	39.4%
Andorra Apartments	Indio, CA	Multifamily	A	May-12	Apr-14	3,375,000	-	4,785,042	(6,360)	4,778,682	1,403,682	1.42x	20.2%
Pinewood Apartments	Lynwood, WA	Multifamily	B	May-12	Oct-14	1,665,000	1,665,000	372,844	2,278,865	2,651,709	986,709	1.59x	24.2%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	13,103,028	11,403,028	1,700,000	22,421,119	24,121,119	11,018,091	1.84x	34.4%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	537,549	4,129,752	4,667,301	2,952,301	2.72x	54.6%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	211,010	706,191	917,201	238,030	1.35x	16.2%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	942,546	942,546	151,812	893,691	1,045,503	102,957	1.11x	5.1%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,186,750	5,186,750	435,000	7,211,206	7,646,206	2,459,456	1.47x	23.2%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,530,000	9,530,000	2,037,000	14,174,124	16,211,124	6,681,124	1.70x	34.7%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,506,000	5,506,000	1,071,000	9,533,674	10,604,674	5,098,674	1.93x	47.3%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	4,012,000	4,012,000	550,000	6,547,865	7,097,865	3,085,865	1.77x	39.8%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,335,000	6,335,000	1,085,000	8,414,423	9,499,423	3,164,423	1.50x	27.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,071,430	9,071,430	1,649,832	15,713,791	17,363,623	8,292,193	1.91x	43.9%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	5,797,986	16,656,214	33,214,893	49,871,107	30,039,857	2.51x	80.8%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,447,000	2,247,000	5,694,000	10,763,072	16,457,072	10,010,072	2.55x	79.9%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	6,043,000	6,043,000	563,000	7,093,102	7,656,102	1,613,102	1.27x	15.4%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,830,000	2,830,000	353,500	4,249,264	4,602,764	1,772,764	1.63x	38.3%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	4,265,000	4,265,000	100,000	6,077,810	6,177,810	1,912,810	1.45x	31.3%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,416,000	10,416,000	890,000	16,289,767	17,179,767	6,763,767	1.65x	41.5%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,938,000	7,938,000	976,000	10,125,866	11,101,866	3,163,866	1.40x	28.7%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,386,637	4,386,637	291,482	5,309,361	5,600,843	1,214,206	1.28x	20.6%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,581,477	5,581,477	481,237	7,205,165	7,686,402	2,104,925	1.38x	27.3%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	8,626,000	8,626,000	415,000	10,555,738	10,970,738	2,344,738	1.27x	21.1%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,684,000	6,684,000	448,000	8,533,784	8,981,784	2,297,784	1.34x	28.2%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	17,208,000	17,208,000	807,500	19,952,357	20,759,857	3,551,857	1.21x	17.5%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,766,000	9,766,000	349,000	11,795,738	12,144,738	2,378,738	1.24x	22.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	14,657,000	14,657,000	1,681,000	19,027,319	20,708,319	6,051,319	1.41x	39.6%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	9,633,000	9,633,000	813,000	11,818,785	12,631,785	2,998,785	1.31x	30.2%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	D	Oct-13	-	12,516,000	12,516,000	1,168,000	18,131,829	19,299,829	6,783,829	1.54x	54.1%
Meridian Pointe Apartments	Duluth, GA	Multifamily	D	Oct-13	-	4,082,000	4,082,000	448,000	5,565,164	6,013,164	1,931,164	1.47x	53.4%
Aventerra Apartments	Mesa, AZ	Multifamily	D	Oct-13	-	14,419,000	14,419,000	1,186,000	18,160,618	19,346,618	4,927,618	1.34x	40.2%
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	D	Oct-13	-	12,418,000	12,418,000	1,135,000	14,528,575	15,663,575	3,245,575	1.26x	32.3%
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	D	Nov-13	-	9,531,000	9,531,000	715,000	11,458,816	12,173,816	2,642,816	1.28x	37.1%
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	D	Dec-13	-	17,275,000	17,275,000	610,000	18,450,530	19,060,530	1,785,530	1.10x	14.0%
Ashley Vista Apartments	Lithonia, GA	Multifamily	D	Jan-14	-	7,452,000	7,452,000	350,000	8,541,339	8,891,339	1,439,339	1.19x	28.2%
Bridgewater Apartments	Stockbridge, GA	Multifamily	D	Jan-14	-	3,811,000	3,811,000	175,000	6,810,109	6,985,109	3,174,109	1.83x	154.1%
Presidio Apartments	Oceanside, CA	Multifamily	D	Jan-14	-	16,748,000	16,748,000	750,000	21,884,923	22,634,923	5,886,923	1.35x	54.1%
Silver Shadow Apartments	Las Vegas, NV	Multifamily	D	Jan-14	-	4,815,000	4,815,000	-	4,833,749	4,833,749	18,749	1.00x	0.6%
Vista at 23rd Apartments	Gresham, OR	Multifamily	D	Mar-14	-	10,180,000	10,180,000	100,000	10,942,484	11,042,484	862,484	1.08x	17.5%
Stratford Ridge Apartments	Marietta, GA	Multifamily	F	Jun-14	-	8,530,000	8,530,000	-	7,902,603	7,902,603	(627,397)	0.93x	NM
Stonehill at Pipers Creek Apartments	San Antonio, TX	Multifamily	F	Jul-14	-	4,980,000	4,980,000	-	4,441,005	4,441,005	(538,995)	0.89x	NM
Wood Hollow Apartments	Euless, TX	Multifamily	F	Jul-14	-	6,262,013	6,262,013	-	5,197,877	5,197,877	(1,064,136)	0.83x	NM
Elliot's Crossing Apartments	Tempe, AZ	Multifamily	F	Jul-14	-	6,520,000	6,520,000	-	6,129,778	6,129,778	(390,222)	0.94x	NM
Abbots Glen Apartments	Norcross, GA	Multifamily	F	Jul-14	-	3,950,000	3,950,000	-	3,537,308	3,537,308	(412,692)	0.90x	NM
Auvers Village Apartments	Orlando, FL	Multifamily	F	Aug-14	-	13,195,902	13,195,902	-	12,356,766	12,356,766	(839,136)	0.94x	NM
Champions Park Apartments	Norcross, GA	Multifamily	F	Sep-14	-	5,575,123	5,575,122	-	3,697,131	3,697,131	(1,877,992)	0.66x	NM
Total Multifamily Investments						**369,823,325**	**346,515,062**	**52,997,452**	**477,939,696**	**530,937,148**	**161,113,822**	**1.44x**	**36.4%**

ROC II Funds[1]

April 3, 2012 through September 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds[3]	Unrealized Value[4]	Implied Value[5]	Implied Gain / (Loss)	Return Multiple[6]	IRR[7]
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,900,000	21,900,000	455,000	27,072,335	27,527,335	5,627,335	1.26x	12.6%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	4,771,630	4,771,630	(2,648,370)	0.64x	-25.8%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	870,456	21,001,392	9,421,392	1.81x	120.3%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	822,222	21,041,330	21,863,552	5,863,552	1.37x	32.8%
1875 Lawrence Building	Denver, CO	Office	F	May-14	-	14,015,000	14,015,000	-	12,252,838	12,252,838	(1,762,162)	0.87x	NM
Gran Park at The Avenues	Jacksonville, FL	Office	F	Jun-14	-	6,956,227	6,956,227	-	6,700,697	6,700,697	(255,530)	0.96x	NM
Gran Park at The Avenues Note	Jacksonville, FL	Office	F	Jun-14	-	16,100,000	-	16,117,203	-	16,117,203	17,203	1.00x	NM
Fifth Third Center Office Building	Tampa, FL	Office	F	Jul-14	-	16,104,950	16,104,950	-	15,614,015	15,614,015	(490,935)	0.97x	NM
Parkway Center	Marietta, GA	Office	F	Aug-14	-	11,665,023	11,665,023	-	10,877,461	10,877,461	(787,562)	0.93x	NM
Total Commercial Investments						**146,741,200**	**94,061,200**	**63,067,827**	**99,200,762**	**162,268,589**	**15,527,389**	**1.11x**	**16.4%**
Net Unrealized return on Properties acquired on or before March 31, 2014[8]						**355,251,109**	**355,251,109**	**35,208,216**	**448,695,167**	**483,903,383**	**128,652,274**	**1.36x**	**28.2%**
Net Unrealized return on Properties acquired since March 31, 2014[8]						**101,298,336**	**101,298,336**	**16,065**	**87,213,419**	**87,229,484**	**(14,068,852)**	**0.86x**	**NM**
RETURN TO ALL PARTNERS[9]						**471,037,231**	**471,037,231**	**37,718,475**	**581,569,711**	**619,288,186**	**148,250,954**	**1.31x**	**25.5%**
TOTAL NET RETURN[10]						**456,549,445**	**456,549,445**	**35,224,281**	**535,908,586**	**571,132,867**	**114,583,422**	**1.25x**	**21.4%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP. Returns presented herein represent aggregate returns for the U.S.-domiciled partnerships, and such aggregate returns may differ materially from the fund-level returns for each of the U.S. partnerships due to different management fee structures and timing of investor subscriptions, contributions and distributions and fund-level returns for the non-U.S. partnerships due to additional structuring costs and taxes incurred by those funds.
2 See Value Method Key (to the right).
3 Realized Proceeds represent net cash proceeds received in connection with Realized Investments and unrealized investments.
4 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
5 Implied Value represents the sum of Realized Proceeds and unrealized values.
6 Return Multiple is Implied Value divided by Total Investment. Total Net Return Multiples have been adjusted to be net of management fees, "carried interest", taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the partnership).
7 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
8 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
9 Return to the Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
10 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest. Net return information reflects average fund-level returns, which may be higher than actual investor-level returns due to variance in fees paid by investors and other investor-specific investment costs such as taxes.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs. "Under Contract" investments are subject to various contingencies so there can be no assurances that any "Under Contract" investment will be consummated or that it will generate the proceeds reported herein.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

Current Investments

Freddie Mac K716 re-REMIC bonds

A $14.3 million B-rated and $40.4 million unrated bond backed by a pool of multifamily loans originated by Freddie Mac. The bonds represent 3.875% of the total pool balance which is comprised of 80 loans totaling approximately $1.4 billion. The weighted average loan-to-value ratio of the pool is approximately 69.1% and the weighted average debt service coverage ratio of the pool is 1.57x. The bonds are structured as "principal only" and do not currently pay a coupon. The bonds are currently owned at a 65% discount to par (35 dollar price) and total proceeds are approximately $19 million. A portion of this investment (25%) is owned by the Fund. The bonds have a 7-year term and a yield of 16.2%.

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6901 S. Havana Office Loan

A loan origination used to finance approximately 66% of the purchase price ($9.1 million) and operating expense reserve ($620,000) for 6901 South Havana Street, a 2-story, 136,988 SF, suburban Class B office building located in Centennial, Colorado (southeast of the Denver CBD). Subject to certain conditions, the loan has upfunding obligations for debt service ($2.6 million), capital expenditures ($2.11 million), and TI/LCs ($7.11 million). The underlying property was originally constructed in 1989 as a build-to-suit for the United Airlines reservation system (Covia Partnership). The property has remained 100% occupied by the same tenant, through its successors (currently Travelport, LP), since construction. The tenant has given notice that it will vacate the property on March 21, 2015. The new borrower plans to re-tenant the property.

Pending Investments

Florida Multifamily Mezzanine Loan Portfolio

A multifamily loan portfolio secured by 13 Class B/C multifamily buildings with a total of 2,199 units located in Tampa, Orlando and Jacksonville, Florida. The subject loan represents a $6 million piece of a $12 million mezzanine loan purchased with a 5% discount on a pari passu basis with one other investor. The first mortgage on the portfolio amounts to $57.3 million, bringing the total debt on the portfolio to $69.3 million. The total debt package facilitated approximately 85% of the off-market acquisition of the portfolio and approximately 80% of the appraised value of the portfolio. Since 2011 the portfolio has received over $15 million of capital expenditures, and the new borrower plans an additional $3 million of capital expenditures over the next two years. As of November, 2014, the portfolio was 88.3% occupied.




1500 CityWest Loan

A loan origination of $31.28 million used to finance 80% of the purchase price ($39.1 million) for 1500 CityWest, a 10-story, multi-tenant, 192,313 SF suburban Class A office building located in the Westchase submarket of Houston, TX. Subject to certain conditions, the loan has upfunding obligations for capital expenditures ($3.6 million) and tenant improvement and leasing commissions ($7.8 million) to bring the total potential loan amount to $42.68 million. The underlying property was originally constructed in 1981 and includes a 4-story parking garage. The property is currently 80% occupied by a diverse set of tenants.

[1] No assurance can be given that the Fund will complete any of the foregoing pending acquisitions on the terms set forth above or at all. Any number of events, many of which are outside of the control of the Fund or the General Partner, may impact the completion of the investments. The General Partner may be unsuccessful in identifying similar investment opportunities for the Fund, and the Fund may acquire assets with different characteristics in accordance with the Fund's investment guidelines.

[2] The financial projection for any owned or pending acquisitions are projections only based on assumptions that the Investment Manager and the General Partner deem reasonable in light of their experience and judgment. Such projections are estimates only of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections. Many other factors that are outside of the control of the General Partner and the Investment Manager may adversely and materially affect actual results.

ROC|DEBT STRATEGIES FUND LP

LIMITED PARTNERSHIP INTERESTS

FIRST SUPPLEMENT TO THE
JULY 2014 CONFIDENTIAL
PRIVATE PLACEMENT MEMORANDUM

SEPTEMBER 2014

The information set forth herein supplements, modifies and amends the Confidential Private Placement Memorandum (the "Memorandum"), dated July 2014, relating to the offering of limited partnership interests ("Interests") in ROC|Debt Strategies Fund LP (the "Fund"). The Memorandum, includes the complete and sole expression of the terms and conditions of the Interests, replacing in their entirety any information or materials, either written or non-written, which have been otherwise previously distributed or communicated to prospective investors. Any statement contained in the Memorandum shall be deemed to be modified or superseded for all purposes to the extent that a statement contained herein modifies, amends, or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified, amended, or superseded, to constitute a part of the Memorandum. Pages i through v of the Memorandum apply equally to this First Supplement. Capitalized terms used herein, that are not defined, are used as defined in the Memorandum.

A. Update to Section III. Prior Performance of the Managers

Section III of the Memorandum is hereby amended by replacing the return information for ROC I and ROC II on page 11 of the Memorandum with the following:

[TO BE UPDATED TO JUNE 30, 2014 INFORMATION]

Real Estate Opportunity Capital Fund, LP (ROC I)				**March 19, 2009 through June 30, 2014 (in US$ millions)**			
Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC I	120.0	66.3	131.7	198.0	77.9	1.65x	18.0%

Real Estate Opportunity Capital Fund II, LP (ROC II)				**March 19, 2009 through June 30, 2014 (in US$ millions)**			
Investment	Invested Capital	Realized Proceeds	Unrealized Value	Implied Value	Implied Gain	Return Multiple	NET IRR
Total ROC II	357.4	28.1	420.9	448.9	91.6	1.26x	21.9%

The Memorandum is also amended by attaching Appendix A attached hereto, which provides further information regarding the investment track record of ROC I, and Appendix B attached hereto, which provides further information regarding the investment track record of ROC II.

B. Update to Section I. Executive Summary—The Fund's Pending Investments

Section I of the Memorandum is hereby amended by adding the following to the end of such section:

PENDING INVESTMENTS

As of the date hereof, the Fund expects to complete the transactions described in Appendix C attached hereto. However, no assurance can be given that the Fund will be successful in completing the transactions described in Appendix C or on the terms described therein.

C. Update to Section VIII. Detailed Summary of Terms

Section VIII—Detailed Summary of Terms is hereby amended as follows:

Capital Contributions	Capital Commitments generally will be drawn down proportionately to the Partners un-drawn Capital Commitments ("Unfunded Commitments") on an as-needed basis to fund Investments, the Management Fee and Partnership Expenses (as defined below), with a minimum of ten business days' prior notice to the Limited Partners (each such drawing, a "Capital Contribution"); provided that the initial Capital Contribution to be made by the Partners after the Initial Closing will be required within three business days' prior notice to the Limited Partners.
Reports	The Fund will furnish audited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2014, and for each year thereafter until the termination of the Fund) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 90 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Fund; provided that the first quarterly financial statements will be provided to Limited Partners after the first full calendar quarter after the Initial Closing.

Further, the General Partner has agreed to provide a Management Fee and carried interest discount to Investors that subscribe for an interest at the Initial Closing (solely with respect to such Investor's Initial Closing subscription amount). For Initial Closing Investors that subscribe for a Capital Commitment of less than $10,000,000, the Management Fee payable by such Investor will be 1.25% and the carried interest percentage applicable to such Investor will be 15%. For Initial Closing Investors that subscribe for a Capital Commitment of $10,000,000 or more, the Management Fee payable by such Investor will be 1% and the carried interest percentage applicable to such Investor will be 15%. Such terms will be documented in a side letter to be entered into with each such Initial Closing Investor, provided that such terms will only apply to such Investors' Initial Closing subscription amount.

APPENDIX A. Investment Performance ROC I (March 19, 2009 through June 30, 2014)

Real Estate Opportunity Capital Fund, LP
March 19, 2009 through June 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[2]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[3]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	B	Nov-09	-	1,475,000	1,475,000	-	2,258,482	2,258,482	783,482	1.53x	9.6%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,580,000	2,580,000	-	4,938,352	4,938,352	2,358,352	1.91x	17.4%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	-	14,074,365	14,076,078	28,150,443	18,150,443	2.82x	32.1%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,908,640	11,943,307	13,851,947	7,351,947	2.13x	23.5%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	222,200	6,019,629	6,241,829	3,341,829	2.15x	27.3%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	B	Apr-11	Jul-14	3,038,248	1,355,724	2,183,020	3,757,205	5,940,225	2,901,977	1.96x	35.4%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,517,065	8,559,667	12,076,732	6,041,732	2.00x	28.5%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,750,000	715,000	1,873,331	2,426,125	4,299,456	2,549,456	2.46x	39.4%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,900,838	6,900,838	965,000	22,428,984	23,393,984	16,493,146	3.39x	53.3%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	D	Nov-11	-	6,485,000	5,623,000	2,087,000	11,363,605	13,450,605	6,965,605	2.07x	35.7%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,357,500	1,357,500	142,500	2,651,107	2,793,607	1,436,107	2.06x	32.3%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	6,450,000	2,099,000	12,444,602	14,543,602	7,268,602	2.00x	34.2%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,275,000	5,275,000	603,000	6,811,960	7,414,960	2,139,960	1.41x	16.9%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	-	2,045,846	(1,582)	2,044,264	544,264	1.36x	17.8%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	391,173	3,023,170	3,414,343	1,914,343	2.28x	56.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	175,687	2,119,169	2,294,856	963,036	1.72x	45.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	203,500	3,949,511	4,153,011	1,363,011	1.49x	37.3%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,880,363	1,880,363	105,953	2,150,488	2,256,441	376,078	1.20x	18.7%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,523	1,838,523	140,556	2,275,664	2,416,220	577,697	1.31x	28.8%
Total Multifamily Investments						**90,979,718**	**54,128,104**	**69,162,140**	**123,195,523**	**192,357,663**	**101,377,946**	**2.11x**	**34.0%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	32,350	4,846,412	(353,588)	0.93x	-2.3%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	172,515	15,662,035	9,626,320	2.59x	48.8%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	269,102	3,947,016	1,857,730	1.89x	41.8%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	316,556	2,567,659	2,884,215	1,134,215	1.65x	29.3%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**30,970,595**	**3,041,626**	**34,012,221**	**13,499,489**	**1.66x**	**25.9%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	14,950,000	14,950,000	-	10,403,787	10,403,787	(4,546,213)	0.70x	-14.4%
Total Short-Term Investments and Reserves						**28,470,871**	**14,950,000**	**15,212,227**	**10,403,787**	**25,616,014**	**(2,854,857)**	**0.90x**	**-9.6%**
Total Net Return on Realized Investments[6]						**68,032,195**	**6,750,000**	**87,161,709**	**18,125,223**	**105,286,932**	**37,254,737**	**1.55x**	**18.3%**
Total Net Return on Unrealized Investments						**91,985,192**	**79,610,405**	**18,019,765**	**113,548,760**	**131,568,525**	**39,583,334**	**1.43x**	**17.7%**
RETURN TO THE ROC FUND I[7]						**120,046,948**	**86,360,405**	**72,502,811**	**144,929,811**	**217,432,622**	**97,385,674**	**1.81x**	**21.7%**
TOTAL NET RETURN[8]						**120,046,948**	**86,360,405**	**66,281,504**	**131,673,983**	**197,955,487**	**77,908,539**	**1.65x**	**18.0%**

Notes:

1 See Value Method Key (to the right).
2 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and ROC estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.
3 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
4 ROC realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.
5 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.
6 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.
7 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.
8 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX B. Investment Performance—ROC II [REPLACE WITH JUNE 30, 2014 INFORMATION]

ROC II Funds[1]
April 3, 2012 through June 30, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[3]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[4]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	6,888,000	6,888,000	1,045,429	10,019,524	11,064,953	4,176,953	1.61x	25.9%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,805,000	5,805,000	-	11,951,561	11,951,561	6,146,561	2.06x	40.9%
Andorra Apartments	Indio, CA	Multifamily	A	May-12	Apr-14	3,375,000	-	4,603,154	(3,559)	4,599,595	1,224,595	1.36x	17.9%
Pinewood Apartments	Lynwood, WA	Multifamily	D	May-12	-	1,665,000	1,665,000	372,844	2,273,604	2,646,448	981,448	1.59x	27.1%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	13,103,028	11,403,028	1,700,000	21,615,871	23,315,871	10,212,843	1.78x	37.0%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	449,532	3,456,491	3,906,023	2,191,023	2.28x	48.9%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	177,558	808,750	986,308	307,137	1.45x	22.9%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	942,056	942,056	139,382	882,929	1,022,311	80,254	1.09x	4.5%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,025,000	5,025,000	400,000	6,532,332	6,932,332	1,907,332	1.38x	21.3%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,250,000	9,250,000	1,657,000	12,876,948	14,533,948	5,283,948	1.57x	32.6%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,466,000	5,466,000	916,000	9,532,026	10,448,026	4,982,026	1.91x	55.0%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	3,987,000	3,987,000	435,000	5,500,721	5,935,721	1,948,721	1.49x	31.0%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,295,000	6,295,000	845,000	7,702,632	8,547,632	2,252,632	1.36x	23.3%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,596,430	9,596,430	1,259,314	15,190,117	16,449,431	6,853,001	1.71x	43.9%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	5,797,986	16,656,214	31,072,544	47,728,758	27,897,508	2.41x	87.5%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,397,000	2,197,000	5,619,000	10,560,865	16,179,865	9,782,865	2.53x	89.9%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	6,017,099	6,017,099	463,000	7,149,532	7,612,532	1,595,433	1.27x	18.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,790,000	2,790,000	203,500	3,949,511	4,153,011	1,363,011	1.49x	36.4%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	4,265,000	4,265,000	40,000	5,996,842	6,036,842	1,771,842	1.42x	36.6%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,291,000	10,291,000	740,000	14,379,449	15,119,449	4,828,449	1.47x	37.3%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,778,000	7,778,000	776,000	9,490,110	10,266,110	2,488,110	1.32x	28.1%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,366,637	4,366,637	246,047	4,993,930	5,239,977	873,340	1.20x	18.5%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,486,477	5,486,477	419,444	6,790,982	7,210,426	1,723,949	1.31x	28.0%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	8,090,254	8,090,254	415,000	9,287,232	9,702,232	1,611,978	1.20x	18.3%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,298,118	6,298,118	308,000	7,586,795	7,894,795	1,596,677	1.25x	25.2%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	16,898,000	16,898,000	726,000	18,919,533	19,645,533	2,747,533	1.16x	17.4%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,386,000	9,386,000	349,000	10,199,420	10,548,420	1,162,420	1.12x	14.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	13,737,000	13,737,000	1,181,000	16,320,514	17,501,514	3,764,514	1.27x	32.7%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	9,043,000	9,043,000	613,000	10,984,045	11,597,045	2,554,045	1.28x	34.3%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	D	Oct-13	-	12,201,000	12,201,000	848,000	16,881,255	17,729,255	5,528,255	1.45x	61.2%
Meridian Pointe Apartments	Duluth, GA	Multifamily	D	Oct-13	-	3,822,000	3,822,000	328,000	4,278,651	4,606,651	784,651	1.21x	29.9%
Aventerra Apartments	Mesa, AZ	Multifamily	D	Oct-13	-	13,774,000	13,774,000	746,000	16,968,891	17,714,891	3,940,891	1.29x	46.2%
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	D	Oct-13	-	11,753,000	11,753,000	675,000	13,176,230	13,851,230	2,098,230	1.18x	29.8%
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	D	Nov-13	-	9,106,000	9,106,000	515,000	9,645,240	10,160,240	1,054,240	1.12x	21.4%
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	D	Dec-13	-	17,275,000	17,275,000	610,000	18,225,302	18,835,302	1,560,302	1.09x	18.6%
Ashley Vista Apartments	Lithonia, GA	Multifamily	F	Jan-14	-	7,247,000	7,247,000	-	7,388,974	7,388,974	141,974	1.02x	NM
Bridgewater Apartments	Stockbridge, GA	Multifamily	F	Jan-14	-	3,476,000	3,476,000	-	3,450,983	3,450,983	(25,017)	0.99x	NM
Presidio Apartments	Oceanside, CA	Multifamily	F	Jan-14	-	16,398,000	16,398,000	250,000	15,947,565	16,197,565	(200,435)	0.99x	NM
Silver Shadow Apartments	Las Vegas, NV	Multifamily	F	Jan-14	-	4,590,000	4,590,000	-	4,210,045	4,210,045	(379,955)	0.92x	NM
Vista at 23rd Apartments	Gresham, OR	Multifamily	F	Mar-14	-	10,000,000	10,000,000	-	9,749,954	9,749,954	(250,046)	0.97x	NM
Stratford Ridge Apartments	Marietta, GA	Multifamily	F	Jun-14	-	8,181,063	8,181,063	-	7,446,097	7,446,097	(734,966)	0.91x	NM
Total Multifamily Investments						**322,289,582**	**298,981,318**	**46,727,418**	**403,390,438**	**450,117,856**	**127,828,273**	**1.40x**	**36.8%**
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,900,000	21,900,000	455,000	26,275,046	26,730,046	4,830,046	1.22x	12.5%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	4,877,069	4,877,069	(2,542,931)	0.66x	-28.9%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	769,795	20,900,731	9,320,731	1.80x	120.9%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	-	18,712,738	18,712,738	2,712,738	1.17x	20.2%
1875 Lawrence Building	Denver, CO	Office	F	May-14	-	13,114,269	13,114,269	-	12,660,476	12,660,476	(453,793)	0.97x	NM
Gran Park at The Avenues	Jacksonville, FL	Office	F	Jun-14	-	6,956,227	6,956,227	-	6,664,834	6,664,834	(291,393)	0.96x	NM
Gran Park at The Avenues Note	Jacksonville, FL	Office	F	Jun-14	-	16,100,000	16,100,000	-	16,111,910	16,111,910	11,910	1.00x	NM
Total Commercial Investments						**118,070,496**	**81,490,496**	**46,128,402**	**86,071,868**	**132,200,270**	**14,129,774**	**1.12x**	**18.8%**
Net Unrealized return on Properties acquired on or before December 31, 2013[5]						**276,535,548**	**276,535,548**	**28,065,830**	**346,994,529**	**375,060,359**	**98,524,811**	**1.36x**	**29.9%**
Net Unrealized return on Properties acquired since December 31, 2013[5]						**80,837,664**	**80,837,664**	**-**	**73,888,566**	**73,888,566**	**(6,949,098)**	**0.91x**	**NM**
RETURN TO ALL PARTNERS[6]						**368,634,819**	**368,634,819**	**30,321,081**	**454,921,474**	**485,242,555**	**116,607,736**	**1.32x**	**25.1%**
TOTAL NET RETURN[7]						**357,373,212**	**357,373,212**	**28,065,830**	**420,883,095**	**448,948,925**	**91,575,713**	**1.26x**	**21.9%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP.
2 See Value Method Key (to the right).
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
4 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
5 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
6 Return to All Partners is an annualized realized and unrealized return net of Management Fees, and expenses.
7 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "Income Approach" - Discounted cash flow and/or direct capitalization of annualized income supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.

APPENDIX C. The Fund's Pending Investments[1, 2]

Freddie Mac Series 2014-K716

A $105 million unrated subordinate CMBS bond on a pool of multifamily loans originated by Freddie Mac. The bond represents 7.5% of the total pool balance which is comprised of 80 loans totaling approximately $1.4 billion. The weighted average loan-to-value ratio of the pool is approximately 69.1% and the weighted average debt service coverage ratio of the pool is 1.57x. The bond is structured as "principal only" and pays no current coupon. It will be purchased at a 52% discount to par (48 dollar price) and total proceeds are approximately $51 million. The bond has a 7-year term and a yield of 10.9%. The bond is expected to be re-securitized, with the senior tranche being sold off and the junior tranche retained. The final pricing and structure of the re-securitization are still being determined but it is expected that the junior tranche will represent approximately 40% of the proceeds of the subordinate CMBS bond and yield approximately 15% on a bond equivalent basis.

Stratford at Maple Leaf

A $13.5 million first mortgage loan on a 113 unit seniors housing facility in Seattle. Built in 2005, the property offers independent living, assisted living and memory care and has shown steady improvement in occupancy over the last 12 months. In 2013, occupancy averaged 64% but now currently stands around 80.7%, with pending leases further increasing occupancy to approximately 84.9%. The property has further upside in leasing and the sponsor has made all necessary repairs to the property since construction. The loan has a 66% loan-to-value ratio and approximately a 1.20x debt service coverage ratio. The loan will be divided into a senior mortgage and mezzanine loan at closing and the senior loan will be sold. The mezzanine loan is projected to be retained at an approximate 14% yield.

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[1] No assurance can be given that the Fund will complete any of the foregoing pending acquisitions on the terms set forth above or at all. Any number of events, many of which are outside of the control of the Fund or the General Partner, may impact the completion of the investments. The General Partner may be unsuccessful in identifying similar investment opportunities for the Fund, and the Fund may acquire assets with different characteristics in accordance with the Fund's investment guidelines.

[2] The financial projection for any owned or pending acquisitions are projections only based on assumptions that the Investment Manager and the General Partner deem reasonable in light of their experience and judgment. Such projections are estimates only of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not

predictable, can have a material adverse impact on the reliability of such projections. Many other factors that are outside of the control of the General Partner and the Investment Manager may adversely and materially affect actual results.

Copy No. _____

ROC|DEBT STRATEGIES FUND LP

a Delaware limited partnership

$500,000,000

of

LIMITED PARTNERSHIP INTERESTS

July 2014

Confidential Private Placement Memorandum

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ROC|Debt Strategies Fund LP

$500,000,000
of
LIMITED PARTNERSHIP INTERESTS

This confidential private placement memorandum (the "Memorandum") is being furnished to a limited number of prospective investors in connection with their evaluation of a proposed investment in ROC|Debt Strategies Fund LP, a recently formed Delaware limited partnership (the "Fund" or "ROC Debt Strategies"). Each person or entity who invests in the Fund will acquire limited partnership interests ("Interests") in, and will become a limited partner (a "Limited Partner") of, the Fund.

The Fund's investment objectives are to achieve attractive risk-adjusted returns and preserve investor capital by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States.

The general partner of the Fund is ROC Debt Strategies Fund GP, LLC, a recently-formed Delaware limited liability company (the "General Partner"). The General Partner makes all investment decisions on behalf of the Fund and has engaged ROC Debt Strategies Fund Manager, LLC, a recently formed Delaware limited liability company (the "Investment Manager") to serve as investment manager of the Fund and make recommendations regarding investment opportunities to the Fund. The General Partner and the Investment Manager are affiliates of Bridge Investment Group Partners, LLC ("Bridge-IGP"), which, with its managed funds, principals and affiliates, have managed over $4 billion of real estate assets and employ approximately 1,000 employees across 16 states.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any other federal, state or foreign securities commission or similar authority has determined whether this Memorandum is truthful or complete. Any representation to the contrary is a criminal offense. The Interests are being offered privately and have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or country in reliance on exemptions from the registration requirements of such laws. There is no public market for the Interests, and the Interests are subject to significant restrictions on transfer.

An investment in the Interests involves significant risk. Investors should have the financial ability and willingness to accept the risks and conflicts of interest which are characteristic of the investments described in this Memorandum. See Section IX – "Risk Factors and Conflicts of Interest."

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This Memorandum is dated July 22, 2014

CERTAIN NOTICES TO INVESTORS

The Interests offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any state or of any other jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

Investment in the Interests involves a high degree of risk (including the possible loss of a substantial part, or even the entire amount, of an investment) and conflicts of interest that prospective investors should carefully consider before purchasing the Interests. There can be no assurance that the Fund's investment objectives will be achieved or that investors will receive a complete return of their capital. In addition, investment results may vary substantially on a monthly, quarterly or annual basis. Investment in the Interests is suitable only for sophisticated investors and requires the financial ability and willingness to accept the inherent high risks and lack of liquidity. Investors should pay particular attention to the information provided in Section IX – "Risk Factors and Conflicts of Interest."

Prospective investors should carefully read and retain this Memorandum. However, prospective investors are not to construe the contents of this Memorandum or any prior or subsequent communications from the Fund, the General Partner, the Investment Manager or any of their respective partners, members, directors, officers, employees or agents, as investment, legal, accounting, regulatory or tax advice. In making an investment decision, investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. Prior to investing in the Interests, a prospective investor should consult with the investor's attorney and investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Interests and arrive at an independent evaluation of such investment, including the applicability of any legal investment restrictions.

The Interests have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Interests are offered and sold under the exemption provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder, and equivalent exemptions in the laws of the states and other jurisdictions where the offering is made. As a result, the Interests may not be resold or transferred unless they are registered under the Securities Act and such laws or such resale or transfer is exempt from the registration requirements of the Securities Act and applicable state and other applicable equivalent securities laws of any other jurisdiction. In addition, the Fund is relying on an exemption from registration under the Investment Company Act of 1940, as amended (the "1940 Act"). The Interests are also subject to further restrictions on transfer described herein. Because of such restrictions, it is unlikely that a secondary trading market for the Interests will develop, and purchasers must bear the risk of their investment for an indefinite period of time.

This Memorandum contains a summary of the Fund's Amended and Restated Limited Partnership Agreement (the "Partnership Agreement") and certain other documents referred to herein. However, the summaries set forth in this Memorandum do not purport to be complete and they are subject to and qualified in their entirety by reference to the Partnership Agreement and such other documents, copies of which will be provided to any prospective investor upon request and which should be reviewed for complete information concerning the rights, privileges and obligations of investors in the Fund. In the event that the descriptions or terms in this Memorandum are inconsistent with or contrary to the descriptions in or terms of the Partnership Agreement or such other documents, the Partnership Agreement and such other documents shall control.

The General Partner and its affiliates reserve the right to modify the terms of the offering and the Interests described in this Memorandum, and the Interests are offered subject to the General Partner's right to accept or reject any prospective investor's commitment in whole or in part in its sole discretion.

This Memorandum has been furnished on a confidential basis solely for the information of the prospective investor to whom it has been delivered on behalf of the Fund and may not be reproduced, distributed or used for any other purposes, nor may its contents be disclosed. Each prospective investor accepting this Memorandum hereby agrees to return it to the General Partner promptly upon request.

Notwithstanding anything in this Memorandum to the contrary, the Fund, the General Partner, the Investment Manager and each investor or prospective investor in the Fund (and any employee, representative or other agent of the Fund, an investor or a prospective investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Memorandum (including opinions or other tax analyses that are provided to the prospective investor relating to such tax treatment and tax structure). However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable U.S. federal or state securities laws. For this purpose, tax treatment and tax structure shall not include (a) the identity of the Fund, the General Partner, the Investment Manager or any investor in the Fund (or, in each case, any affiliate thereof); (b) any specific pricing information; or (c) other nonpublic business or financial information (including, without limitation, the amount of any fees, expense, rates or payments) that is not relevant to an understanding of the tax treatment of the transactions contemplated by this Memorandum.

The distribution of this Memorandum and the offer and sale of the Interests in certain jurisdictions may be restricted by law. ***Please see the various U.S. securities law legends below and non-U.S. securities law legends that are found in Appendix A to this Memorandum.*** This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any Interests in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer in such jurisdiction. No action has been or will be taken to permit a public offering of the Interests in any jurisdiction where action would be required for that purpose. Accordingly, the Interests may not be offered or sold, directly or indirectly, and this Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Interests that are acquired by persons not entitled to hold them or that would require the Fund to register as an investment company under the 1940 Act will be subject to mandatory redemption. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Interests, and any foreign exchange restrictions that may be relevant thereto.

No person has been authorized to give any information or make any representations other than as contained in this Memorandum, and any representation or information not contained herein must not be relied upon as having been authorized by the Fund, the General Partner, the Investment Manager or any of their members or affiliates. The delivery of this Memorandum does not imply that the information herein is correct as of any time subsequent to the date on the cover hereof or, if earlier, the date such information is referenced. Statements contained herein are not made in any person's individual capacity, but rather on behalf of the General Partner or the Fund, as appropriate.

Certain information contained in this Memorandum (including certain economic, financial market and real estate market information, as well as certain forward-looking statements and information) has been obtained from sources outside of the Fund. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of the Fund, the General Partner, the Investment Manager, the placement agent or any of their respective members, directors, officers, employees, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under the caption Section IX - "Risk Factors and Conflicts of Interest," actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements, and undue reliance should not be placed thereon.

Unless otherwise stated all internal rates of return, including target or projected rates of return, are presented on a "gross" basis (i.e., they do not reflect the management fees, "carried interest," taxes (whether borne by investors or entities through which they participate in investments), broken-deal expenses, transaction costs and other expenses to be borne by investors in the Fund, which in the aggregate are expected to be substantial). The

net internal rates of return contained herein are calculated after management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund).

In considering the target or projected returns of the Fund contained in this Memorandum, prospective investors should bear in mind that past, projected or targeted performance, including, without limitation, the performance of investments of prior investment vehicles managed by affiliates of the General Partner or the Investment Manager ("Prior Investment Funds"), is not necessarily indicative of future results. There can be no assurance that such targeted or projected returns or asset allocations will be met, that the Fund will achieve comparable results, that the Fund will be able to implement its strategy or achieve its investment objectives or that the returns generated by any investments by the Fund will equal or exceed any past, projected or targeted returns presented herein.

The Fund's target returns contained in this Memorandum are based on the General Partner's belief about the returns that may be achievable on investments that the Fund intends to pursue in light of the investment experience of the principals of the General Partner with respect to other investment vehicles, including those investments made by or on behalf of Prior Investment Funds, its view on current market conditions, potential investment opportunities that the Investment Manager is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Targeted returns are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated and will be applicable to the Fund's investments. Actual events and conditions may differ materially from the assumptions used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Target returns for individual investments may be greater or less than the Fund's overall target return. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors, including in connection with evaluating target returns.

Prospective investors should note that the investments of Prior Investment Funds were made over the course of various market and macroeconomic cycles and such circumstances may be different than those in which the Fund will invest. Moreover, the size, ownership percentage, control rights and investment criteria of the assets to be acquired by the Fund will differ from those of the Prior Investment Funds. In particular, the investments of Prior Investment Funds were made in different investments and under very different market, economic and supply-demand conditions than those in which the Fund will operate and which may not be replicated. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives.

Each prospective investor is invited to meet with representatives of the General Partner and the Investment Manager and to discuss with, ask questions of and receive answers from them concerning the terms and conditions of this offering of the Interests, and to obtain any additional relevant information, to the extent they possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. The Interests are being offered when, as, and if issued, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to the approval of certain legal matters by counsel and certain other conditions. No Interests may be sold without delivery of this Memorandum.

The Fund intends to evaluate its potential investments after consideration of its target net internal rate of return of 10% to 12%. Actual returns will be based on a number of factors that are beyond the control of the General Partner or the Investment Manager, including, but not limited to, (a) the nature of debt securities; (b) general and local economic conditions, including interest rates and local market conditions; (c) general creditor risks; (d) ability of borrowers to repay loans; (e) various uninsured and uninsurable risks, natural disasters, environmental losses, changes in governmental regulations, taxes and interest rates; (f) proposed capital structures for each investment; and (g) the general nonrecourse status of loans. The General Partner in its absolute discretion may invest in an investment in which the individual expected return is less than the target net internal rate of return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. Accordingly, for the avoidance of doubt, the statement

of the Fund's target net internal rate of return does not require, and is not a representation, that the General Partner will only make investments whose individual expected returns are in excess of the target return. Investors should carefully consider the risks associated with the assets required to generate the Fund's target net internal rate of return. Important risk factors are set forth in this Memorandum. Investors should pay particular attention to the information in Section IX – "Risk Factors and Conflicts of Interest," which should be considered carefully by prospective investors, including in connection with evaluating target returns.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE INTERESTS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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I. EXECUTIVE SUMMARY

ROC|Debt Strategies Fund LP, a recently formed Delaware limited partnership (the "Fund" or "ROC Debt Strategies"), has been organized with the investment objectives of achieving attractive risk-adjusted returns and investor capital preservation by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States (the "Investments"). The Investments are expected to include floating rate, first-mortgage loans and mezzanine loans on multifamily, commercial office, seniors housing and medical properties and commercial mortgage-backed securities ("CMBS"). The Investments may also consist of regularly issued, subordinated tranche, structured pass-through CMBS, issued by a trust and structured by the Federal Home Loan Mortgage Corporation ("Freddie Mac"). These CMBS securities (the "K-Series") are backed by recently originated multifamily and seniors housing mortgage loans that produce regular cash flows and are designed to include additional credit enhancements.

The Fund is managed by its general partner, ROC Debt Strategies Fund GP, LLC (the "General Partner"), a Delaware limited liability company and affiliate of Bridge Investment Group Partners, LLC ("Bridge-IGP"), which, with its managed funds, principals and affiliates, have managed over $4 billion of real estate assets and employ approximately 1,000 employees across 16 states.

The General Partner will make all operational and investment decisions on behalf of the Fund. Portfolio construction and specific investments will be evaluated and approved by the General Partner's investment management committee (the "Investment Committee") consisting of James Chung, Robert Morse, Donaldson Hartman, Danuel Stanger, Kiernan Pusey and Jeehae Lee (collectively, the "Investment Committee Members"). The General Partner has engaged ROC Debt Strategies Fund Manager, LLC, a recently formed Delaware limited liability company (the "Investment Manager") to make recommendations regarding investment opportunities for the Fund to the General Partner and to provide administrative and management services to the General Partner and the Fund in connection with the Investments. The Investment Manager is managed by a board of managers, which currently consists of Messrs. Chung, Hartman and Morse.

The Fund is seeking capital commitments of $500 million in limited partnership interests (the "Interests") from investors seeking to be admitted as limited partners (the "Limited Partners"); however, the General Partner reserves the right to accept commitments of up to $750 million in its sole discretion (the "Maximum Offering Amount"). The General Partner and its affiliates will commit an amount equal to at least 2% of aggregate capital commitments made to the Fund, not to exceed $10 million. The Fund will terminate this offering and cease accepting commitments for Interests on the earlier of the date that is 18 months after the Fund's initial closing or the date that the Fund has received commitments for Interests equaling the Maximum Offering Amount.

INVESTMENT OBJECTIVES HIGHLIGHTS

The Fund's investment objectives are to achieve attractive risk-adjusted returns and investor capital preservation by:

- focusing primarily on asset classes and markets within Bridge-IGP's and its affiliates' expertise and in which Bridge-IGP and its affiliates have geographic and demographic expertise, including the Freddie Mac K-Series subordinated tranches which the Investment Manager believes offer superior risk-adjusted returns in current and expected market conditions;
- utilizing Bridge-IGP's and its affiliates' deal flow, industry relationships and longstanding industry experience to generate and evaluate additional investment opportunities, primarily first mortgage loans;
- partnering with premier real estate backed fixed income originators and real estate asset owners to access attractive investment opportunities; and
- from the foregoing sources and others, creating a diversified portfolio of high-quality commercial real estate related debt investments with a specific focus on areas where Bridge-IGP and its affiliates have a

long operating history, deep operational capabilities and differentiated advantage, and where limited competition exists.

INVESTMENT OPPORTUNITY HIGHLIGHTS

The General Partner believes that the Investments represent compelling and attractive investment opportunities to achieve superior risk-adjusted returns for investors seeking current income. The Investments present significant investment opportunities primarily because (1) the General Partner's management team has extensive experience in the sourcing, evaluation, acquisition and disposition of investments in the debt capital markets; (2) the General Partner and the Investment Manager believe the long-term relationships between Freddie Mac and the principals of the General Partner and the Investment Manager will enable the Fund to obtain access to certain K-Series investments on attractive terms; (3) Bridge-IGP and its affiliates possess a national real estate operating and due diligence platform, consisting of both (i) a multifamily platform of approximately 1,000 professionals located in approximately 50 metropolitan statistical areas ("MSAs") in 16 states with experienced operational and management experience at the asset, local, state and national levels; (ii) the General Partner's affiliates maintain a seniors housing platform that consists of longstanding, established relationships with a core group of 40 local operators and their respective employees and an asset acquisition team which has purchased no less than 300 assets in 38 states and 60 MSAs; and (4) Bridge-IGP and its affiliates possess existing and expected partnerships to source investments from multiple origination networks with which Bridge-IGP, its principals and its affiliates have longstanding relationships.

Significant Experience in Commercial Real Estate Debt and CMBS Markets

Senior members of the Investment Manager's executive team average over 20 years of experience in real estate, securitization and finance. Mr. Chung previously held senior positions within the CMBS group of Morgan Stanley, and was primarily responsible for loan origination, pricing, hedging, structuring and securitization. The Morgan Stanley CMBS program was one of the largest CMBS programs over the last decade and was responsible for securitizing over $50 billion of debt during that period. The experience of the Investment Manager's management team spans multiple market cycles, and they have significant expertise in every phase of the lending and securitization process including underwriting, structuring, documentation and distribution. In addition, they have cultivated longstanding industry relationships with commercial and investment bankers, borrowers, brokers, lenders, attorneys, rating agencies, investors, appraisers and engineers that serve as service providers and a source of potential referrals for issuers and sellers of Investments.

Freddie Mac K-Series Subordinated Tranche Investments

The management teams of both the General Partner and the Investment Manager have maintained a close relationship with Freddie Mac for over 20 years. This relationship, which has been mutually beneficial for all parties, will provide the Fund with preferred access to auctions for Freddie Mac K-Series investments and will enable the Fund to participate in negotiations regarding the structuring terms and credit enhancements of these K-Series investments. In recent years, Freddie Mac has limited access to the K-Series certificates to a select list of approved purchasers, which purchasers are judged for approval by their histories as borrowers and operators of the types of assets financed, such as seniors and multifamily housing. Freddie Mac also takes into account the experience of the auction participants in operating and managing the types of underlying real estate securing the K-Series investments. The Investment Manager's management team has broad experience in operating and managing all types of real estate, particularly seniors and multifamily housing. Thus, Bridge-IGP's and its affiliates' relationships and prior transactional histories with Freddie Mac will enable the Fund to be part of this select consortium of purchasers.

Since 2008, Freddie Mac has issued $74 billion in K-Series CMBS, of which $28 billion was issued in 2013 over 19 transactions. The General Partner believes that K-Series subordinated bonds represent outstanding value because of the rigorous underwriting standards employed by Freddie Mac in evaluating underlying loans and the low default rates of past issuances. As of January 31, 2014, of the $74 billion in loans securitized since 2008, only three were delinquent more than 60 days. The underlying loans in the K-Series CMBS are generally first mortgage

loans on multifamily properties located in the United States. The prior loan pools have had loan-to-value ratios ("LTVs") ranging from 65% to 70%, and full or partial amortization on 85% to 90% of the loans. In addition, a small percentage of the multifamily loans are secured by seniors housing properties, which is another area in which Bridge-IGP and its affiliates actively invest and have differentiated expertise, which many K-Series auction participants do not possess.

Bridge-IGP has a strong relationship with Freddie Mac and its senior management as a result of Bridge-IGP's and its affiliates' 22-year history of borrowing from Freddie Mac. In 2013 and 2014 year to date, Freddie Mac has permitted Bridge-IGP to informally participate in the negotiation, structuring and review of several securitization pools to become more familiar with the K-Series investment process and requirements. On average, approximately 60% of the loans in the securitization pools reviewed by Bridge-IGP were in markets where Bridge-IGP and its affiliates own and operate multifamily properties. In addition to the investment opportunities presented by the K-Series CMBS, Freddie Mac has also presented to Bridge-IGP other potential investment opportunities in mortgage loans secured by multifamily properties that were not offered to competitor real estate-related investment funds. These proposals demonstrate the depth of the Bridge-IGP relationship with Freddie Mac and the access the Fund has to Freddie Mac's proprietary origination pipeline through the K-Series and other potential joint venture opportunities.

A National Real Estate Platform

Since 1991, Bridge-IGP, its managed funds, principals and affiliates have invested in over $4 billion of real assets and employ approximately 1,000 professionals in more than 50 MSAs across 16 states. The operational capabilities of Bridge-IGP and its affiliates will give the Fund in-depth, current market knowledge and due diligence capabilities in multifamily, commercial office, seniors housing and medical office asset classes, and therefore the capability to evaluate the attractiveness of various Investments and their underlying collateral values. The operational capabilities of Bridge-IGP, its managed funds, principals and affiliates include the ability to assume management of, and create a rehabilitation plan for, and therefore work out troubled assets more effectively than a financial buyer. Bridge-IGP's operating platform coupled with the CMBS expertise of the General Partner's management team is expected to provide the Fund a significant competitive advantage in sourcing and analyzing debt investments.

Close Relationships with Origination Networks

Senior management of both the General Partner and the Investment Manager has maintained a close relationship with Freddie Mac and other origination platforms for over 20 years. The General Partner believes that these relationships will provide the Fund with access to CMBS and loan opportunities without having to participate in open auctions. In addition, the Investment Committee Members have longstanding and deep industry relationships that can be accessed to create additional partnership, joint venture or platform opportunities. The General Partner believes that fixed income market conditions in the United States, particularly related to CMBS and other real estate-related debt investments, are currently attractive and are expected to remain so for the duration of the investment period of the Fund.

MARKET ENVIRONMENT HIGHLIGHTS

The General Partner believes that the combination of several market trends will create a favorable lending environment for alternative providers of capital, such as the Fund, to pursue opportunistic transactions over the next five years. In particular, some of the most important factors supporting the General Partner's strategy include (1) continued aftermath of excesses in the CMBS and other real estate lending markets during the years prior to the recent financial crisis, and the resulting significant refinancing wave expected in the CMBS market from 2014 to 2017; (2) reduced CMBS lending capacity of established commercial real estate lenders due to the recent financial crisis; and (3) increased regulation of the banking sector and the new risk retention rules expected to take effect by 2016 and the consequent increase in capital costs and required reserves that these regulations will require.

Significant Refinancing Demand in the CMBS Market

From 2014 to 2017, approximately $400 billion of securitized loans in the United States will mature. This represents over 60% of total U.S. CMBS outstanding. In many cases, the maturing loans were underwritten during a time when underwriting standards were less rigorous, and as a result, terms of the loans did not reflect the risk-return profile of loan underwriting standards today. A significant number of those loans were interest-only for the full term. From 2008 to 2013, only $171 billion of U.S. CMBS issuance was completed and negotiated to an underwritten transaction. The General Partner believes that the high volume of maturing commercial real-estate related loans will create a significant need for lending capital in the sector and a meaningful opportunity for the Fund to commit capital on attractive terms.

Reduced CMBS Lending Capacity in the Banking Sector

Lax underwriting standards, liberal structuring considerations and other factors resulted in approximately $2 trillion in losses in the banking sector primarily related to commercial and residential real estate debt during and after the recent financial crisis. This has generally resulted in a decreased risk appetite for mortgage products among investors and potential commercial real estate lenders. The balance sheet allocation and headcount of CMBS groups within banks are significantly lower than before the financial crisis. Nine of the top 30 CMBS lenders from 2007 no longer exist, and six of the top 30 CMBS lenders have exited the business. Lending capacity in the CMBS market is significantly lower than it was in 2007, during which $223 billion in loans were securitized in the United States. In 2013, only $78 billion in CMBS was issued. The Investment Manager therefore believes that the ability of the banks to absorb the coming wave of CMBS maturities is below capacity and would require banks to dramatically increase their CMBS activities in a time when regulatory pressure is also increasing. This supply-demand mismatch is expected to create opportunities for non-CMBS lenders, such as the Fund, to absorb borrower demand.

Regulatory Reform and Increased Oversight

The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") has introduced new risk retention requirements for securitization requiring lenders to retain risk on CMBS pools or only sell the subordinated bonds to a buyer with significant restrictions. Specifically, Section 941(b) of the Dodd-Frank Act adds a new Section 15G to the Securities Exchange Act of 1934, as amended. Section 15G requires that the various agencies issue rules to require a financial institution which structures securitzations to retain not less than 5% of the credit risk of the assets collateralizing such asset-backed securities. The retention of risk is anticipated to add additional expenses to securitization, and consequently, the cost of borrowing in the CMBS market, thus creating opportunities for non-CMBS lenders like the Fund to compete with traditional CMBS lenders. Furthermore, the risk retention rules will encourage CMBS investors to be more conservative in their credit analysis which will encourage borrowers to look to non-CMBS lenders like the Fund.

In addition to risk retention in the CMBS market, the banking sector, which is the largest provider of commercial real estate debt, has been under increasing scrutiny from regulators since the financial crisis. Capital requirements and credit standards have become more conservative and discriminating, leading banks to reduce their balance sheets and focus lending activities on more conservative deals.

The General Partner believes the combination of new risk retention rules and increased oversight could potentially force CMBS lenders and banks to become less competitive in the lending market both in terms of credit and pricing. If this occurs as expected, it would create an opportunity for non-bank lenders to finance deals on compelling and favorable terms because they are not regulated by the newer, tighter lending requirements that these lenders must adopt.

INVESTMENT STRATEGY HIGHLIGHTS

The Fund intends to invest in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States. The Fund will focus on first mortgage risk by purchasing subordinated CMBS backed by pools of first mortgage loans or making first mortgage loans. The Fund intends to utilize leverage not

to exceed 60% of the sum of the acquisition cost of all Investments in the Fund's portfolio to enhance returns. The Fund also intends to target acquisitions of investments across the entire spectrum of commercial real estate on an opportunistic basis, including: CMBS (i.e., rated and unrated interests in mortgage-backed securities collateralized by commercial real estate loans); interests in individual loans secured by commercial real estate, including subordinated interests (i.e., B-Notes); mezzanine loans; and other commercial real estate debt interests, including debt issued by real estate companies, participating mortgages, and interests in commercial real estate and entities the majority of the assets of which consist of commercial real estate-related debt.

The Fund intends to capitalize on the extensive contacts and relationships of its General Partner and Investment Manager to source its Investments. The Fund also plans to take advantage of mismatches between borrower demand and lender capacity in those market segments that present the greatest potential for superior returns on investment.

The Fund's investment portfolio will be actively managed, and investments may be leveraged or sold depending on prevailing market conditions.

Investment Criteria

The General Partner has established the following investment criteria for Investments:

- First mortgage loans will generally range from $10 million to $50 million;
- K-Series investments are expected to range from $15 million to $50 million;
- Mezzanine loans will generally range from $5 million to $20 million;
- Other CMBS investments will generally range from $10 million to $30 million
- Primary focus on investments with underlying collateral in multifamily, commercial office, seniors living and medical properties assets with an opportunistic focus on other assets;
- Additional focus on markets in which Bridge-IGP or its affiliates have an active or historical presence and an institutional familiarity with the macro and asset specific dynamics of the investment under consideration; and
- No more than 15% of total Capital Commitments will be invested in a single investment (measured as of the Fund's final closing date).

Targeted Portfolio Composition

The Fund will focus on Investments that are consistent with its investment objectives and portfolio composition and that the Fund believes will generate attractive risk-adjusted returns. The primary portfolio components are expected to consist of the following investments:

- Floating-rate first-mortgage loans on multifamily, commercial office, seniors housing and medical properties, primarily in markets where Bridge-IGP and its affiliates currently own or manage real estate;
- One or two K-Series subordinated tranches per 12-month period;
- Mezzanine loans primarily in markets in which Bridge-IGP or its affiliates currently own or manage real estate; and
- Opportunistic investments in tailored CMBS subordinated classes, which the Fund intends to structure through partnerships with existing CMBS lenders.

The Fund intends to target the following portfolio allocation:

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Strategy	Targeted % of Portfolio	Target Return (Gross/Net)	Current Yield (Gross/Net)	Origination Channel
First Mortgage Lending on Multifamily and Office Properties	40%	10-15% / 8-12% (levered)	10-15% / 9-14%	Combination of brokers and partnership networks - Senior leadership has longstanding relationships with all of the major brokerage networks - Focus on markets where Bridge-IGP has a presence - Form partnerships with Bridge-IGP's senior lenders
First Mortgage Lending on Seniors Housing and Medical Properties	20%	12-18% / 10-15% (levered)	12-18% / 11-17%	Combination of local relationships and brokers - ROC Seniors team has cultivated numerous relationships with local managers and developers - National and regional debt brokers have few options outside the GSEs to finance these types of properties
Mezzanine Lending and Preferred Equity Investments	25%	10-15% / 8-12%	10-15% / 9-14%	Multiple potential sources - Joint venture to place mezzanine behind senior mortgages originated by senior lenders - Intermediaries (brokers, banks)
Freddie K-Series B-pieces	15%	11-13% / 9-11%	3-4% / 2-3%	Direct from Freddie Mac - Rotational program - Limited competition
Total	**100%**	**12-15% / 10-12%**	**11-13% / 9-11%**	

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INVESTMENT MANAGER HIGHLIGHTS

Extensive Real Estate Debt and Real Estate Expertise

The Fund's greatest competitive advantages are the combination of real estate debt, including CMBS, and real estate investment, ownership, operating and management expertise within the Fund's management team, including the breadth and depth of talent, length of experience and knowledge and resources that the Investment Committee Members, Messrs. Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee, bring to each stage of the investment process. The Investment Committee Members have extensive capital markets, commercial real estate, fixed income and real estate operating experience, which create a differentiated capability to source, analyze, invest, monitor and dispose of Investments. Mr. Chung, the Chief Investment Officer of the Investment Manager, will lead a dedicated team of six or more professionals who will be supported by more than 80 Bridge-IGP employees who will provide asset analytics, due diligence, fund management and reporting, legal and compliance and finance and accounting support.

Key Relationships and Unique Property Management Resources

The Fund has significant advantages in sourcing investments due to the General Partners' affiliation with Bridge-IGP and its existing real estate platform. The Investment Committee Members' 20-year relationship with Freddie Mac is expected to create investment opportunities in K-Series subordinated bonds with limited competition and other multifamily mortgage joint venture opportunities with Freddie Mac. Other relationships with established mortgage lenders are expected to yield preferred opportunities for CMBS and loan investments. Through a nationwide network of brokers and borrowers, the Investment Committee members have a deep pool of relationships that will yield lending opportunities.

The property management platform of Bridge Property Management, L.C. ("BPM"), an affiliate of Bridge-IGP, will be the primary, but not only organization used to perform due diligence on Fund investments. BPM's nationwide network of professionals, with an average of 22 years of experience among its senior executives and established processes and procedures to evaluate real estate investment opportunities, will perform risk analysis and execution. BPM provides access to real-time market data and property and asset management expertise.

The senior executives of Bridge-IGP's affiliate, ROC Seniors Housing Manager, LLC ("ROC Seniors Manager"), have extensive expertise in seniors housing and medical properties and have developed, acquired, and managed over $4.5 billion of senior housing and other health care assets. The senior management team of ROC Seniors Manager has an average tenure of 19 years in the industry. ROC Seniors Manager will assist the General Partner in performing due diligence on seniors housing and medical properties related to Fund investments.

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II. SUMMARY OF KEY TERMS

The following is a summary of the key terms on which the Fund will offer and sell the Interests. Capitalized terms not defined below shall be as set forth in Section VIII – "Detailed Summary of Terms." This summary is qualified in its entirety by reference to the more detailed description in Section VIII – "Detailed Summary of Terms" and to the Partnership Agreement (as defined herein).

Fund	ROC|Debt Strategies Fund LP, a Delaware limited partnership.
General Partner	ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company.
Investment Manager	ROC Debt Strategies Fund Manager, LLC, a Delaware limited liability company.
Members of the General Partner's Investment Committee	James Chung, Donaldson Hartman, Jeehae Lee, Robert Morse, Kiernan Pusey and Danuel Stanger.
Fund Size	$500 million, provided that the General Partner reserves the right in its sole discretion to accept Capital Commitments of up to $750 million.
Minimum Capital Commitment	$1 million. Lesser amounts may be accepted by the General Partner in its sole discretion.
General Partner Commitment	A minimum 2% of total Capital Commitments to the Fund not to exceed $10 million.
Offering Period	The earlier of the date that is 18 months after the Initial Closing (as defined below) or the date that the Fund has received commitments for Interests equaling the maximum Fund size (described above).
Commitment Period	Three years from the Initial Closing.
Target Return[1]	10% to 12% net internal rate of return.
Fund Term	Eight years from the Initial Closing, but may be extended at the discretion of the General Partner for up to two consecutive one-year periods.
Diversification Limitation	No more than 15% of total Capital Commitments may be invested in any single investment (measured as of the Initial Closing) provided, that up to 25% of the aggregate Capital Commitments may be contributed for any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in such Investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial Investment.
Distributions	The General Partner expects to make regular distributions of income on a quarterly basis and (after the termination of the commitment period) to distribute proceeds from asset dispositions as soon as practicable after each disposition.

[1] The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. There can be no assurance that the Fund's target return will be achieved. Please refer to the disclaimer at the front of the Memorandum for more information regarding the methodology used to calculate and the assumptions that underlie the target internal rate of return. Net internal rate of return is the gross internal rate of return net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the Limited Partners directly or indirectly through withholdings by the Fund).

Preferred Return	8%.
Carried Interest	20%.
Management Fee	For subscribers committing less than $10 million, 1.5% per annum, and for subscribers committing $10 million or more, 1.25% per annum, in each case based on total Capital Commitments during the Commitment Period (as defined herein) and on capital under management thereafter.

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III. PRIOR PERFORMANCE OF THE MANAGERS

Chief Investment Officer of Investment Manager

Mr. Chung, the Chief Investment Officer of the Investment Manager, was instrumental in originating, risk managing, and securitizing over $50 billion of loans for Morgan Stanley as the head of the Commercial Real Estate Loan Desk from 2004 to 2013. During that period of time, Morgan Stanley was consistently one of the largest issuers of CMBS. Mr. Chung was a voting member of both the global large loan credit committee and the U.S. credit committee at Morgan Stanley and was also responsible for pricing, hedging, and securitizing every fixed rate loan originated by Morgan Stanley during that nine-year period. Mr. Chung was the primary credit committee member who worked with the origination staff in deciding which loans to pursue and bring to the credit committee for approval.

The following table sets forth certain information regarding the performance of Morgan Stanley's securitized loans as compared to other CMBS issuers from 2005 to 2008, which was the peak of the CMBS market when Mr. Chung was the head of the Commercial Real Estate Loan Desk at Morgan Stanley.

Originator	Outstanding Balance ($ million)	Losses (%)	Defaults (%)
Morgan Stanley	25,138	4.6%	5.9%
Bear Stearns	17,592	5.2%	6.6%
Goldman Sachs	18,321	5.2%	8.0%
Lehman	26,850	6.2%	10.3%
Bank of America	33,327	6.5%	5.4%
UBS	15,135	6.5%	9.4%
Wachovia	51,942	7.0%	13.2%
JP Morgan	31,417	7.1%	9.7%
Citigroup	15,563	7.5%	10.7%
Merrill Lynch	18,889	8.1%	13.6%
CSFB	31,387	8.6%	9.8%
LaSalle	19,936	9.2%	12.8%
Deutsche Bank	20,281	9.4%	12.0%
RBS	21,562	11.1%	17.8%

Notes:

- Data from Trepp, LLC as of January 9, 2014.
- Losses include realized losses and appraisal reduction amounts.
- Defaults include loans in delinquency, foreclosure, REO and maturity default (non-performing).

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Investment Management Committee Members of the Investment Manager

Messrs. Hartman, Morse and Stanger are members of the six-person investment management committees of the general partners of each of Real Estate Opportunity Capital Fund LP (together with its parallel vehicles, "ROC I") and Real Estate Opportunity Capital Fund II LP (together with its parallel vehicles "ROC II"), both Delaware limited partnerships managed by Bridge-IGP. Under the direction of Messrs. Hartman, Morse and Stanger, together with the other members of those investment management committees and the personnel of Bridge-IGP, ROC I and ROC II have achieved the following returns since inception:

Real Estate Opportunity Capital Fund, LP (ROC I) [1] — **March 19, 2009 through March 31, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds [4]	Unrealized Value [5]	Implied Value	Implied Gain	Return Multiple	NET IRR [2]
Total	120.0	53.1	145.6	198.7	78.6	1.66x	19.1%

Real Estate Opportunity Capital Fund II, LP (ROC II) [3] — **March 19, 2009 through March 31, 2014 (in US$ millions)**

Investment	Invested Capital	Realized Proceeds [4]	Unrealized Value [5]	Implied Value	Implied Gain	Return Multiple	NET IRR [2]
Total	358.8	21.6	412.4	434.0	75.2	1.21x	23.2%

Appendix B attached hereto provides further information regarding the investment track record of ROC I, and Appendix C attached hereto provides further information regarding the investment track record of ROC II. *See Section VII—"The General Partner, the Investment Manager and Management" for a more detailed description of the Investment Manager and the Bridge-IGP-related managers and personnel.*

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1 See Appendix B—"Investment Performance – ROC I (March 19, 2009 through March 31, 2014)" for more information on ROC I's past performance. Past performance is not indicative of future results, and, there can be no assurance that results achieved for ROC I's past investments will be achieved for the Fund. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives. (See Section IX—"Risk Factors and Conflicts of Interest").

2 Net IRR is the gross IRR net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund). Statements of unrealized returns are based on projections which assume sale prices based on internal valuations. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.

3 See Appendix C—"Investment Performance – ROC II (April 3, 2012 through March 31, 2014)" for more information on ROC II's past performance information. Past performance is not indicative of future results, and, there can be no assurance that results achieved for ROC II's past investments will be achieved for the Fund. In addition, there can be no assurance that the Fund will be able to implement its investment strategy or achieve its investment objectives. (See Section IX—"Risk Factors and Conflicts of Interest").

4 An investment is considered "realized" after full transfer of ownership upon consummation of sale.

5 Unrealized values for ROC I and ROC II are based on third-party appraisals and internal valuations, and are reviewed and approved by the funds' advisory committees and reviewed by the funds' auditors in connection with annual fund audits.

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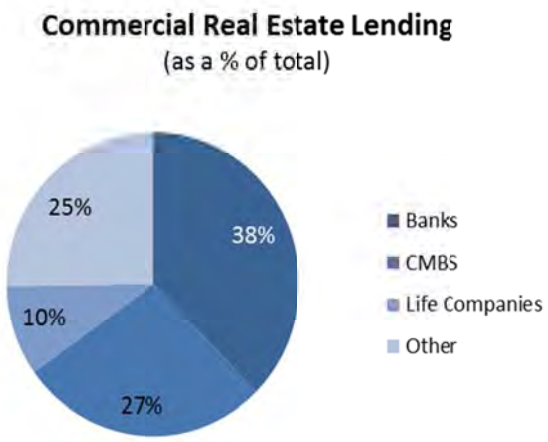
IV. INVESTMENT OPPORTUNITY & MARKET ENVIRONMENT

The General Partner believes that the Investments represent compelling and attractive investment opportunities for superior risk-adjusted returns for investors seeking current income. The Investments present significant investment opportunities primarily because the current market conditions are favorable for non-traditional providers of capital such as the Fund. As described below, the General Partner believes that future anticipated regulatory and risk retention rules will further enhance the attractiveness of the Investments. In addition, the long-term relationships between Freddie Mac and the principals and affiliates of the General Partner and the Investment Manager, which the General Partner and the Investment Manager believe will enable the Fund to obtain access to certain K-Series certificates on attractive terms and create joint venture investment opportunities in mortgage loans secured by multifamily properties with Freddie Mac.

General Lending Market Conditions

The commercial real estate debt market is dominated by banks, CMBS lenders and life insurance companies, which comprise approximately 75% of the market. These lenders typically focus on more conservative transactions and generally require more stringent loan terms to provide credit support (e.g., recourse, reserves, covenants). In addition, these lenders have rigorous approval processes requiring input from both internal (e.g., credit department, risk management, legal and compliance) and external (e.g., rating agencies, investors, regulators) constituencies.

Furthermore, there is an increasing volume of maturing commercial real estate loans in the commercial real estate debt market that will require refinancing in the next five years, during which over $1.5 trillion of debt comes due.



Sources: Federal Reserve, Trepp, LLC [Q4, 2013]

The bulk of the maturing commercial real estate loans are held and originated by traditional providers of real estate capital (i.e., banks and life insurance companies). These lenders face a significant wave of maturities at a time when regulatory pressure and capital requirements are rising. The financial crisis and the extensive government response, including involvement in the bailout of the banking sector, have led to an increased level of regulation and oversight for these traditional lenders both implicitly and explicitly. The various agencies that regulate banks (e.g., FDIC, OCC, Federal Reserve Board) have broadened their oversight and are more actively monitoring loan portfolios. In the United States, regulators have used "stress tests" to require banks to hold more capital and limit share buy backs or increases in dividends. New rules recently adopted by the Federal Reserve will require foreign banks in the United States to hold additional capital for their balance sheet activities in the United States. Deutsche Bank, a major foreign bank with significant U.S. operations, recently faced an estimated $7 billion capital shortfall under the new rules and may address it by shrinking its assets.

The General Partner believes that the combination of substantial refinancing demand and increased regulatory scrutiny will result in a lending "gap" in the market where traditional lenders will be unable to refinance all of the maturing loans because of more stringent underwriting criteria and capital constraints. This will create an opportunity for non-traditional lenders, such as the Fund, to meet borrower demand. Other lenders such as the CMBS market will likely be unable to absorb any of this lending volume in the event that there is a lending "gap" (see "U.S. CMBS Market" section below).

The General Partner believes that because of the expertise of its Investment Manager, the Fund will be able to underwrite and structure loans using alternative and creative terms and on a faster basis than traditional lenders. As a result, it believes that it will be able to compete effectively with slow and deliberate traditional lenders that

face significant regulatory constraints. Thus, the General Partner believes that the Fund will be able to generate attractive risk-adjusted yields.

U.S. CMBS Market

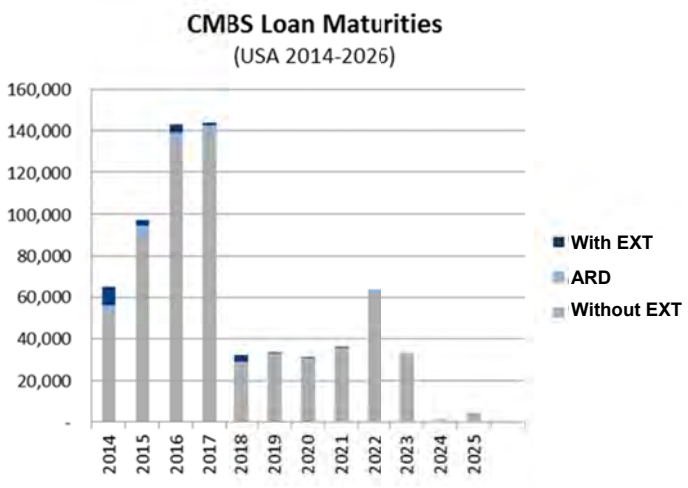
The current lending mismatch between supply and demand for commercial real estate capital is most pronounced in the U.S. CMBS market, where a number of factors indicate there could be a future increased imbalance between the supply and demand for debt capital. Key factors are:

- Increased volume of maturities coming from 2004 to 2007 vintage CMBS issuance;
- Shrinking CMBS lending capacity in the market in the last seven years; and
- Increased regulatory scrutiny and new risk retention requirement in the CMBS market.

CMBS Refinancing Wave

The U.S. CMBS market grew significantly from 2004 to 2007, representing over $679 billion of new issuance. The majority of these loans had ten-year terms and are maturing in the next four years. Over $400 billion of maturities are expected in the CMBS market from 2014 to 2017.

In addition, many of the loans from the 2004 to 2007 vintages that are still outstanding generally have credit profiles that will complicate the ability to refinance them. The weighted average LTVs of these vintages at securitization was approximately 68%; however, value decreases have increased the weighted average LTV of these vintages to greater than 80% on average. The wave of maturities includes many loans that will require higher leverage (greater than 75% LTV) first mortgage floating rate financing and/or mezzanine financing in order to refinance.



Source: Trepp, LLC [Q3, 2013]
ARD = Assumed Repayment Date.
EXT = Extension

Conduit CMBS	**Outstanding Balance ($ billions)**		**Weighted Average LTV**	
Loan Vintage	*At Securitization*	*Current*	*At Securitization*	*Current*
2004	73.2	26.8	67.53%	73.80%
2005	137.9	86.4	68.28%	73.70%
2006	163.0	119.2	68.65%	80.67%
2007	192.3	145.3	68.65%	83.99%

Source: 2004 Conduit Stats, Trepp, LLC [January 2014]; 2005 Conduit Stats, Trepp, LLC [January 2014]; 2006 Conduit Stats, Trepp, LLC [January 2014]; 2007 Conduit Stats, Trepp, LLC [January 2014].

CMBS Market Capacity

The U.S. CMBS market peaked in 2007 with $223 billion of issuance underwritten by 43 different originators. In 2013, new issuance totaled $78 billion underwritten by 29 different originators, representing a decrease of 65% and 37%, respectively. In the last six years, there has been a total of $171 billion of new issuance in the U.S. CMBS market, or $75 billion less than the projected CMBS maturities in 2016 and 2017 alone. In addition, six of the top 15 CMBS issuers in 2007 are no longer in business, as reflected in the following chart that also shows such issuers' total volume in 2007 at the peak of the CMBS market.

Total 2007 Securitized CMBS

Rank	Lender	Loan Volume (in millions)
1	Wachovia	$24,175.3
2	Bank of America	15,624.2
3	Lehman Brothers	14,793.5
4	CreditSuisse	14,730.4
5	MorganStanley	13,784.6
6	J.P.Morgan	11,947.5
7	UBS	9,699.3
8	DeutscheBank	9,593.0
9	BearStearns	9,562.6
10	RBSGreenwich	9,175.1
11	MerrillLynch	8,641.8
12	GoldmanSachs	8,470.0
13	Citigroup	6,917.1
14	LaSalleBank	6,810.7
15	Countrywide	6,701.2

The combination of a large wave of maturities on loans that are potentially over-leveraged coupled with the smaller universe of CMBS lenders will create opportunities for alternative lenders, including the Fund, to provide capital on highly compelling terms. The supply-demand imbalance will then create opportunities to achieve attractive risk-adjusted returns.

Risk Retention for CMBS Lenders

An important regulatory change in the securitization market is the future requirement that issuers retain "first-loss" risk on securitizations to insure that underwriting standards remain prudent and consistent. The proposed rules permit the risk retention requirements to be complied with through the sale of the "first loss" risk to a specialized investor ("B-piece Buyer") that has numerous restrictions on its ability to sell or hedge the investment. The following chart summarizes the current market requirements and the proposed rules relating to risk retention by B-piece Buyers:

Item	Current Market	Proposed Rules
Subordinated B-piece Sizing	B-piece buyers typically buy 2% to 3% of total deal proceeds or the non-investment grade rated portion of the trust	B-piece buyers will be required to buy first loss pieces having a fair value equal to 3% of the fair value of all the securities raised in the transaction
Horizontal or Vertical Tranching	No restrictions	Subordinated bonds can be vertically sliced once into two *pari passu* tranches
Financing	No restrictions	Financing of the subordinated bonds provided by a party to the securitization transaction (or an affiliate of such party) is prohibited
Holding Period	No restrictions	Five-year holding period before buyer can sell
Hedging	No restrictions	Buyer may not hedge the subordinated bonds with any instruments that have similar credit characteristics to the underlying bonds

Source: The Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010.

The restrictions placed on the B-piece Buyer will make the investment completely illiquid for a period of five years thus eliminating the ability of the B-piece Buyer to monetize its investment. As a result, the universe of B-piece Buyers should shrink with this new regulation as the illiquid nature of the investment will no longer make it a suitable investment. The remaining B-piece Buyers will likely demand more favorable investment terms as compensation for the illiquidity of this investment. This will increase the cost of capital for borrowers utilizing the CMBS market for financing and create opportunities for non-CMBS lenders, such as the Fund, to take market share away from CMBS lenders.

Freddie Mac K-Series

Freddie Mac is a government-sponsored enterprise ("GSE") chartered by Congress to stabilize the nation's residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Its statutory mandate is to provide liquidity, stability and affordability to the U.S. housing market. The Multifamily Division of Freddie Mac helps to ensure an ample supply of affordable rental housing by purchasing mortgages secured by apartment buildings with five or more units. It purchases these loans from a network of Freddie Mac-approved Program Plus® Seller/Servicers and Targeted Affordable Housing Correspondents, with over 150 branches nationwide. Underwriting and credit review is performed by Freddie Mac.

Total UPB[1]	$2.14	$6.44	$13.66	$21.20	$28.04
K-Deals	2	6	12	17	19

[1]Total UPB represents the total collateral UPB associated with each transaction, including the portion Freddie Mac does not guarantee.
Source: Freddie Mac Update – January 2014

Since 1993, Freddie Mac's multifamily business has provided more than $308 billion in financing for more than 61,000 multifamily properties. As of December 31, 2013, Freddie Mac had a multifamily whole-loan portfolio of over $59.2 billion, a multifamily investment securities portfolio of over $33.1 billion and a multifamily guarantee portfolio of $74.6 billion. In 2008, Freddie Mac introduced its Capital Markets Execution product, which seeks to aggregate and securitize newly-originated multifamily loans ("CME Loans") made through the Program Plus® Seller/Servicers network. Freddie Mac's primary motivation was to create an alternative to its existing portfolio execution and expand its access to capital, thereby increasing its ability to provide liquidity to the multifamily mortgage market. The lending parameters for Freddie Mac CME Loans are generally summarized below:

Source: FFIEC (HMDA), OTS Thrift Financial Report, ACLI Investment Bulletin, MBA Commercial Mortgage Banker Organization Survey, Freddie Mac's Office of the Chief Economist, January 2014.

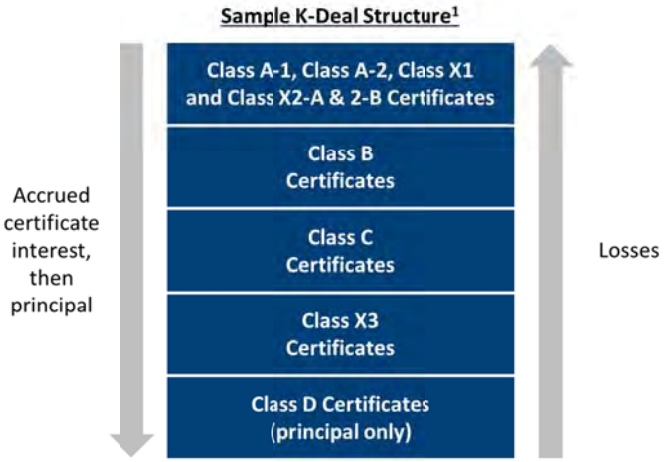
- Property Types: Multifamily loans secured by occupied, stabilized and completed properties, with a limited amount of senior housing, student housing, cooperative housing and Section 8 housing assistance payments (HAP) contracts.
- Loan Terms: Five-, seven- and 10-year loan terms with maximum amortization of 30 years. May have initial interest-only periods of one to five years. Limited amount of full interest only loans.

- LTV: Maximum LTV of 80% for acquisition and no "cash out" refinance loans. Maximum LTV of 75% for "cash out" refinance loans.

From 2009 through the end of 2013, Freddie Mac has securitized 56 loan pools totaling approximately $74 billion. In 2013, Freddie Mac securitized 19 pools. Given the frequency of these transactions, there is expected to be an ample supply of Freddie Mac K-Series subordinated CMBS available to purchase.

Total multifamily originations are projected to be $160 billion in 2014, which would exceed the 2007 multifamily originations.

The majority of the loans securitized in a K-Series investment consist of fixed rate loans. These securitizations employ a sequential pay structure where principal is distributed to the senior bonds first until they are paid off, and then applied to the next tranche of securities. Losses move in opposite fashion and are applied first to the most subordinated tranche until it is written down and then applied to the next most subordinated tranche. The most junior tranche of the securitization (the "B-piece") is typically structured as a zero coupon bond and is issued at a discount. The buyer of the B-piece usually also purchases an interest-only strip from the trust to provide the B-piece buyer with current income during the term of the loan. The amount of this strip may vary from deal to deal.



[1] Classes X1, X2A, X2-B and X3 do not receive principal payments. Classes B, C, D, X2-A and X2-B do not have a Freddie Mac guarantee.

Generally, Freddie Mac limits participation in the auction and auctions negotiation of the terms of subordinated tranches of its K-Series CMBS to buyers with a prior relationship and borrowing history with Freddie Mac and that have deep underlying operational expertise in real estate asset management. The General Partner believes the importance of these qualitative criteria considered by Freddie Mac creates significant competitive advantages for the Fund.

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V. INVESTMENT STRATEGY

The Fund will seek to invest in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States. The Fund intends to capitalize on established relationships with asset originators and other market participants, derived from the longstanding commercial relationships of Bridge-IGP and its affiliates as borrowers, their well-respected operating platforms, their in-house real estate and CMBS expertise, and their identification and focus on underserved segments of the commercial real estate debt markets.

The Fund will take advantage of Bridge-IGP's and its affiliates' well-established borrowing relationships with Freddie Mac, loan origination groups (e.g., Cantor Fitzgerald Commercial Real Estate ("CCRE")) and others to source debt investments on a partnership basis rather than through competitive auctions. The Fund believes that this approach will provide mutual benefits to all parties. The General Partner believes that the Fund will become recognized as a trusted counterparty as a result of its affiliation with Bridge-IGP and its affiliates, including BPM and its national real estate property management platform, which collectively either own or manage approximately 32,000 apartment units and approximately 1.4 million square feet of commercial office space. In addition, Mr. Chung, the Chief Investment Officer of the Investment Manager, managed Morgan Stanley's leading CMBS lending and securitization program over the last 13 years.

Furthermore, the Investment Manager's senior management team, based on their extensive lending experience, has identified key areas of the commercial real estate lending market that are currently underserved and represent an attractive lending opportunity when combined with the operational expertise and market knowledge of Bridge-IGP and its affiliates.

The Fund will seek to generate total net returns to investors of 10% to 12% by targeting debt investments that satisfy the following criteria:

- Limited competition either due to proprietary relationships with counterparties or lack of capital providers in that specific segment;
- Investments with asset or structural characteristics where the General Partner and Bridge-IGP and its affiliates have superior experience and knowledge;
- Investments with risk primarily concentrated in the senior portion of the capital structure (i.e., first mortgages) either as first mortgage loans or CMBS collateralized by first mortgage loans; and
- Premium pricing for higher risk (e.g., mezzanine loans) or illiquid investments.
- The Fund will target the following investment types that satisfy the above criteria including: floating rate, non-recourse first mortgages, primarily with a loan amount of $30 million or less;
- Freddie Mac K-Series CMBS subordinated bonds;
- Fixed-rate mezzanine lending with loan amounts of $20 million or less and terms of five years or more; and
- CMBS co-origination opportunities with loan originators (e.g., Freddie Mac, CCRE) and other origination networks.

Floating Rate First Mortgage Lending

Currently, banking institutions dominate first mortgage floating rate lending due to their low cost of funds. However, because of these banking institutions' limited and inflexible underwriting criteria such as recourse, limitations on leverage and debt coverage ratios, they are unable to capitalize on compelling investment opportunities in floating rate first mortgages from creditworthy borrowers. A number of specialty finance companies, mortgage REITs and private equity funds have traditionally underwritten these mortgage loans in the absence of participation by banking institutions. Most of these non-bank lenders typically pursue larger floating rate loans (greater than $30 million) in top 10 markets as they do not have the expertise in house to lend in non-primary markets. The Fund will specifically focus on multifamily, commercial office, seniors housing and medical properties in markets where Bridge-IGP and its affiliates operate and where the General Partner has access to

institutional knowledge of the demographic and regional economic factors that impact those markets. The managers of the General Partner believe most non-bank lenders are unwilling to lend on the Fund's targeted asset classes in these markets due to the limited nature of their platforms, which have no operational or management expertise in those markets.

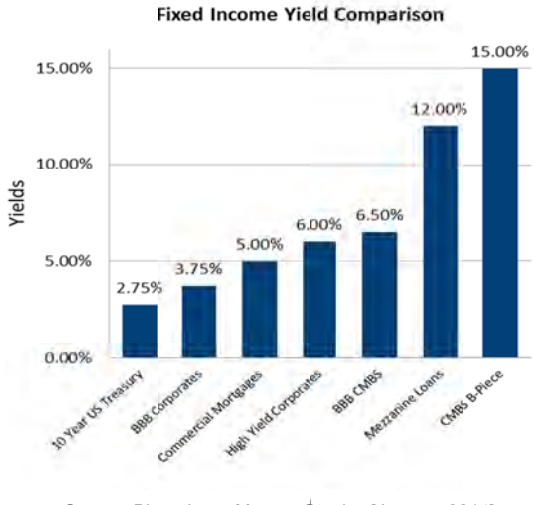
Additionally, floating rate loan portfolios within the Fund could result in opportunities to securitize the portfolio under appropriate market conditions. The primary advantages of securitization are to obtain non-recourse, permanent financing for the floating rate loans and increase the Fund's yield on these investments through the leverage provided by the securitization structure. Repurchase agreements with banking institutions can also enhance yield but typically require recourse. Such financing is typically not for the term of the underlying loans and can be taken away upon the maturity. Finally, converting floating rate loans into securities increases their liquidity. The securitization option is attractive because it reduces the reliance of the Fund on the availability of bank financing, is non-recourse, and could improve the yield and liquidity of the Fund's investments.

Freddie Mac Relationship and K-Series Investment Opportunity

Freddie Mac has offered the Fund the opportunity to participate in Freddie Mac's rotational program for subordinated bond buyers of their K-Series securitizations and also to participate on an informal basis in recent K-Series auctions, so that the Fund and its managers will gain experience and an understanding of the dynamics and processes of these auctions. This invitation is a result of (i) the favorable borrowing history between Bridge-IGP and its affiliates and Freddie Mac, (ii) the operating and asset management capabilities of Bridge-IGP and its affiliates, and (iii) the CMBS expertise of the managers of the General Partner. The invitation to join the program is a valued opportunity to be able to invest in subordinated CMBS on compelling terms and which have a negligible loss history. The Freddie Mac K-Series CMBS are also expected to generate yields that are higher than almost every product in the commercial real estate debt space.

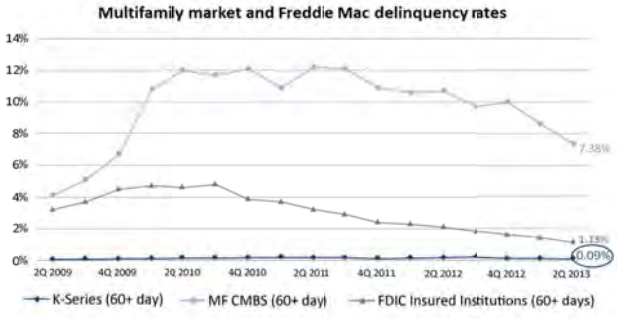
Bridge-IGP's history with Freddie Mac extends back to the early 1990s. Bridge-IGP has borrowed over $1 billion from Freddie Mac since that time and over the course of that relationship has developed strong ties throughout the Freddie Mac senior management team. In the last 12 months, members of Bridge-IGP and its affiliates have met with Freddie Mac management no less than six times and have completed eight transactions for properties located in the Southeastern and Southwestern United States, with additional transactions currently pending.

Superior Yield. Based on the prior investment experience of the Investment Manager, K-Series subordinated bonds typically have yields of approximately 12-13%. As demonstrated on the accompanying chart, no other commercial real estate debt investment has a comparable unlevered yield except for traditional CMBS B-pieces, which are primarily comprised of riskier property types including office, retail and hotel loans and very limited multifamily collateral. The K-Series subordinated bonds are secured exclusively by multifamily properties, which do not have the risk of office and retail properties that typically depend on a few large tenants or the volatility of hotel properties.



Source: Bloomberg, Morgan Stanley [January 2014].

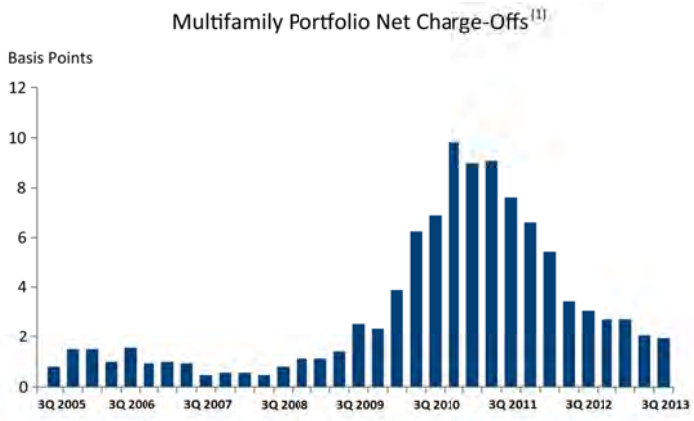
In addition, as illustrated on the accompanying chart, the loss history on Freddie Mac K-series originations is close to zero and during the recent financial crisis when CMBS delinquency rates rose above 10%, Freddie Mac loans had delinquency rates that never rose above 0.40%.



Source: Freddie Mac, FDIC Quarterly Banking Profile. Trepp, LLC (CMBS Multifamily 60+ delinquency rate, excluding REOs) [January 2014]. Non-Freddie Mac data is not yet available for the third quarter of 2013.

Superior Proprietary Underwriting Processes. The exceptional loss experience of Freddie Mac is a function of its consistent underwriting standards and centralized credit process. Freddie Mac does not delegate credit decisions to external originators and is not under pressure to relax or waive existing credit or underwriting standards to facilitate originations. As of January 31, 2014, of the $74 billion in loans securitized since 2008, only three were delinquent more than 60 days. Historical charge-offs in the Freddie Mac portfolio are virtually zero.

Exclusive Auctions. The rotational nature of the K-Series program allows bidders to win without having to go through an intensive and competitive auction process which is standard in the traditional CMBS market. Freddie Mac uses a combination of private placements and limited auctions for the subordinated tranche in its K-series. The result of the rotational program is that there is less pricing pressure on yields than for traditional CMBS subordinated tranches, which provides potential buyers with superior risk-adjusted returns.



[1] Data point for each quarter equals sum of previous four quarters of net charge-offs, divided by the average multifamily loan portfolio and guarantee portfolio balance. Source: Freddie Mac. Data as of September 30, 2013.

Limited Potential Buyers. The natural set of buyers for the K-Series is more limited than for traditional CMBS deals as Freddie Mac prefers to sell to buyers with operational and management experience as well as CMBS expertise. Many other bidders must partner with other entities to gain this operational and management expertise. The General Partner and its affiliates have all of these disciplines in house, which will enable the Fund to avoid delays of approvals by a potential partner's investment committee and internal due diligence process. Furthermore, the K-Series investments often consist of loans secured by seniors housing real estate, and Bridge-IGP and its affiliates have in-house acquisition, development and management experience in that asset class as well. Bidders without comparable expertise will be disadvantaged in bidding these pools and are likely to be uncompetitive.

Mezzanine Lending

There are limited providers of capital for smaller fixed-rate mezzanine loans with longer durations (i.e., seven to 10-year maturities) primarily because most mezzanine lenders prefer to deploy capital in primary markets where transaction sizes are usually larger. Similar to the non-bank floating rate lenders, these mezzanine lenders also do not have the expertise to lend in non-primary markets, unlike Bridge-IGP and its affiliates. Since these mezzanine loans will likely be issued in connection with CMBS conduit loans, a strong understanding of loan intercreditor agreements, CMBS loan structures and CMBS documentation is required.

Similar to floating rate loans, a mezzanine loan portfolio within the Fund could result in opportunities to securitize the portfolio under appropriate market conditions. The primary advantages of securitization would be to obtain non-recourse, permanent financing for the mezzanine loans and increase the Fund's yield on these investments through the leverage provided by the securitization structure for the same reasons that exist for financing for floating rate first mortgage lending.

CMBS Opportunities in Partnership with Loan Originators

Freddie Mac has presented to the Investment Manager potential joint venture investment opportunities in mortgage loans secured by multifamily properties not offered to competitor real estate-related investment funds. These proposals demonstrate the depth of the Bridge-IGP relationship with Freddie Mac and the access the Fund has to Freddie Mac's proprietary origination pipeline through the K-Series and other potential joint venture opportunities. The Fund has also negotiated a preferred lending relationship with CCRE, in which the Fund and

CCRE will potentially source and negotiate CMBS lending opportunities jointly at the point of origination. Bridge-IGP and its affiliates have had a long borrowing history with CCRE's principals. The Fund will have the opportunity to have access to CCRE's deal flow and find opportunities to create structured CMBS investments utilizing the origination and distribution franchise of CCRE, the largest non-bank securitization program (and sixth largest securitization program overall) of commercial real estate loans in the United States in 2013. Combined with the CMBS expertise of the General Partner's managers, the CCRE relationship is expected to create non-competitive opportunities to invest in high yield, high-quality CMBS subordinated bonds. Potential transactions contemplated are:

- CMBS subordinated bonds on loan pools with higher multifamily concentration and/or lower leverage;
- Certificated B-notes on large single borrower securitizations; and
- Directed classes on CMBS pools with property type or geographic concentrations that overlap with the existing portfolio under management by Bridge-IGP.

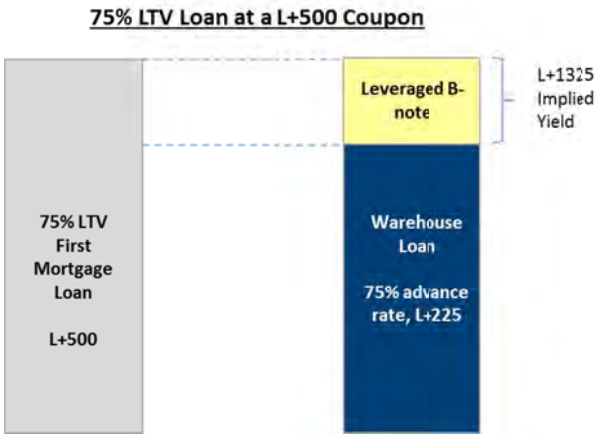
CMBS investments are anticipated to have non-standard structural features and require customized documentation. The General Partner will focus on opportunities with CCRE within asset classes and markets where Bridge-IGP and its affiliates currently have a presence and in which Bridge-IGP and its affiliates have deep institutional knowledge.

Risk Management

The General Partner will actively risk manage investments through frequent communication with borrowers, monitoring markets where the Fund has exposure, reviewing servicer reports, preparing detailed asset management reports, and holding periodic reviews of the portfolio. A dedicated professional will be assigned to oversee the risk management process. Each investment will be serviced by a nationally recognized third-party servicer at the direction of the General Partner.

Should a loan require restructuring or foreclosure, the Fund has the advantage of an affiliated national real estate platform that owns and operates real estate. While the Fund does not desire to own real estate, it does have that capability through its relationship with Bridge-IGP and its affiliates. More importantly, the Fund's ability to own and operate real estate will strengthen its ability to negotiate with borrowers in the event of a default or an impending default. Borrowers typically deal with lenders that are averse to foreclosure, as most lenders do not have a property management function. Since the Fund does have access to this capability, borrowers will have less leverage in negotiations because of the Fund's willingness to foreclose if a favorable outcome for the Fund cannot be negotiated.

Financing



The Fund may obtain financing in order to optimize returns on first mortgage investments. The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately 60% of the sum of the acquisition cost of the Investments in the Fund's portfolio. The terms of the leverage will depend on a variety of factors, including market conditions, disposition strategy for the investment, and credit performance of the investment. The most common form of financing will be repurchase agreements (warehouse lines) with commercial banks but the Fund will also explore other forms of financing such as securitizations. Financing first mortgage loans with a bank will result in increasing the yield on the portfolio. The amount of yield enhancement will depend on the advance rate, the interest rate, and any fees incurred. CMBS and mezzanine loan investments may be also financed with a bank but currently there are only a few banks offering this type of financing.

Monetization and Exit Strategies

The General Partner will seek to employ exit strategies for portfolio investments to maximize returns while consistently managing risk. The General Partner will evaluate macroeconomic factors, market pricing, liquidity and performance of the individual debt investments when deciding on an optimal exit strategy. The primary exit strategies for the Fund will include:

- ***Hold to maturity.*** This strategy will be employed for investments the General Partner determines have superior risk-return characteristics versus alternative debt investments available in the market.
- ***Sale prior to maturity.*** This strategy will be employed for investments that the General Partner believes have an attractive pricing and liquidity profile and when proceeds could be redeployed in the current market at better risk-adjusted returns.
- ***Structured exit.*** This strategy will be employed in the event the General Partner can utilize the securitization market to create term leverage for existing debt investments and enhance returns for the Fund without a material increase in risk. The use of this strategy will depend on market conditions for securitized products, rating agency and investor treatment, and the current performance of the investments.

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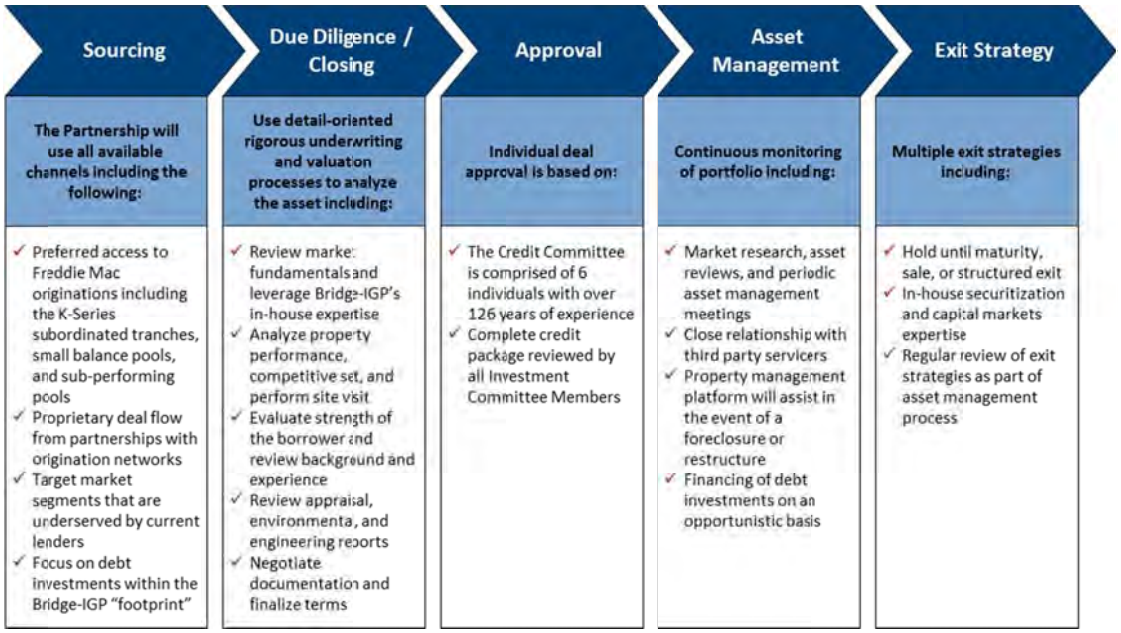
VI. INVESTMENT PROCESS

In addition to the valuable resources and scope of expertise provided by the Investment Committee Members, the Fund will benefit from the Investment Manager's own experienced and highly-qualified personnel that are part of cross-disciplinary teams responsible for all stages of the real estate debt investment process, including investment selection, due diligence evaluation, transaction negotiation and execution, asset management, and disposition. The Investment Manager intends to utilize these resources in performing its duties to the Fund, under the supervision of the General Partner and the Investment Committee. The Investment Manager's preliminary review of each investment takes into consideration numerous factors, including the macroeconomic investment environment, sub-market dynamics, age, location, condition, occupancy, capital expenditure requirements of each asset and how that asset fits into the allocation strategy for the Fund, and the history, experience and borrowing history of the asset equity investor.

As part of the Investment Manager's preliminary review, historical and forecasted operating financial statements are obtained and reviewed and market and demographic studies, demand analyses and site visits are performed. After presentation to the Investment Committee, and if this preliminary review is satisfactory to the Investment Committee and aligns with the estimated targeted returns of the Fund, the Investment Manager (at the direction of the General Partner) will customarily prepare a non-binding letter of intent providing for, among other items, a due diligence period with exclusivity and a preliminary agreement on the transaction terms. The Investment Manager will rely on its experienced real estate debt investment professionals in identifying and acquiring Investments.

After the acquisition of an Investment, the Investment Manager will be responsible for implementation and management of the Investment. Implementation will be carried out by the Investment Manager's execution team, which is comprised of seasoned real estate debt professionals with expertise in all stages and aspects of the real estate debt evaluation, analysis, acquisition, management and disposition processes. The members of the execution team will monitor each investment in frequent contact with borrowers and other transaction parties as applicable.

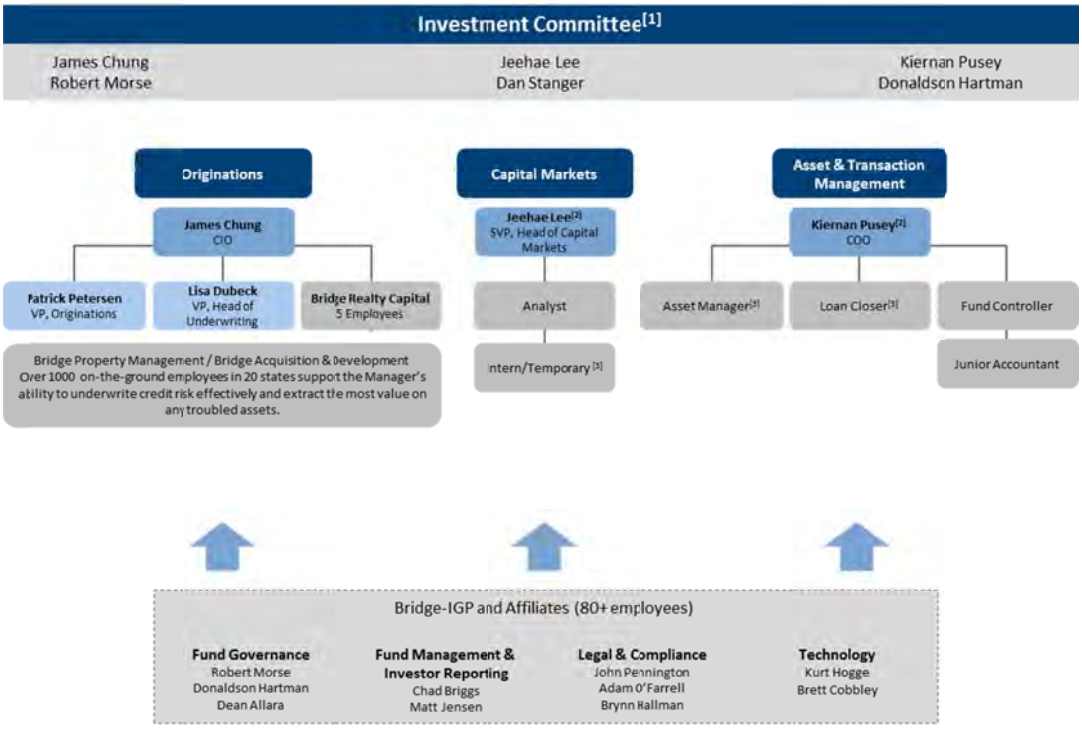


VII. THE GENERAL PARTNER, THE INVESTMENT MANAGER AND MANAGEMENT

THE GENERAL PARTNER

Overview

The General Partner of the Fund is ROC Debt Strategies Fund GP, LLC. The General Partner is managed by the Investment Committee. The General Partner has engaged the Investment Manager to recommend investment opportunities to the General Partner for the Fund; however, the General Partner will make all operational and investment decisions on behalf of the Fund. Once an investment recommendation is received from the Investment Manager, the Investment Committee of the General Partner will evaluate the investment opportunity to determine whether the Fund should consider the investment. The Fund's investment decisions will be made at the sole discretion of the General Partner.



Source and Notes: [1] Messrs. Chung and Pusey and Ms. Lee are 100% dedicated to ROC|Debt Strategies management. Non-dedicated to ROC|Debt Strategies; Messrs. Stanger, Hartman, and Morse, are similarly dedicated to the success for the fund but have IMC responsibilities for Real Estate Opportunity Capital Fund LP (ROC I), Real Estate Opportunity Capital Fund II (ROC II), and ROC Seniors as well. [2] Mr. Pusey will begin his employment with the Fund on May 12, 2014 and Ms. Lee will begin her employment with the Fund on June 10, 2014. [3] To be hired assuming the Fund reachesits capital target.

Investment Committee of the General Partner

After the Investment Manager makes recommendations to the General Partner relating to identifying, analyzing, acquiring, managing, improving and selling Fund assets, the Investment Committee will meet to evaluate those recommendations weekly, or more frequently as required, to review and approve all investment decisions for the Fund. The Investment Committee currently consists of Messrs. Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee.

The Investment Committee is the ultimate decision-making body for the management of the General Partner. The Investment Committee Members represent a multi-disciplined group of high level and seasoned real estate professionals, private equity fund managers and investment professionals, as described in the biographical information below.

James Chung, 43, is a member of the Investment Committee of the General Partner, serves as Chief Investment Officer for the Investment Manager and is a member of the Investment Manager's Executive Committee. He has more than 20 years of experience in real estate, securitization and financial services. He was a Managing Director at Morgan Stanley where he worked from 2000 to 2013. From 2004 to July 2013, Mr. Chung was the head of the Commercial Real Estate Loan Desk within the Fixed Income Division, where he had direct oversight of the pricing, hedging, structuring and securitization of the commercial real estate loan portfolio. During his tenure at Morgan Stanley, Mr. Chung was a voting member of both the global large loan credit committee and the U.S. credit committee, and he was involved in over $50 billion of loan originations and 75 securitizations. From 2000 to 2004, Mr. Chung held a variety of positions within the commercial real estate lending group at Morgan Stanley, including large loan originations and underwriting, portfolio acquisitions and risk management. Prior to joining Morgan Stanley in 2000, Mr. Chung worked in the Risk Management practice at First Manhattan Consulting Group, a leading financial services management consulting company. Mr. Chung received his Bachelor of Arts from Harvard College and his Masters in Business Administration from the MIT Sloan School of Management.

Donaldson L. Hartman, 50, is a member of the Underwriting Management Committee and Capital Markets Group of the Investment Manager and is a member of the Investment Committee of the General Partner. Mr. Hartman has 22 years of experience in investment banking, mergers and acquisitions, commercial banking and private equity funds management. Mr. Hartman has also served as Chief Executive Officer of Bridge-IGP and as a member of the Investment Management Committees of ROC I, which he co-founded in 2008, and ROC II. From 2007 to 2008, Mr. Hartman was Chief Operating Officer of Bridge Loan Capital Fund LP, a mezzanine fund focused on the acquisition and extension of real estate-backed debt, where he was responsible for setting and managing operating policies and procedures. Mr. Hartman has previously managed private funds invested in distressed Asian financial institutions equities and real estate-backed notes and assets. From 1994 to 2002, Mr. Hartman served as Deputy Head and then Director of the Asia Pacific region's Financial Institutions Group of Citigroup – Salomon Smith Barney, advising central banks in Asia on financial system restructuring and regulatory policies, including "bailout plans." Mr. Hartman previously was a highly ranked regional banks analyst for UBS Warburg in Asia and a specialist in predictive credit cycle analysis and asset valuation analysis for Salomon Brothers. He received his Bachelor of Science in Economics from Brigham Young University and his Master of Business Administration with majors in Finance, International Business and Marketing from the Kellogg School of Management at Northwestern University.

Jeehae Lee, 32, is a member of the Investment Committee of the General Partner, serves as Head of Capital Markets for the Investment Manager and is a member of the Investment Manager's Executive Committee. She has more than 10 years of experience in real estate, securitization and financial services. Ms. Lee was an Executive Director at Morgan Stanley where she worked from 2004 to April 2014. From 2013 to April 2014, Ms. Lee was the senior manager responsible for loan pricing, hedging, and structuring for the Commercial Real Estate Lending group within the Fixed Income division. During her tenure at Morgan Stanley she was a voting member of the U.S. credit committee and was deeply involved in creating loan pricing models, managing the securitization pipeline, interfacing with rating agencies and investors, and originating loans for securitization. From 2009 to 2013, Ms. Lee was a key member of rebuilding the Commercial Real Estate Lending group at Morgan Stanley where she managed significant portions of the securitization process and helped create new lending procedures for the group. From 2004 to 2009, Ms. Lee was involved in loan acquisitions, underwriting and restructuring of loans, as well as risk management and risk reporting. Ms. Lee received her Bachelors of Arts from Brown University and her Masters of Business Administration from Columbia University.

Robert Morse, 59, is a member of the Capital Markets Group of the Investment Manager and a member of the Investment Committee of the General Partner. He has 30 years of experience in investment banking, commercial banking and private equity fund management. Mr. Morse has served as Executive Chairman of Bridge-IGP and Chairman of RBP Capital Holdings, LLC ("RBP Capital") since January 2012. He currently serves on the Investment Committees of ROC I, ROC II and ROC Seniors. Mr. Morse has been integrally involved in the formation, management, investment strategy and capitalization of ROC I, ROC II and ROC Seniors. Mr. Morse served as Chairman and Co-Chief Executive Officer of PMN Capital, a private equity firm based in Hong Kong, from January 2009 to January 2012. Mr. Morse served as Chief Executive Officer of Citigroup's Asia

Institutional Clients Group from April 2004 to October 2008, where he provided direct management oversight of Citigroup's $5 billion of proprietary capital. Mr. Morse made investments on behalf of Citigroup clients across multiple asset classes, including equities (public and private), corporate acquisitions, distressed and mezzanine debt and real estate. Citigroup's Asian institutional businesses included corporate banking, investment banking, markets and transaction services in 17 countries employing over 14,000 employees. From 1999 to 2004, Mr. Morse served as the Co-Head and then Head of Global Investment Banking for Citigroup. He previously held a variety of senior positions since joining Salomon Brothers in 1985. Additionally, Mr. Morse was a co-founder of SSB Capital Partners, a $400 million private equity fund formed in 2000. Mr. Morse also serves on a variety of charitable organization boards, including the Yale President's Council on International Activities, The Nature Conservancy Asian Council, The Sovereign Art Foundation and the Asia Society. Mr. Morse received his Bachelor of Arts from Yale College, his Master of Business Administration from the Harvard Graduate School of Business Administration and his Juris Doctor from Harvard Law School.

Kiernan W. Pusey, 38, is a member of the Investment Committee of the General Partner, serves as Chief Operating Officer for the Investment Manager and is a member of the Investment Manager's Executive Committee. He has 15 years of experience in real estate, securitization and financial services. Mr. Pusey worked at Morgan Stanley from 2005 to 2014, most recently as a Vice President in the Commercial Real Estate Lending group within the Fixed Income division. During his tenure at Morgan Stanley, Mr. Pusey was the head of the commercial mortgage securitization team covering all aspects of the securitization process, including drafting all legal documentation, SEC disclosure and filing, negotiating with B-piece buyers and managing all aspects of the Freddie Mac/Morgan Stanley platform. He also supported the sales and marketing efforts of both Morgan Stanley and Freddie Mac securitizations and handled the negotiation, closing and risk management of first mortgage and mezzanine loans. Prior to joining Morgan Stanley, Mr. Pusey was a Real Estate Finance Associate at Dechert LLP, an international law firm, where he served as Morgan Stanley's outside counsel in complex real estate transactions. Prior thereto, Mr. Pusey was an Associate at Windels Marx Lane & Mittendorf, LLP in the firm's Corporate and Real Estate Finance practice groups. Mr. Pusey received his Bachelors of Arts from Boston College and his J.D. from Brooklyn Law School.

Danuel R Stanger, 53, is a member of the Investment Committee of the General Partner. Mr. Stanger has 28 years of experience in the real estate investment industry including finding, analyzing, acquiring, financing, developing, managing, improving and selling properties and has been directly responsible for investing in over $1.0 billion dollars in real estate assets. Since March 2009, Mr. Stanger has served as the Chief Investment Officer of ROC I and ROC II and was the primary driver of acquisitions, management and disposition of all investments for those funds. From 1997 to 2007, Mr. Stanger was Chief Executive Officer and Co-Founder of Bridge Investment Group, LLC ("Bridge-LLC"), where he was involved in all phases of developments and investments, including market and individual investment analysis, transaction structuring and planning, development and joint venture equity partner relationships. In 1997, Mr. Stanger formed CDS Investments, Inc., the predecessor company to Bridge-LLC. From 1990 to 1997, Mr. Stanger was Vice-President and Managing Director of the Equity Investment Division of Prowswood Companies, a real estate development company. Mr. Stanger founded Strategic Management and Consulting in 1988, which focused on the property management and resolution of distressed commercial properties including retail, office warehouse, medical office, hospitality and residential real estate and subsequently merged into Prowswood Companies in 1990. He has previously served on the Board of Neighborhood Housing Services and was a Founding Member of the Utah Community Reinvestment Corporation, an organization established by the banking community to invest funds in residential and commercial communities. Mr. Stanger is a Certified Commercial Investment Member (CCIM) and has served on the National Committee for CCIM. He was the chair of the Utah Association of Realtors Governmental Affairs Committee.

THE INVESTMENT MANAGER

Overview

The Investment Manager is managed by a board of managers consisting of the same individuals that also serve as Investment Committee Members. As a group, these individuals have collectively purchased, developed or managed approximately 350 commercial real estate projects with a combined enterprise value of $5.5 billion. These individuals have an average of more than 20 years per person of relevant investment experience.

Investment Manager Capabilities

Mr. Chung, the Chief Investment Officer of the Investment Manager, and his team have extensive experience in the CMBS market due to their time at Morgan Stanley where they managed the commercial real estate lending and securitization businesses. As indicated on the accompanying chart, the Morgan Stanley CMBS program was one of the largest CMBS programs over the last decade. As part of a leading CMBS desk, these members of the Investment Manager's executive team have a deep understanding of CMBS credit, pricing, structuring, and documentation, as well as longstanding industry relationships that are expected to be instrumental in sourcing and managing the Fund's investments.

Year	Morgan Stanley Loan Contributions U.S. CMBS Deals ($ millions)
2001	3,928.2
2002	2,609.4
2003	4,694.6
2004	6,334.0
2005	9,689.2
2006	10,664.7
2007	13,784.6
2011	2,924.3
2012	2,863.0
1H 2013	3,801.1
Total	**61,293.1**

Source: "Top Loan Contributors to US CMBS Deals," Commercial Mortgage Alert, 2001 through 2013

Bridge-IGP and its affiliates currently own or manage approximately 32,000 multifamily apartment units and approximately 1.4 million square feet of commercial office space. The majority of the properties are managed in-house by a property management affiliate. Bridge-IGP and its affiliates employ approximately 1,000 real estate professionals in over 50 MSAs across 16 states. These employees include 75 property managers and 110 leasing agents, and over 660 on-site personnel providing property maintenance and operations.

Bridge-IGP's in-house professionals are well versed with the real estate market within their respective local areas, allowing the Fund unique access to real-time market knowledge. This vast network can be leveraged to provide objective assessments of potential investment opportunities and local intelligence (such as leasing activity, sub-market occupancy, valuation, employment, demographic trends, local redevelopment initiatives, capital improvement needs and physical security issues).

Committees and Functional Groups of the Investment Manager

The Investment Manager has formed various committees and functional groups of professionals to facilitate the efficient performance of its activities, as described below.

Executive Committee

In addition to the officers of the Investment Manager, the Investment Manager has formed an Executive Committee, which consists of Messrs. Chung, Morse and Pusey and Ms. Lee. The Executive Committee meets weekly to implement strategic and investment decisions formulated by the General Partner. The group also identifies and prioritizes key staffing, operational, legal, compliance, financial and other issues for action by each respective department in the execution team.

Executive Administration Group

The Executive Administration Group of the Investment Manager is responsible for (i) overseeing the performance of the various administrative functions necessary for the day-to-day operations of the Investment Manager, from time-to-time and as reasonably requested by the Executive Committee, (ii) preparing reports on the performance of third-party service providers engaged by the Investment Manager in fulfilling its obligations to ROC Debt Strategies, (iii) supervising the administrative functions performed, (iv) providing strategic planning services and (v) evaluating the prior strategies employed by the Investment Manager. As of the date of this Memorandum, the officers of the Executive Administration Group of the Investment Manager are:

Name	Position with Investment Manager
Chad Briggs	Chief Financial Officer
Adam O'Farrell	Chief Legal Officer
John Pennington	Chief Compliance Officer
Matthew Jensen	Vice President – Fund Operations

Chad Briggs, 57, serves as Chief Financial Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. Briggs is responsible for all treasury and financial functions of the Fund and the General Partner and also oversees record-keeping and financial reporting. He has served as Chief Financial Officer of ROC Debt Management, LLC ("ROC Debt Management") since 2013 and ROC II since 2012. From 2011 to present, Mr. Briggs has served as Chief Financial Officer for Bridge-IGP, where he has had similar responsibility for assets totaling approximately $1.0 billion, including the assets of ROC I and ROC II. Since 2010, he has served as the Chief Financial Officer of Real Estate Opportunity Capital Fund and Pacific Finance Holdings. From 2005 to 2010, he served as Vice President and Chief Financial Officer of Digital Draw Network, Inc. (the prior investment manager of ROC I), a national provider of residential construction and commercial real estate inspection services. Prior to joining Digital Draw Network, Mr. Briggs was the Director of Finance and Controller of TheraTech Inc., a publicly traded biotechnology company that provides specialized rehabilitation products and services. Mr. Briggs has approximately 25 years of experience in accounting, finance, mergers and acquisitions, public offerings, SEC compliance and human resources. He has served as the Controller at Utah Property Casualty and Insurance Guaranty Association since 1985. Mr. Briggs received his Bachelor of Science in accounting from the University of Utah in 1985 and is a Certified Public Accountant.

Adam O'Farrell, 40, serves as Chief Legal Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. O'Farrell has more than 13 years of experience as a real estate investment management attorney with significant private equity, REIT and tax experience and a broad transactional legal background. From January 2008 to January 2012, Mr. O'Farrell worked at Foley & Lardner LLP as senior counsel and as a member of the private equity and venture capital and transactions and securities practice groups. From 2006 to 2008, Mr. O'Farrell worked at Morrison & Foerster LLP as a senior associate and a member of the private equity fund formation group, where he provided advice to private equity fund sponsors in the formation of U.S. and non-U.S. real estate, leverage buyout, venture capital and other private equity and hedge funds. From 2005 to 2006, Mr. O'Farrell acted as regional counsel for KB Home, with primary responsibility for four southern California divisions with combined annual revenue in excess of $300 million. As regional counsel, Mr. O'Farrell was responsible for all division legal matters, with a focus on real estate acquisition, land use and entitlement issues, financing, joint ventures and litigation management. From 2000 to 2005, Mr. O'Farrell was an associate and member of the tax department of Latham & Watkins LLP, where he provided structuring and tax advice for a wide range of sophisticated transactions. Mr. O'Farrell is a member of the California and San Diego County bar associations. Mr. O'Farrell received his Bachelor of Science and his Master of Accountancy with an emphasis in Taxation from the Marriott School of Management at Brigham Young University and his Juris Doctor from the J. Reuben Clark Law School, Brigham Young University.

John S. Pennington, 49, serves as Chief Compliance Officer of the Investment Manager and is a member of its Executive Administration Group. Mr. Pennington has 23 years of experience in real estate finance, international regulatory matters, fund management and administration and SEC financial reporting and compliance. Since September 2011, Mr. Pennington has also served as the Chief Compliance Officer of Bridge-IGP and has overseen

the establishment and implementation of SEC filings, compliance, administration, coordination of legal counsel and auditor relationships. He is currently a member of the Investment Management Committee of ROC I. He served as Chief Operating Officer of Pacific Financing Holdings, which was the investment manager of ROC I before Bridge-IGP, from September 2008 until September 2011. From March 2005 until co-founding ROC I in 2008, Mr. Pennington was the managing director, Chief Financial Officer and co-founder of Bridge Loan Capital Fund LP, a mezzanine fund focused on the acquisition and origination of real estate-backed debt. From October 1989 to September 2004, he was co-founder and president of USAT, Inc., which transacted business in over 17 countries, and the co-founder and co-owner of various businesses located in Spain, Canada, Germany and Puerto Rico. From 1997 through 1999, he was Chief Operating Officer and co-owner of Global Connections, Inc, a publicly held company with 140 employees, where he was responsible for audits, SEC reporting and international sales. He is a former member of the National Association of Securities Dealers (now FINRA). Mr. Pennington has served on the Advisory Board of the Westminster College School of Business in Salt Lake City, Utah, and as the director of fund raising for the Utah Special Olympics program, a charitable organization for special needs children. Mr. Pennington received his Bachelor of Science in Economics from the University of Utah.

Matthew L. Jensen, 33, serves as Vice President of Fund Operations for the Investment Manager and is a member of its Executive Administration Group. Mr. Jensen has been involved in the financial reporting, valuation and accounting functions of Bridge-IGP. He is responsible for the creation and distribution of investor statements and communications. Mr. Jensen recently has taken a leading role in the management of the Cayman Island feeder fund structure of ROC I and ROC II international funds with associated C-corporations and alternative investment vehicles. Mr. Jensen began his finance career at Bridge-LLC in 2006 where he was engaged principally in the firm's acquisitions, dispositions and development business. During his career to date, he has been responsible for due diligence and analysis of more than $400 million in real estate debt and equity transactions across the multi-family, commercial office, retail and hospitality sectors. Mr. Jensen is a Certified Commercial Investment Member. Mr. Jensen received his Bachelor of Arts from the University of Utah.

Capital Markets Group

The Capital Markets Group is responsible for developing equity and debt capital strategies. As of the date of this Memorandum, the members of the Capital Markets Group are:

Name	Position with Investment Manager
Dean A. Allara	Member, Capital Markets Group
Donaldson L. Hartman	Member, Capital Markets Group
Paul Hutchinson	Member, Capital Markets Group
Robert Morse	Member, Capital Markets Group
Stephanie O'Mara	Member, Capital Markets Group

For the biographical information of Messrs. Hartman and Morse, see Section VII – "The General Partner, the Investment Manager and Management – The General Partner – Investment Management Committee of the General Partner."

Dean A. Allara, 51, is a member of the Underwriting Management Committee and Capital Markets Group of the Investment Manager and a member of the Investment Committee of the General Partner. Mr. Allara is the Chief Operating Officer of Bridge-IGP and has served as a principal of Bridge-LLC since 2008. He has 25 years of experience in the real estate investment process including analyzing, raising capital, acquiring, financing, developing, managing, improving and selling properties. Prior to the founding of ROC I and ROC II, Mr. Allara has been directly responsible for capital raising of over $1.0 billion in multi-family and single family residential, commercial, resort golf, hotel and retail properties. Mr. Allara has experience in real property development including permits and zoning, master planning, debt financing, insurance, construction management, home owners' association management, marketing and residential sales. Mr. Allara received his Bachelor of Science degree in Business Administration from the St. Mary's College. He received his Masters of Business Administration from Santa Clara University.

Paul Hutchinson, 42, serves as Director of the Capital Markets Group for the Investment Manager and is a member of its Underwriting Management Committee. Mr. Hutchinson has 16 years of experience in management and marketing. With deep regional relationships with capital sources, national loan providers, real estate brokers and alternative distressed asset sources, Mr. Hutchinson served as one of the investment professionals of Bridge-IGP since September 2011, managing the $724 million in capital raised for ROC I and ROC II. Since March 2005 and prior to co-founding ROC I in 2008, he was a co-founder and managing director at Bridge Loan Capital Fund where he was responsible for real estate backed debt instruments with private equity, syndication and investor relations. Mr. Hutchinson served as Chief Operating Officer of Pacific Finance Holdings from September 2008 until September 2011. Mr. Hutchinson's real estate investment experience includes successfully developing several high-end residential properties, raising over $50 million in capital for new construction projects to date. He is a frequent keynote speaker at business events on the topics of financial management, business development, training and organizational leadership. He is also a board member of the Utah Chapter of The Make a Wish foundation, The Living Planet Aquarium and Rotary International. Mr. Hutchinson completed two years of undergraduate studies at the University of Utah.

Stephanie O'Mara, 31, serves as Director of Capital Markets for the Investment Manager and is a member of the Capital Markets Group. Ms. O'Mara has nine years of experience in real estate and private equity focusing on institutional sales and marketing. As a member of the Capital Markets Group, Ms. O'Mara focuses on capital raising and investor relations. Prior to joining the Investment Manager, Ms. O'Mara was at Pomona Capital, a private equity fund of funds focused on secondary market transactions, where she was engaged in institutional sales. Before that, Ms. O'Mara was an associate at Lazard Freres & Co., where she focused on building and managing relationships in the corporate, public pension and consultant communities. She also has experience completing projects for research and technology platforms in the energy and private equity space targeting institutional investors. Ms. O'Mara earned her Bachelor of Arts degree in Economics from Trinity College in 2005.

Prior Investment Management Experience

The Investment Committee Members have historically been associated with or are now associated with the following entities described below:

Real Estate Opportunity Capital Fund LP – ROC I is a Delaware limited partnership formed in March 2009 and managed by Bridge-IGP that, along with two affiliated international feeder funds, has approximately $137.2 million in capital commitments consisting of $124.2 million of limited partner interests as well as $13 million of co-investment capital from third-party real estate investors. ROC I has acquired 39 opportunistic and value-add investments primarily in multi-family and commercial office properties located primarily in the western United States. As of December 31, 2013, ROC I had realized 17 investments. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

Real Estate Opportunity Capital Fund II LP – ROC II is a Delaware limited partnership formed in April 2012 and is managed by Bridge-IGP that, together with all of its parallel vehicles, has approximately $595.5 million in aggregate capital commitments. As at the date of this Memorandum, ROC II is approximately 70% invested, committed or reserved, and its general partner estimates that ROC II will be fully invested by the first quarter of 2014. ROC II is an affiliate fund of ROC I and pursues a similar opportunistic and value-add investment strategy focused on multi-family and commercial office investments. As of the date of this Memorandum, ROC II has acquired 39 investments since inception totaling more than 10,000 multi-family units and 2.3 million square feet of commercial office property. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

ROC|Seniors Housing & Medical Properties Fund LP – ROC Seniors is a Delaware limited partnership formed in January 2014, that is managed by ROC Seniors Housing Fund GP, LLC, a Delaware limited liability company. ROC Seniors is seeking $500 million in aggregate capital commitments. ROC Seniors was formed to acquire healthcare real estate located throughout the United States, with a focus on independent living, assisted living and memory care facilities, although the portfolio may also include skilled nursing facilities, continuing care

retirement communities and medical office properties. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

PMN Real Estate Investments, Ltd. – PMN Real Estate Investments, Ltd. ("PMN") is an Asia-based real estate and private equity fund holding company. PMN owns a significant interest in the General Partner and ROC Debt Management, LLC, and its principals are active participants in the Investment Committee and all aspects of the management of Fund investments. (See Section IX – "Risk Factors and Conflicts of Interest – Conflicts of Interest.")

Bridge Realty Capital, LLC – Bridge Realty Capital, LLC ("BRC") is a mortgage brokering and debt placement company founded in 1999. BRC is a wholly owned subsidiary of Bridge-LLC. Its president, Brad Andrus, has a 19-year history of placing debt for Bridge-IGP and its affiliates. The General Partner may engage BRC to help the Fund acquire debt financing for portfolio investments of ROC Debt Strategies, for which the Fund would pay market rate fees. BRC has recently been instrumental in helping ROC I and ROC II acquire attractively termed and priced LIBOR-based financing from three key U.S. money center banks.

Bridge Investment Group Partners, LLC – Bridge-IGP is regulated and registered as an investment adviser with the SEC and owns 60% of the Investment Manager. Bridge-IGP is a wholly owned subsidiary of RBP Capital. Bridge-IGP serves as the investment manager for each of ROC I and ROC II. In addition, principals of Bridge-IGP separately manage portfolios of multi-family apartment properties and commercial office properties owned by other institutional capital aggregators and individual investors.

Bridge-IGP and its affiliates, including Bridge Property Management, L.C. ("BPM"), have managed over $4 billion of real estate assets and currently employ approximately 1,000 employees in 50 MSAs across 16 states. These employees currently include approximately 48 property managers, 90 leasing agents and over 270 on-site personnel providing property maintenance and operations. Bridge-IGP's network is well-versed in the local markets, allowing the Investment Manager and its affiliates a valuable resource for local market intelligence (such as leasing activity, sub-market occupancy, valuation, employment and demographic trends, local government redevelopment initiatives, capital improvement needs and physical security issues).

Pacific Finance Holdings, LLC – Bridge-IGP is the successor of Pacific Finance Holdings, LLC (the "Additional Advisor") as the investment manager for ROC I. The principals of Bridge-IGP, the Investment Manager and the Additional Advisor include, among others, Robert Morse, Dean Allara, Donaldson Hartman, Jonathan Slager and John Pennington (collectively, the "Licensed Investment Adviser Representatives"). The Licensed Investment Adviser Representatives are managers of the Additional Advisor. The Additional Advisor is an appointed representative of the Investment Manager for the relationship management of all investors subject to regulation under the laws of Taiwan, including the monitoring of such investors' investments in the Fund, and will enter into certain consultancy and secondary arrangements with the Investment Manager (the "Additional Advisory Agreement"). As described in this Memorandum, the Investment Manager will enter into an advisory agreement with the Fund ("Management Agreement") pursuant to which the Investment Manager will be retained by the Fund to identify, evaluate, recommend, structure, and monitor the Fund's investments. The Management Agreement will terminate on the earlier of (i) the dissolution of the Fund, and (ii) written agreement by both parties to terminate the Management Agreement. The Additional Advisory Agreement will terminate on the earlier of (i) the termination of the Management Agreement, (ii) the dissolution of the Fund, and (iii) written agreement by both parties to terminate the Additional Advisory Agreement.

Bridge Investment Group, LLC – Bridge LLC is an affiliate of Bridge-IGP. Bridge-LLC was founded in 1992 and since that time has been recognized as one of the leading real estate teams in the acquisition, development, financing, management and disposition of multi-family apartment and commercial office properties in the western United States. Bridge-LLC is an affiliate of, and its owners are indirect owners of, Bridge-IGP and the General Partner.

Bridge Property Management, L.C. – BPM and Bridge-IGP are both wholly-owned by ROC Debt Management. BPM is a property management company that currently manages the majority of the properties owned by ROC I and ROC II. BPM currently manages approximately 32,000 multifamily apartment units and approximately 1.4 million square feet of commercial office space, approximately 40% of which are owned by unaffiliated real estate investors. BPM and its affiliates currently employ approximately 1,000 full-time real estate professionals in over 50 unique sub-markets across the United States.

ROC Debt Strategies Fund Manager, LLC – The Investment Manager is a Delaware limited liability company and is jointly owned directly by Bridge-IGP and a limited liability company owned by Mr. Chung. The Investment Committee Members are all indirect owners of the Investment Manager. The Investment Manager is an integrated investment adviser with Bridge-IGP, which integration allows both firms to use a unified compliance program, employ one chief compliance officer and implement and adhere to one regulatory filing with the SEC as a registered investment adviser. Bridge-IGP and the Investment Manager are considered an integrated investment adviser in reliance on Section 203(a) and Section 208(d) ("Integrated Rule") of the Advisers Act of 1940 (the "Advisers Act"). The Integrated Rule is available to Bridge-IGP and the Investment Manager, because the two firms: (i) are separate legal entities, (ii) have a unified compliance program, (iii) only advise private funds and certain separate accounts on behalf of qualified clients, (iv) hold themselves out as conducting a single advisory business because the two firms share a great number of personnel and back office resources, (v) rely on a single code of ethics and (vi) are, as a general statement, operationally integrated. Under the Integrated Rule, Bridge-IGP is the "filing adviser" and the Investment Manager is the "relying adviser."

THE ADVISORY COMMITTEE OF ROC DEBT STRATEGIES

Overview

The Fund will have an advisory committee (the "Advisory Committee") consisting of representatives of Limited Partners unaffiliated with the General Partner. The number of members of the Advisory Committee will not at any time be less than three and will not exceed seven members. The General Partner will decide in its absolute discretion which Limited Partners will be invited to appoint a representative to be a member of the Advisory Committee. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other Fund-related matters, as well as the delivery of required consents under the Advisers Act. The Fund may consult with the Advisory Committee regarding the

Fund's investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The Limited Partner representatives on the Advisory Committee will be full voting members. The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. The General Partner may in its sole discretion also appoint industry professionals as non-voting observer members of the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. Any such industry professional members will be specially selected by the General Partner for their expertise in a particular area such as healthcare industry regulations, audit control, capital markets, legal or other corporate governance functions.

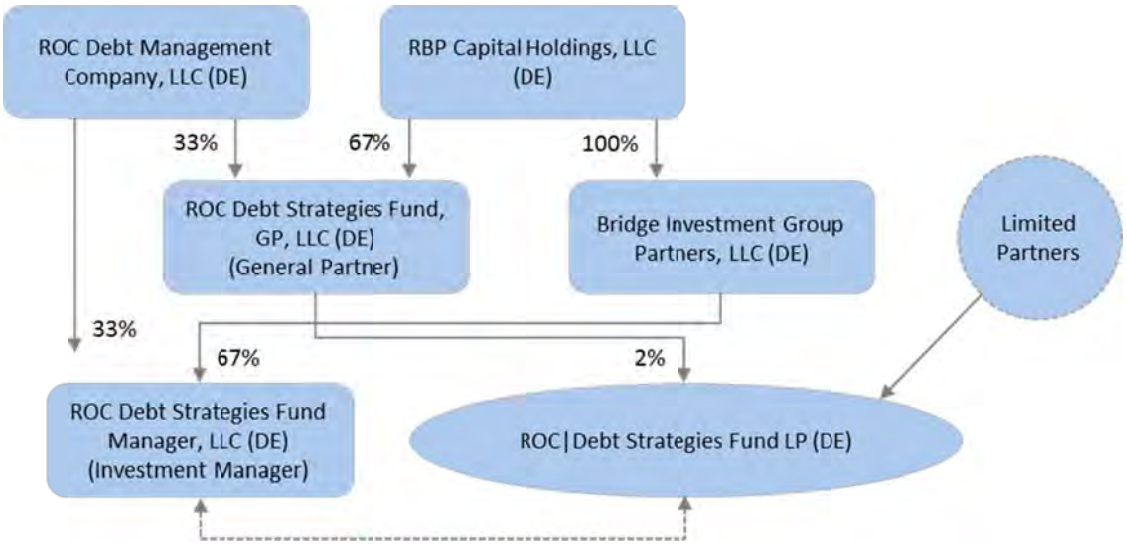
The industry professional members of the Advisory Committee may be compensated for their services to ROC Debt Strategies in equity interests in the General Partner, and/or paid market rate fees by The Fund.

OWNERSHIP OF THE GENERAL PARTNER

The Fund is managed by the General Partner, ROC Debt Strategies Fund GP, LLC, which is owned by RBP Capital and ROC Debt Management. RBP Capital currently owns 67% of the General Partner, and ROC Debt Management currently owns 33% of the General Partner. The General Partner has engaged ROC Debt Strategies Fund Manager, LLC to serve as Investment Manager for ROC Debt Strategies. The Investment Manager makes recommendations to the Investment Committee of the General Partner, which is required to review and approve all investment decisions for the Fund.

The Investment Manager has been formed by Bridge-IGP and ROC Debt Management to act as the investment manager of the Fund and future debt investment vehicles. Bridge-IGP currently owns 67% of the Investment Manager, and ROC Debt Management owns 33% of the Investment Manager.

Bridge-IGP is a wholly-owned subsidiary of RBP Capital Holdings, LLC ("RBP Capital"), a holding company that owns several Bridge-IGP affiliates that perform various functions for Bridge-IGP affiliated funds. Bridge-LLC, PMN and RFG ROC, LLC own the majority of RBP Capital.



VIII. DETAILED SUMMARY OF TERMS

The following is a summary of certain information about ROC |Debt Strategies Fund LP and an investment in limited partnership interests therein (the "Interests"). This summary is qualified in its entirety by reference to the Limited Partnership Agreement of ROC|Debt Strategies Fund LP (as amended, restated or otherwise modified from time to time, the "Partnership Agreement"). The Partnership Agreement and subscription materials will be provided to qualified investors prior to closing. To the extent that the terms set forth below are inconsistent with those of the Partnership Agreement, the Partnership Agreement will control.

Fund	ROC|Debt Strategies Fund LP, a Delaware limited partnership (the "Fund," which definition includes, as appropriate, any Parallel Vehicles (as defined below)). The Fund's investment objectives are to achieve attractive risk-adjusted returns and investor capital preservation by investing in a diversified portfolio of commercial real estate-related debt investments related to or secured by high-quality, income-producing multifamily, commercial office, healthcare and selected other real estate assets in the United States (the "Investments").
Committed Capital	The Fund is seeking $500 million of capital commitments ("Capital Commitments") from qualified limited partners (each, a "Limited Partner" and collectively, the "Limited Partners"), including limited partners in any Parallel Vehicles (as defined below and together with the Limited Partners, the "Combined Limited Partners"). The General Partner reserves the right in its sole discretion to accept Capital Commitments of up to $750 million.
Minimum Commitment	The minimum Capital Commitment by a Limited Partner will be $1 million, although the General Partner (as defined below) reserves the right to accept Capital Commitments of lesser amounts. The Fund will not accept Capital Commitments that will cause it to have in excess of 1,995 Combined Limited Partners of record, to avoid the requirement to register as a public reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Additionally, the Partnership Agreement will restrict transfers to ensure that the Fund will avoid becoming a reporting company under the Exchange Act.
General Partner	The General Partner of the Fund is ROC Debt Strategies Fund GP, LLC, a Delaware limited liability company (together with the Limited Partners, the "Partners"). The General Partner has full and exclusive management authority over the business and affairs of the Fund.
Investment Manager	The Investment Manager of the Fund is ROC Debt Strategies Fund Manager, LLC, a Delaware limited liability company and an affiliate of the General Partner. The General Partner has engaged the Investment Manager to make investment recommendations to the Fund and to provide administrative and management services to the Fund in connection with the Investments.
Members of the General Partner's Investment Committee	James Chung, Donaldson Hartman, Jeehae Lee, Robert Morse, Kiernan Pusey and Danuel Stanger.
Closing	The initial closing of the Fund, at which time the first Capital Commitments will be accepted (the "Initial Closing"), will occur as soon as practicable at such time as the General Partner determines that sufficient Capital Commitments have been obtained in order for the Fund to commence operations. Subsequent closings may be held at the discretion of the General Partner not later than 18

months after the Initial Closing (or such later date approved by the Advisory Committee) (each, a "Subsequent Closing" and the final one thereof, the "Final Closing").

General Partner Commitment

The General Partner and its affiliates will commit an amount equal to at least 2% of the total Capital Commitments to the Fund not to exceed $10 million. The General Partner and its affiliates will invest on the same terms and conditions as the other Limited Partners, except that they will not bear Management Fees or be subject to Carried Interest (each as defined below) and their Interests will be non-voting regarding matters presented to the Partners.

Investment Limitations

Diversification. Without the consent of the Advisory Committee, Capital Contributions (as defined below) made in connection with any single Investment may not exceed 15% of the then-outstanding aggregate Capital Commitments of all Limited Partners (measured as of the Initial Closing); provided, that up to 25% of the aggregate Capital Commitments may be contributed for any Investment without the consent of the Advisory Committee if the General Partner believes in good faith that the Capital Contributions to be invested in such Investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial Investment.

Blind Pool Funds. Without the consent of the Advisory Committee, the Fund will not invest at any time in "blind pool" investment funds or funds that have not identified substantially all investments to be acquired with such fund's offering proceeds and in which the General Partner does not have discretion over individual investments.

Non-U.S Investments. Without the consent of the Advisory Committee, the Fund will not invest in assets located outside of the United States, or in companies and businesses which, based on information available to the General Partner, have the majority of their assets located or derive the majority of their revenues from countries that are outside of the United States.

Leverage

The Fund intends to use leverage to provide additional funds to acquire Investments. The Fund expects that after it has invested substantially all of the Capital Commitments in Investments, debt financing will be approximately 65% of the sum of the acquisition costs of the Investments in the Fund's portfolio.

Commitment Period

Capital calls may be required from time to time for a period commencing on the Initial Closing and ending no later than the third anniversary of the Initial Closing (the "Commitment Period"). Thereafter, the Limited Partners will be released from any further obligation with respect to their un-drawn Capital Commitments (the "Unfunded Commitments"), except to the extent necessary to: (a) cover the expenses or other obligations of the Fund, including the Management Fee; (b) complete Investments by the Fund in respect of transactions in process prior to the end of the Commitment Period; (c) without the consent of the Advisory Committee, make follow-on Investments in existing Investments, provided that the amount of follow-on Investments made after the Commitment Period that were not committed or reserved for during the Commitment Period will not exceed 15% of the aggregate amount of the Capital Commitments (with notice thereof to the Limited Partners prior to the end of the Commitment Period); and (d) repay borrowings or satisfy guarantees

	or other obligations of the Fund (whether incurred before or after the Commitment Period). The Commitment Period may be terminated at any time by (x) the General Partner, (y) the vote of the Limited Partners representing 80% of the Capital Commitments of the Fund or (z) the vote of a majority of then-outstanding aggregate amount of Capital Commitments upon the occurrence of a Key Man Event (as defined below).
Target Return[1]	10 to 12% net internal rate of return.
Term/Removal	The Fund will dissolve eight years from the Initial Closing, unless extended at the discretion of the General Partner for up to two consecutive one-year periods. The Fund will dissolve earlier upon the vote of the Limited Partners representing 66-2/3% of the Capital Commitments of the Fund after the occurrence of "Cause Event" (as defined in the Partnership Agreement). Limited Partners holding 66-2/3% of the Capital Commitments may also remove the General Partner following the occurrence of a "Cause Event."
Capital Contributions	Capital Commitments generally will be drawn down proportionately to the Partners un-drawn Capital Commitments ("Unfunded Commitments") on an as-needed basis to fund Investments, the Management Fee and Partnership Expenses (as defined below), with a minimum of ten business days' prior notice to the Limited Partners (each such drawing, a "Capital Contribution"). ERISA Partners (as defined in the Partnership Agreement) may not be required to fund their capital contributions to the Fund until the closing date of the Fund's first Investment (but will be required to make direct payments in respect of Management Fees and Partnership Expenses), and may be required to fund their capital contributions for the Fund's first Investment into an escrow account pending application to such first Investment (as more fully described in the Partnership Agreement). All other Limited Partners also may be required to pay Management Fees and Partnership Expenses directly to the General Partner until the Fund makes its first Investment. Any amount drawn down from Unfunded Commitments to pay the Management Fee or Partnership Expenses may, to the extent Limited Partners receive subsequent distributions, either be retained or added back to Unfunded Commitments and be subject to recall for future investment. In addition, any return of capital from an Investment disposed of during the Commitment Period may either be retained or added back to Unfunded Commitments and be subject to recall.

[1] The General Partner in its absolute discretion may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future investments of the Fund or to ensure a diversification of risk for the Fund as a whole. The General Partner believes that its target internal rate of return reflects, in part, the measure of risk the Fund will be taking with respect to the investments it makes. There can be no assurance that the Fund's target return will be achieved. Please refer to the disclaimer at the front of the Memorandum for more information regarding the methodology used to calculate, and the assumptions that underlie, the target internal rate of return. Net internal rate of return is the gross internal rate of return net of management fees, "carried interest," taxes and other expenses (but before taxes or withholdings incurred by the limited partners directly or indirectly through withholdings by the Fund).

Co-Investment Policy

The General Partner may, in its sole and absolute discretion, provide co-investment opportunities alongside the Fund and any parallel investment vehicles ("Parallel Vehicles") in one or more of the Investments to certain persons such as Limited Partners or third parties in which the General Partner determines that, due to size or risk of the Investment, such Investment is not in the Fund's best interests to be made in whole (including local investors, strategic investors and lenders) ("Co-Investors"), though it is not obligated to do so. The terms of any such co-investment, including the fees and carried interest applicable thereto, if any, will be negotiated by the General Partner and the Co-Investor on a case-by-case basis in their respective sole and absolute discretion. The carried interest and management fees payable by the Co-Investor, if any, may be calculated solely with respect to such co-investment.

Subsequent Closings

Limited Partners admitted or increasing their Capital Commitments at any Subsequent Closing generally will be required to fund their proportionate share of any Investment previously made and then held, Organizational Expenses and Partnership Expenses paid prior thereto. Such amount will be paid, together with interest accruing thereon in an amount equal to 8% per annum, to the Fund and then refunded by the Fund to the Partners that made Capital Commitments prior to such Subsequent Closing in proportion to their funded Capital Commitments, and the Unfunded Commitments of the Partners that made Capital Commitments prior to such Subsequent Closing will be increased by the amount representing a return of capital. See also "Management Fee" below. The amounts funded by these Limited Partners admitted or increasing their Capital Commitments at Subsequent Closings (other than the additional amounts referred to above) will reduce such Limited Partners' Unfunded Commitments.

Warehoused Investments

Prior to the Initial Closing, the General Partner may acquire one or more Investments with the intent of transferring such Investments (the "Warehoused Investments") to the Fund. Following the Initial Closing (or within a reasonable time thereafter), the General Partner intends to transfer the Warehoused Investments to the Fund for an amount equal to the sum of (i) the acquisition cost of such Warehoused Investment (less any disposition proceeds and any amounts received from such Warehoused Investment), including any fees, taxes, expenses and costs incurred by the General Partner in connection with the purchase and holding of such investments, (ii) interest accruing thereon in an amount equal to 8% per annum and (iii) all fees, taxes, expenses and costs incurred by the General Partner in connection with the transfer of such Investments to the Fund.

Distributions

Net cash proceeds from the disposition, exchange or refinancing of an Investment or any portion of an Investment ("Disposition Proceeds") will be distributed as soon as practicable after receipt thereof (except as otherwise provided herein). Current income from Investments other than Disposition Proceeds ("Current Income" and together with Disposition Proceeds, "Investment Proceeds") generally will be distributed no later than 60 days after the end of each fiscal quarter. Except in connection with termination of the Fund, the General Partner will only be required to distribute Disposition Proceeds once such Disposition Proceeds not previously distributed exceed at least $15 million and Current Income once such Current Income not previously distributed exceeds at least $3 million.

Distributions of Disposition Proceeds will be made in the first instance to the Limited Partners and the General Partner pro rata in proportion to each of their percentage interests with respect to such Investment (subject to any distributions to the General Partner (or its designee) attributable to allocations of gain in lieu of the Management Fees waived by such General Partner (or its designee)). Each Limited Partner's share of Disposition Proceeds will then be distributed to such Limited Partner and the General Partner in the following amounts and order of priority:

For Limited Partners making Capital Commitments of less than $10 million:

(i) Return of Capital and Costs on Realized Portfolio Investments: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Investment Proceeds from this clause (i) from that Portfolio Investment (as defined in the Partnership Agreement) and all Portfolio Investments that have been disposed of ("Realized Investments") equal to (a) such Limited Partner's Capital Contributions for all Realized Investments; (b) such Limited Partner's Capital Contributions for Organizational Expenses (as defined below), Management Fees (as defined below), and Partnership Expenses (as defined below) allocable to the Realized Investments; and (c) such Limited Partner's pro rata share of any net unrealized losses on write-downs of the Fund's other Investments in the aggregate (together, "Realized Capital and Costs"); and

(ii) 8% Preferred Return: Second, 100% to such Limited Partner until the cumulative distributions of Investment Proceeds to such Limited Partner represent an 8% cumulative compounded annual rate of return on the cumulative distributions made pursuant to clause (i) above (the "Preferred Return");

(iii) General Partner Catch-up: Third, 50% to the General Partner and 50% to such Limited Partner until the General Partner has received as Carried Interest (as defined below) distributions with respect to such Limited Partner equal to 20% of the sum of (a) the aggregate amount of Investment Proceeds distributed to such Limited Partner from such Portfolio Investment and all Realized Investments, net of such Limited Partner's Realized Capital and Costs, and (b) the amount of distributions of Carried Interest to the General Partner under this catch-up provision in respect of such Limited Partner; and

(iv) 80/20 Split: Thereafter, 80% to such Limited Partner and 20% to the General Partner (the distributions to the General Partner described in clause (iii) above and this clause (iv) being referred to collectively as "Carried Interest").

For Limited Partners making Capital Commitments of $10 million or more:

(i) Return of Capital: First, 100% to such Limited Partner until such Limited Partner has received cumulative distributions of Disposition Proceeds and Current Income (pursuant to this clause (i)) in an amount equal to such Limited Partner's aggregate Capital Contributions;

(ii) 8% Preferred Return: Second, 100% to such Limited Partner until the cumulative distributions to such Limited Partner of Disposition Proceeds and Current Income in excess of such Limited Partner's aggregate Capital Contributions represents an 8% cumulative compounded annual rate of return

on the amount of such Limited Partner's Capital Contributions from the date the applicable Capital Contributions were made until the date such amounts are distributed to such Limited Partner;

(iii) General Partner Catch-up to 20% Overall Carried Interest: Third, 50% to the General Partner and 50% to such Limited Partner until the General Partner has received (as Carried Interest) 20% of the sum of (A) the aggregate amount of Disposition Proceeds and Current Income distributed to such Limited Partner pursuant to clause (ii) above, and (B) the amount of Carried Interest distributed to the General Partner with respect to such Limited Partner; and

(iv) 80%/20% Split: Thereafter, 80% to such Limited Partner and 20% to the General Partner.

For subscribers committing less than $10 million, the Fund will distribute Current Income from a Portfolio Investment generally in the manner described above for distributions of Distribution Proceeds to subscribers committing less than $10 million except that distributions of Current Income will not take account of a return of capital contributions from such Portfolio Investment, fees or expenses but will be required to make up for any amount by which the Realized Capital and Costs then exceeds the cumulative distributions of Disposition Proceeds from Realized Portfolio Investments and Current Income from such Portfolio Investments. For subscribers committing $10 million or more, the Fund will distribute Current Income from a Portfolio Investment in the manner described above for distributions of Distribution Proceeds to subscribers committing $10 million or more.

Distributions of income from temporary investments will be made among all Partners in proportion to their respective proportionate interests in the Fund property or funds that produced such income, as reasonably determined by the General Partner. Distributions relating to the partial disposition of Investments will be subject to the above formula, with the Carried Interest being based on the original cost of, and the cumulative distributions being made with respect to, the disposed portion of such Investment. Notwithstanding the foregoing, the General Partner may cause the Fund to make distributions from time to time to the General Partner in amounts sufficient to permit the payment of the tax obligations of the General Partner and its direct and indirect owners in respect of allocations of income related to the Carried Interest. Any such distributions will be taken into account in making subsequent distributions to the Partners. Amounts of taxes paid by the Fund or its subsidiaries, tax credits received by the Fund and amounts withheld for taxes will be treated as distributions for purposes of the calculations described above.

The General Partner will be entitled to withhold from any distribution amounts necessary to create, in its discretion, appropriate reserves for expenses and liabilities of the Fund, as well as for any required tax withholdings.

Distributions in Kind

Distributions prior to the termination of the Fund may only take the form of cash or marketable securities. Upon termination of the Fund, distributions may also include restricted securities and other assets of the Fund. In the event the Fund disposes of marketable securities for cash, in lieu of such cash the General Partner may in its discretion offer the option to receive its pro rata share of such securities prior to such distribution to each Partner.

Allocation of Profits	The Fund will establish and maintain a capital account for each Partner. All items of income, gain, loss and deduction will be allocated to the Partners' capital accounts in a manner generally consistent with the distribution procedures outlined under "Distributions" above.
Clawback	Upon termination of the Fund, the General Partner will return to the Fund for distribution to each Limited Partner the amount, if any, equal to the greater of (a) the amount by which the cumulative distributions of Carried Interest to the General Partner with respect to the Limited Partner exceeds 15% of distributions to such Limited Partner and (b) an amount such that upon its distribution to such Limited Partner, the Limited Partner will have received the Preferred Return, but in either case no more than the cumulative distributions of Carried Interest with respect to such Limited Partner (calculated on an after-tax basis).
Management Fee	Commencing on the Initial Closing, the Fund (or the Fund's subsidiaries) will in the aggregate pay a management fee (the "Management Fee") to the Investment Manager quarterly in advance. The Management Fee attributable to a Limited Partner that has made Capital Commitments of less than $10 million will equal (a) prior to the end of the Commitment Period, 1.5% per annum of such Limited Partner's Capital Commitment and (b) thereafter, 1.5% of such Limited Partner's Capital Contributions with respect to Investments that have not been disposed of. The Management Fee attributable to a Limited Partner that has made Capital Commitments of $10 million or more will equal (a) prior to the end of the Commitment Period, 1.25% per annum of such Limited Partner's Capital Commitment and (b) thereafter, 1.25% of such Limited Partner's Capital Contributions with respect to Investments that have not been disposed of. Limited Partners admitted to the Fund at a Subsequent Closing will contribute (from their Unfunded Commitments) their pro rata share of the Management Fee that otherwise would have been payable by such Limited Partner had such Limited Partner been admitted prior to the Subsequent Closing, plus interest accruing thereon in an amount equal to 8% per annum. Such contributed amounts (other than such additional amounts) will reduce such Limited Partner's Unfunded Commitment. The Fund may pay the Management Fee from draw-downs of Capital Commitments which will reduce Unfunded Commitments or out of Current Income or Disposition Proceeds.
Waiver of Management Fees	The General Partner, the Investment Manager and their affiliates may waive any portion of the Management Fee to which they would otherwise be entitled in exchange for special allocations of future gains in the Fund equal to the waived Management Fees.
Investment Manager Expenses	The Investment Manager and General Partner will be responsible for all of each of their normal and recurring routine operating expenses of managing the Fund (other than Partnership Expenses, as defined below), including compensation of employees, rent, utilities and recurring expenses of management. Legal, accounting or other specialized consulting or professional services that either of the Investment Manager or the General Partner would not normally be

expected to render with its own professional staff shall not be considered normal and recurring routine operating expenses.

Partnership Expenses

The Fund, except as noted above, will pay all expenses related to its own operations ("Partnership Expenses"), including, but not limited to, Organizational Expenses (as defined below), fees, costs and expenses directly related to purchasing, disposing of, financing, hedging, developing, negotiating and structuring Investments, including costs of advisers, costs in connection with transactions not consummated and travel expenses, accountants and legal counsel, any brokerage commissions and custodial expenses, any insurance, indemnity or litigation expense, any taxes, fees or other governmental charges levied against the Fund (including out-of-pocket expenses with respect to the Fund's legal and regulatory compliance), principal, interest on and fees and expenses arising out of all borrowings made by the Fund, expenses associated with portfolio and risk management including currency hedging, expenses of liquidating the Fund, expenses incurred in connection with any tax audit or investigation of the Fund, expenses associated with the Fund's administrative and reporting costs, including the Fund's annual meeting expenses, and expenses of the Advisory Committee (including any fees paid to industry professional members of the Advisory Committee), financial statements and tax returns. In addition, the Fund will be responsible for all fees and expenses due any legal, financial, accounting, consulting or other advisors or any lenders, investment banks and other financing sources and other costs and fees in connection with transactions which are not consummated. Subject to applicable legal, tax or regulatory constraints, the Fund and each Parallel Vehicle will share in Partnership Expenses and partnership expenses of any Parallel Vehicle pro rata based on the aggregate Capital Commitments and capital commitments of investors in such Parallel Vehicles. Out-of-pocket expenses associated with completed transactions will be reimbursed by the issuer of the Investment or capitalized as part of the acquisition price thereof. In addition, the Fund will be responsible for certain service, placement and other fees payable to the Investment Manager as discussed in more detail in Section VII – "The General Partner, the Investment Manager and Management" and Section IX – "Risk Factors and Conflicts of Interest."

Organizational Expenses

The Fund will bear all legal, accounting, filing and other organizational and offering expenses incurred in the formation of the Fund, the General Partner and any Parallel Vehicle, up to an amount equal to $1.75 million (the "Organizational Expenses"). To the extent the Fund is required to pay expenses in excess of $1.75 million they will be treated as Organizational Expenses for purposes hereof, but a corresponding amount of the Management Fee otherwise payable will be reduced by 100% thereof.

Acquisition and Debt Sourcing Fees

The General Partner and its affiliates will not receive any transaction fees, such as acquisition, disposition, financing or other similar fees in connection with the Fund's business without the approval of the Investment Manager. However, the General Partner shall be entitled to retain a portion of fees paid by borrowers for due diligence services in connection with debt investments equal to the amount of out-of-pocket costs incurred by the General Partner or its affiliates (as deemed reasonably appropriate by the General Partner in its good faith), including the direct and indirect costs to the General Partner or its affiliates of the employees providing such services.

Key Man Event

If any event or circumstance occurs which results in at least three of Messrs.

Chung, Hartman, Morse, Pusey and Stanger and Ms. Lee no longer being actively involved in the affairs of the General Partner, the Investment Manager, ROC I, ROC II or the Fund (including Parallel Vehicles and alternative investment vehicles and each of their respective investments) for a continuous period of 60 days (a "Key Man Event"), at any time prior to the expiration or termination of the Commitment Period, the General Partner will promptly give notice to the Limited Partners of that fact. The Commitment Period will be cancelled if, within 60 days of the Combined Limited Partners receiving notice of a Key Man Event, the General Partner is notified of the written election or vote of the Combined Limited Partners to terminate the Commitment Period; provided, that any such termination of the Commitment Period will not apply to any follow-on Investment or proposed new Investment with respect to which the Fund has entered into a binding letter of intent, an enforceable written agreement in principle or an enforceable definitive written agreement to make such Investment prior to the occurrence of such Key Man Event; provided further, that during the 60-day period referenced above, (x) such follow-on Investments and such proposed Investments will be the only Investments completed or made by the Fund, (y) other than those Investments permitted under clause (x) above, the Fund will not enter into any legally binding agreements with respect to any such proposed Investments and (z) Capital Contributions for new Investments will only be for Investments with respect to which the Fund has entered into an enforceable definitive written agreement to make such Investments prior to the occurrence of such Key Man Event.

Partnership Borrowing

The Fund may incur Indebtedness and guarantee obligations with respect to Investments and Partnership Expenses and enter into one or more credit facilities or guarantees which may be secured by the Limited Partners' Unfunded Commitments as well as the Fund's assets in order to enable the Fund to make Investments or pay expenses without making a capital call on the Limited Partners; *provided*, that after the end of the Commitment Period, the Fund will not incur any new indebtedness for borrowed money (1) unless such new indebtedness: (a) is incurred to cover Partnership Expenses or pay Management Fees and does not exceed $15 million in the aggregate at any time; (b) is incurred to refinance or renew any indebtedness outstanding prior to the expiration date of the Commitment Period, but only if the economic terms of any such refinancing or renewal are in the General Partner's good faith judgment, in the aggregate, substantially equal to or better than the aggregate economic terms of the indebtedness being refinanced; or (c) is incurred to provide interim financing for follow-on Investments to the extent necessary to consummate the purchase of such follow-on Investments prior to the receipt of Capital Contributions or distributions (as applicable) or (2) other than indebtedness that relates to an Investment that the General Partner has specifically reserved for and disclosed to the Limited Partners in writing prior to the expiration date of the Commitment Period or that has otherwise been approved by the Advisory Committee; *provided*, *further*, that aggregate outstanding Partnership borrowings will not, when taken together with the Fund's share of outstanding borrowings through vehicles it controls, exceed 75% of the greater of costs of the Investments made by the Fund or the Fund's pro rata share of the fair market value of all Investments, subject to the terms of the Partnership Agreement. A Limited Partner may be required to acknowledge its obligations to make Capital Contributions to the Fund for its share of such guarantees or indebtedness up to the amount of its Unfunded Commitment.

Advisory Committee

The Fund's Advisory Committee will consist of representatives of Limited Partners unaffiliated with the General Partner. The number of members of the Advisory Committee will not at any time be less than three or exceed seven members. The General Partner will decide in its absolute discretion which Limited Partners will be invited to appoint a representative to be a member of the Advisory Committee. The Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with conflicts of interest and other Partnership-related matters and it will give all required consents under the Advisers Act. The Fund may enlist the expertise of its Advisory Committee regarding the Fund's investment strategies, operating policies and procedures, macro and micro economic issues, general market trends, political issues and tax policy, along with credit and equity trends throughout the marketplace.

The General Partner may in its sole discretion allow one or more Limited Partners to appoint a non-voting observer to the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. The General Partner may in its sole discretion also appoint industry professionals as non-voting observer members of the Advisory Committee to attend all meetings of the Advisory Committee and to receive all information and materials provided to the members of the Advisory Committee. Any such industry professional members will be specially selected by the General Partner for their expertise in a particular area such as audit control, capital markets, legal or other corporate governance functions.

The Advisory Committee will make decisions by way of a majority vote. The Limited Partner representatives on the Advisory Committee will be full voting members, but the industry professional members of the Advisory Committee will be non-voting observer members.

The industry professional members of the Advisory Committee may be compensated for their services to the Fund in equity interests in the General Partner, and paid market rate fees by the Fund.

Transfer of Interests

A Limited Partner may not sell, assign or transfer any Interest without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion. Further, a Limited Partner generally may not withdraw any amount from the Fund. The Partnership Agreement will set forth additional transfer restrictions with respect to the Securities Act and the Exchange Act.

Reports

The Fund will furnish audited financial statements (commencing with the period beginning on the Initial Closing and ending on December 31, 2014, and for each year thereafter until the termination of the Fund) to all Limited Partners and tax information necessary for the completion of income tax returns annually no later than 90 days after year-end (or as soon as practicable thereafter). On a quarterly basis, no later than 60 days after the end of such interim quarter (subject to reasonable delays as a result of timing of receipt of information from portfolio entities), each Limited Partner will be furnished with unaudited financial statements of the Fund.

Indemnification

The Fund will indemnify the General Partner, the Investment Manager, their affiliates and any of their respective officers, members, directors, agents,

stockholders, and partners, and any other person who serves at the request of the General Partner on behalf of the Fund as an officer, member, director, partner, employee or agent of any other entities and any member of the Advisory Committee (in each case, an "Indemnitee") for any loss, damage or expense incurred by such Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the Fund or in furtherance of the interests of the Fund or otherwise arising out of or in connection with the Fund and its Investments, if such action or decision not to act was taken in good faith, and provided that an Indemnitee will only be entitled to indemnification to the extent that such Indemnitee's conduct did not constitute fraud, willful misconduct, gross negligence, bad faith, a material breach of the Partnership Agreement or the management agreement, or material violation of applicable securities laws (provided, that no member of the Advisory Committee will be liable other than conduct in bad faith on the part of such member). Limited Partners will be obligated to return amounts distributed to them to fund the Fund's indemnity obligations, subject to certain limitations.

Restriction on Competing Funds

Without the consent of the Advisory Committee, until the earlier of (a) the time at which at least 75% of the Fund's Capital Commitments have been invested in, called for contribution, or otherwise committed or reasonably reserved for contribution pursuant to a letter of intent, written agreement in principle or written definitive agreement, for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses or (b) the end of the Commitment Period, none of the General Partner, the Investment Manager or any of their respective affiliates will close on any other investment fund that has as its primary objective investing in commercial real estate-related debt investments (a "Competing Fund"), other than: (a) ROC I; (b) ROC II; (c) ROC Seniors; (d) any Parallel Vehicle; (e) any Managed Account Vehicle (as defined below) or (f) any fund or vehicle formed to make investments that would be precluded or materially limited by the limitations discussed under "Investment Limitations" above or other requirements hereof or applicable law or regulation (taking into account committed and reasonably reserved amounts) (any entity or vehicle pursuant to clauses (a)-(f), an "Exempted Fund"). For the avoidance of doubt, investment vehicles formed for the primary purpose of investing in (i) multi-family, industrial and commercial office, seniors housing, retail or hospitality real estate assets or (ii) real estate assets located outside of the United States, will not be a Competing Fund.

If the General Partner terminates the Commitment Period based on its good faith judgment that such cancellation is necessary or advisable, the General Partner and its affiliates will not close a Competing Fund until the expiration date of the Commitment Period. If a Competing Fund is organized after at least 75% of the aggregate Capital Commitments are invested in, or called for contribution for, or committed or reserved for, investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses, then, until the earlier of (a) the time at which at least 90% of the aggregate Capital Commitments have been invested in, called for contributions for or committed or reasonably reserved for contribution for investment in Investments, the Management Fee, Organizational Expenses and Partnership Expenses ("Full Investment") or (b) the end of the Commitment Period, a Competing Fund may not close on any Investment, unless the investment by the Fund in such Investment is legally or contractually prohibited or, as a result of the application of law, could have a material adverse effect on the Fund or the General Partner; provided, that from the date of Full Investment until the end of the

Commitment Period, Investments will be allocated between the Fund and the Competing Fund on a basis that the General Partner believes in good faith to be fair and reasonable including consideration of the deployment of remaining available capital of the Fund and the Competing Fund.

Without the consent of the Advisory Committee, the Fund will not invest in, acquire Investments from, nor sell Investments to, any entity in which the General Partner or its affiliate has either (a) 2.5% or more of the outstanding equity interests of such entity or (b) a pre-existing economic interest of more than $10 million (other than: (i) Warehoused Investments; (ii) follow-on Investments; (iii) Investments shared upon the initial investment therein with a Competing Fund or Exempted Fund or (iv) follow-on Investments relating to Investments made pursuant to clause (ii) and made on a pro rata basis).

Restrictions on Non-Partnership Investments

Without the consent of the Advisory Committee, none of the General Partner, the Investment Manager or their respective affiliates will invest outside of the Fund in the acquisition of investments in debt secured by commercial real estate (except where the acquisition of a debt investment is made with the purpose of acquiring the underlying real estate that secures the loan), from the Initial Closing until the earlier of the end of the Commitment Period or Full Investment (except as otherwise contemplated herein). However, the foregoing sentence will not apply to (a) passive personal investments, if such investments are not made in direct ownership or control of such Investments, (b) any property which the General Partner, its affiliates or their respective partners, officers, members, shareholders, directors, agents or employees intends to occupy or use for business or residential purposes or (c) any investment made by an Exempted Fund.

If any other investment vehicle for which the General Partner or its affiliate acts as the general partner or investment advisor (or any other similar capacity) is not a Competing Fund (including any Managed Account Vehicle) and such other investment vehicle has any investment objectives or guidelines in common with those of the Fund in any respect, then investment opportunities which are within such common objectives and guidelines will generally be allocated between the Fund and such other vehicle on the basis that the General Partner believes in good faith to be fair and reasonable. (See Section IX – "Risk Factors and Conflicts of Interest.")

ERISA

The General Partner will use its reasonable efforts either to (i) limit equity participation by "benefit plan investors" to less than 25% of the total value of each class of equity interests in the Fund, or (ii) structure investments of the Fund and operate the Fund in such a manner so as to qualify the Fund as a "venture capital operating company" or "real estate operating company" under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and its regulations, so that the underlying assets of the Fund should not constitute "plan assets" of any "benefit plan investor" which invests in the Fund. Prospective Investors should carefully review the ERISA matters discussed under Section X – "Certain Regulatory, Tax and ERISA Considerations" and should consult with their own advisors as to the consequences of making an investment in the Fund.

Excuse, Exclusion and Withdrawal

A Limited Partner may be excused (in whole or in part) from funding an Investment if its participation would violate (a) any law or regulation to which it is subject or (b) its written investment policy that has been identified by such

Limited Partner to the General Partner in writing prior to the Limited Partner's admission date. The General Partner may exclude a Limited Partner (in whole or in part) from participating in an Investment if the General Partner determines in good faith that a significant delay, extraordinary expense or materially adverse effect on the Fund or any of its affiliates, in any Investment or prospective investment is likely to result from such Limited Partner's participation. The excused or excluded Limited Partner's Unfunded Commitment will not be reduced as a result of any excuse or exclusion and the General Partner may issue new calls for further Capital Contributions; provided, that no Limited Partner will be obligated to contribute an amount in excess of such Limited Partner's Unfunded Commitment.

A Limited Partner may be required to withdraw from the Fund (in whole or in part) if, in the reasonable judgment of the General Partner, by virtue of that Limited Partner's Interest: (a) assets of the Fund may be characterized as plan assets of any plan, account or other arrangement for purposes of Title I of ERISA, Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or other applicable similar law; (b) the Fund or any Partner may be subject to any requirement to register under the 1940 Act; (c) a significant delay, extraordinary expense or material adverse effect on the Fund or any of its affiliates, in any Investment or any prospective investment is likely to result; or (d) in the General Partner's sole discretion, based on the advice of legal counsel, a violation of any law, rule or regulation is likely to result.

Failure to Make Contributions/Default

A Limited Partner which defaults in respect of its Unfunded Commitment may be subject to certain remedies, including forfeiture of 50% of its Interest (with a corresponding reduction in that Limited Partner's capital account) except to the extent that distributions with respect to such Limited Partner's capital account represent a return of capital to such defaulting Limited Partner less any expenses, deductions or losses. Each non-defaulting Limited Partner may be required to increase its Capital Contribution (except with respect to a defaulting Limited Partner's Management Fees); provided, that no Limited Partner will be required to fund amounts in excess of its Unfunded Commitments.

Parallel Vehicles

The General Partner may, in its sole and absolute discretion, provide co-investment opportunities alongside the Fund and any Parallel Vehicles in one or more of the Investments to certain persons such as Limited Partners or third parties in which the General Partner determines that, due to size or risk of the Investment, such investment is not in the Fund's best interests to be made in whole. The Parallel Vehicles will generally invest proportionately in all Investments on a pro rata basis (based on available capital at the time of the initial acquisition thereof) and dispose of Investments on effectively the same terms and conditions and at approximately the same time as the Fund, subject to applicable legal, tax or regulatory considerations, and will generally share on a pro rata basis (based on available capital at the time of consummation of each such investment) in expenses; provided, that if a Parallel Vehicle does not have sufficient available capital to fund its pro rata share of an Investment, such unfunded portions may be allocated to the Fund and the other Parallel Vehicles proportionally based on such party's capital commitments. Such arrangements will have economic terms no more favorable than those of the Fund. The limited partners in the Parallel Vehicle vote independently in relation to matters affecting only the particular entity in which they are a limited partner and on a combined basis in relation to matters affecting the Fund as a whole. All references herein to the Fund will also be references to any Parallel Vehicles

unless the context otherwise indicates. The General Partner initially expects to form a Parallel Vehicle for investment by non-U.S. investors.

The General Partner, the Investment Manager and their affiliates reserve the right to raise and manage one or more managed accounts or other similar arrangements structured through an entity (collectively, "Managed Account Vehicles") for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that overlap with, those of the Fund. (See Section IX – "Risk Factors and Conflicts of Interest.")

Feeder Vehicles

The Fund may form a U.S. or a non-U.S. feeder entity (the "Feeder Vehicle") for certain investors for the purpose of making their investment through such Feeder Vehicle. Investors in the Feeder Vehicle will have indirect Interests on the same economic terms as the other investors in the Fund. With respect to certain investments of the Fund that generate income that is effectively connected with the conduct of a U.S. trade or business, the Feeder Vehicle may hold such investments through entities that are treated as U.S. corporations for U.S. federal income tax purposes. While it is the intention of the Fund that such a structure would minimize or eliminate direct reporting of effectively connected income from such investments and avoid the branch profits tax, such a structure would not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with such an investment. Prospective purchasers should carefully review the ERISA matters discussed in "Regulatory, Tax and ERISA Considerations" and should consult with their own advisors as to the consequences of making an investment in the Fund through a Feeder Vehicle. See Section X – "Certain Regulatory, Tax and ERISA Considerations."

Alternative Investment Vehicles

Alternative investment vehicles in which one or more Limited Partners may be required to invest outside the Fund may be used by the General Partner if the General Partner determines in good faith that for legal, tax, regulatory, accounting or other similar considerations it is in the best interest of such Partners that an Investment (or a portion thereof) be made through an alternative investment vehicle. Any applicable Carried Interest will be calculated based on the aggregate investment proceeds of the Fund and all alternative investment vehicles (unless otherwise agreed to by a majority in interest of the Combined Limited Partners). Expenses associated with alternative investment vehicles may be allocated solely to the participants therein, as determined in good faith by the General Partner; *provided* that to the extent such alternative investment vehicle is formed for the benefit of some but not all of the participants therein, the expenses associated with such alternative investment vehicle may be allocated to those benefiting thereby, as determined in good faith by the General Partner.

Certain Tax Matters	It is intended that, for U.S. federal income tax purposes, the Fund will be treated as a partnership and will not be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code that is taxed as a corporation. Each prospective investor should carefully review the tax matters discussed under Section IX – "Risk Factors and Conflicts of Interest" and Section X – "Certain Regulatory, Tax and ERISA Considerations" and is advised to consult its own tax advisor as to the tax consequences of an investment in the Fund.
Amendments; Side Letters	Except as required by law and subject to certain limitations set forth in the Partnership Agreement, the Partnership Agreement may be amended from time to time with the consent of the General Partner and a majority in Interest of the Combined Limited Partners. In certain circumstances described in the Partnership Agreement, the General Partner may unilaterally amend the Partnership Agreement (including to accommodate changes negotiated with Combined Limited Partners at Subsequent Closings, subject to certain limitations). The Fund or the General Partner, without any further act, approval or vote of any Partner, may enter into side letters or other writings with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement. Any rights established, or any terms of the Partnership Agreement altered or supplemented in a side letter with a Limited Partner will govern with respect to such Limited Partner notwithstanding any other provision of the Partnership Agreement.
Partnership and General Partner Counsel	Alston & Bird LLP
Auditors	Deloitte & Touche LLP
Custodians	Wells Fargo Bank N.A., U.S. Bank N.A., and KeyBank N.A.

IX. RISK FACTORS AND CONFLICTS OF INTEREST

Investment in the Fund entails a high degree of risk and is suitable only for sophisticated individuals and institutions for whom an investment in the Fund does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Fund. Prospective investors should carefully consider the following risk factors, among others, in determining whether an investment in the Fund is a suitable investment. There can be no assurance that the Fund will be able to achieve its investment objectives, and investment results may vary substantially on an annual basis.

No Operating History

Although the Investment Committee Members and other key personnel of the General Partner and the Investment Manager have extensive experience investing in and structuring real estate properties and real estate related businesses and entities, the Fund, the General Partner and the Investment Manager are newly formed entities with no operating history. As a result, an investment in the Fund may entail more risk than an investment in a company with a substantial operating history.

Reliance on Key Management Personnel

The success of the Fund will depend, in large part, upon the skill and expertise of the Investment Committee Members and other key persons described in Section VII – "The General Partner, the Investment Manager and Management." These individuals are under no contractual obligation to remain with the General Partner, the Investment Manager or the Fund and are not required to devote all of their time to the Fund's affairs. If the General Partner were to lose the services of any of these key personnel, the financial condition and operations of the Fund could be materially adversely affected. There can be no assurance that these key personnel will continue to be affiliated with the Fund throughout its term. See Section VIII – "Detailed Summary of Terms – Key Man Event."

No Right to Control the Fund's Operations

Limited Partners have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund and must rely entirely on the General Partner and the Investment Manager to conduct and manage the affairs of the Fund. The Carried Interest allocation to be made to the General Partner may create an incentive for the General Partner to make investments that are riskier or more speculative than the investments the General Partner would otherwise recommend if its compensation did not include a Carried Interest component. In the limited areas where the Limited Partners have the right to consent to or to take certain actions, it should be noted that the Limited Partners and the limited partners of the Parallel Vehicles generally vote on all matters on a combined basis as set forth in the Partnership Agreement. Accordingly, action by limited partners in a Parallel Vehicle could affect the Fund.

Availability of Suitable Investments

Purchasers of the Interests will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Investment Manager in investing and managing the capital of the Fund.

Substantial Competition for Suitable Investments

The Fund will be competing for investments with many other real estate investment vehicles, as well as individuals, operating companies, financial institutions (such as REITs, mortgage banks, pension funds and real estate operating companies) and other institutional investors. Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Fund and adversely affecting the terms upon which Investments can be made. The Fund may incur

bid, due diligence or other costs on investments which may not be successful or may not be completed at all. As a result, the Fund may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on the Fund with respect to the price of a transaction. There can be no assurance that investments of the type in which the Fund may invest will continue to be available for the Fund's investment activities or that available investments will meet the Fund's investment criteria. Further, to the extent suitable investments are available, there can be no assurance that if such investments are made, the objective of the Fund will be achieved.

Restrictions on Transfer and Withdrawal

Interests have not been registered under the Securities Act, the securities laws of any U.S. state, or the securities laws of any other jurisdiction, and therefore, cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not expected that registration under the Securities Act or other securities laws will ever be effected. Interests may only be offered, sold or transferred to individuals or entities who or which are qualified investors under applicable securities laws. Furthermore, there is no public market for the Interests and none is expected to develop. Each Limited Partner will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Interest for investment purposes and not with a view to resale or distribution. Each Limited Partner must be prepared to bear the economic risk of an investment for an indefinite period of time. A Limited Partner will not be permitted to assign, sell, exchange or transfer any of its interest, rights or obligations with respect to its Interest, except by operation of law, without the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. Except in extremely limited circumstances, voluntary withdrawals from the Fund will not be permitted.

No Assurance of Investment Return

The General Partner and the Investment Manager cannot provide assurance that they will be able to choose, make, and realize investments in any particular type of Investment. There can be no assurance that the Fund will be able to generate returns for the Limited Partners or that the returns will be commensurate with the risks of investing in the type of assets, securities, companies and transactions described herein. There can be no assurance that any Limited Partner will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Illiquid Investments

The Fund intends to invest in debt obligations secured by real estate properties for which the number of potential purchasers and sellers, if any, is often very limited. This factor may have the effect of limiting the availability of these obligations for purchase by the Fund and may also limit the ability of the Fund to adjust its investing strategy in response to adverse changes in the performance of Investments or changes in economic or market trends.

Long-Term Investment

Investment in the Fund requires a long-term commitment, with no certainty of return. The return of capital and realization of gains, if any, from an Investment will generally occur only upon the partial or complete disposition or refinancing of such Investment. Limited Partners should therefore expect that they will not receive a return of capital for an extended period of time. Thus, an investment in the Fund is not suitable for an investor who needs liquidity.

Investments Longer than Term

The Fund may make investments which may not be advantageously disposed of prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or will be suitable for in-kind distribution at dissolution,

the Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Dilution from Additional Closings

Limited Partners that are admitted or increase their Capital Commitment at Subsequent Closings will generally participate in existing Investments of the Fund, diluting the interest of existing Limited Partners that do not determine to increase their Capital Commitment. Although such Limited Partners will contribute their pro rata share of previously made Fund draws (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair value of the Fund's existing Investments at the time such additional Limited Partners subscribe for Interests.

Recycling; Reinvestment

During the Commitment Period, proceeds distributable (or previously distributed) to the Partners that constitute a return of Capital Contributions may be retained and reinvested (or recalled for reinvestment) by the General Partner or used (or recalled for use) by the General Partner for any purpose permitted under the Partnership Agreement. Accordingly, a Partner may be required to fund an aggregate amount in excess of its Capital Commitment during the term of the Fund, and to the extent such recalled or retained amounts are reinvested in investments, a Limited Partner will remain subject to investment and other risks associated with such investments.

Failure to Fund Capital Commitments; Consequences of Default

If a Limited Partner fails to pay installments of its Capital Commitment when due, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted Capital Contribution, the Fund may be unable to meet its obligations when due. As a result, the Fund may be subjected to significant penalties that could limit opportunities for Investment diversification and materially adversely affect the returns of the Limited Partners (including non-defaulting Limited Partners). If a Limited Partner defaults, it may be subject to various remedies as provided in the Partnership Agreement, including, without limitation, forfeiture of its capital account balance, a forced sale of its Interests at a reduced value and preclusion from further investment in or sharing in gains of the Fund.

General Economic and Market Conditions

The real estate industry generally and the success of the Fund's investment activities will both be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. These factors may affect the level and volatility of investment prices and the liquidity of the Fund's Investments, which could impair the Fund's profitability or result in losses. In addition, general fluctuations in interest rates may affect the Fund's investment opportunities and the value of the Fund's Investments. A sustained downturn in the United States or global economy (or any particular segment thereof) could adversely affect the Fund's profitability, impede the ability of the Fund's portfolio entities to perform under or refinance their existing obligations and impair the Fund's ability to effectively exit its Investments on favorable terms.

Fannie Mae and Freddie Mac Legislative Reform Risk

Recent legislation sponsored by Senators Johnson and Crapo ("Johnson/Crapo Bill") proposes to wind down Fannie Mae and Freddie Mac and replace them with the Federal Mortgage Insurance Corporation ("FMIC"). The FMIC would fulfill the current functions of Fannie Mae and Freddie Mac, but would be subject to greater oversight and control by Congress. The likelihood of enactment of the Johnson/Crapo Bill is uncertain. However, it indicates the high degree of Congressional interest in curtailing or eliminating many of the current functions of Fannie Mae and Freddie Mac. There can be no assurance that Johnson/Crapo Bill, even if enacted in substantially different form than currently proposed, would not have a negative impact on the investment

opportunities that the Fund will rely on to be proposed by Freddie Mac. If Freddie Mac's current operations are substantially restricted or if it is wound down by the Johnson/Crapo Bill or by any legislation enacted in the future, it could substantially reduce the amount of investment opportunities available to the Fund and result in a negative impact on your investment.

Investments with Third Parties in Joint Ventures and Other Entities

The Fund may hold non-controlling interests in certain investments or, similarly, may co-invest with third parties through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers. The Fund's ability to seek redress against a partner or manager which acts in a manner contrary to the interests of the Fund may also be limited. Investments made with third parties in joint ventures or other entities may involve "carried interest" and other fees payable to such third-party partners or co-venturers. Any such arrangements will result in lower returns to the Fund than if such arrangements had not existed.

Nature of Debt Securities

The debt securities in which the Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Investments in Commercial Property Loans

The investments of the Fund may be backed by or comprised of loans made with respect to a variety of commercial real estate, including but not limited to multifamily, hotel, retail, office, mobile home, student housing, self-storage, industrial and mixed portfolios (collectively, "Loans"). Such Loans are subject to normal credit risks as well as those generally not associated with traditional debt securities. The ability of the borrowers to repay the Loans will typically depend upon the successful construction or rehabilitation and operation of the related real estate projects and the availability of financing. Any factors that affect the ability of the projects to generate sufficient cash flow could have a material effect on the value of the Loans and accordingly the value of the assets of the Fund. Such factors include, but are not limited to (a) the uncertainty of cash flow to meet fixed obligations, (b) adverse changes in general and local economic conditions, including interest rates and local market conditions, (c) tenant credit risks, (d) the unavailability of financing, which may make the operation, sale, or refinancing of a property difficult or unattractive, (e) vacancy and occupancy rates, (f) construction and operating costs, (g) regulatory requirements, including zoning, rent control and real and personal property tax laws, rates and assessments, (h) environmental concerns, (i) project and borrower diversification, (j) vandalism (with attendant security costs), (k) uninsured losses, (l) restrictions and compliance costs imposed by the Americans with Disabilities Act and similar laws, and (m) general nonrecourse status. In addition, commercial properties often involve a single user or tenant, or relatively few tenants. Commercial property specifications may be tailored to the requirements of particular users or tenants and, accordingly, it may be difficult, costly and time consuming to liquidate such properties or attract new tenants.

General Real Estate Risks

The Fund's Investments consist of debt and equity securities in entities that derive their cash flow and value from the performance of underlying real estate properties. The cash flow, value and marketability of real estate is subject to a number of factors, including, among others, changes in the general economic climate, local

conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of the managers of the properties, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance costs, changes in operating costs, changes in government regulations (including those governing usage, improvements zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

In certain circumstances the Fund may be required to foreclose upon collateral and become the direct owner of real estate and subject to real estate risk including the following:

- Overbuilding and increased competition;
- Declines in the value of real estate;
- Increase in the operating expenses;
- Vacancies due to economic conditions and tenant bankruptcies;
- Changes in zoning laws;
- Casualty or condemnation loss;
- Variations in rental income;
- Changes in neighborhood values; and
- Functional obsolescence and appeal to property tenants.

Special Servicing Rights

In commercial real estate debt, a special servicer or "workout agent" is responsible for resolving delinquent and defaulted underlying mortgage loans. In the event that the General Partner obtains the right to appoint the special servicer with respect to an investment, the General Partner may appoint itself or an affiliate as special servicer. If the General Partner does not obtain such rights, the Fund may not be able to influence the special servicing of its underlying defaulted mortgage loans. Should the General Partner appoint itself or an affiliate as a special servicer, such services to the Fund will be provided at or below competitive market rates.

Extension Risk

The Fund expects to acquire most CMBS investments at a discount. Such investments are subject to the risk that a slower than expected rate of principal payment on the underlying mortgage loans could result in an actual yield that is lower than the anticipated yield from these investments.

Prepayments

The yield on any Fund asset will be affected by the rate and timing of principal payments applied in reduction of the actual or, in the case of certain interest-only securities, the notional principal amount of such assets. The rate and timing of these principal payments, or in the case of principal losses, principal or notional write-downs, will be affected by, among other factors, (i) the collection experience on the underlying mortgage loans, particularly unscheduled principal payments or collections in the form of voluntary prepayments of principal or unscheduled recoveries of principal due to defaults, and (ii) the order of priority in which such principal and collections are distributed in reduction of the actual or notional principal balance of the assets. Although underlying mortgage loans within each CMBS transaction invested in by the Fund may offer structural protection to early voluntary repayment in the form of prepayment penalties or yield maintenance payments, most subordinated classes of CMBS, such as the CMBS that will be invested in by the Fund, will not receive such penalties or payments.

Subordinated Securities

Investments in subordinated interests of securities backed by commercial real estate assets such as any subordinated CMBS invested in by the Fund involve greater credit risk of default than the senior classes of the issue or series. Many of the default-related risks of whole loan mortgages will be magnified in subordinated securities. Default risks may be further pronounced in the case of subordinated interests secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

Investments in Commercial Mortgage Loans

Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity (as a "balloon payment"), and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Most commercial mortgage loans underlying the Fund's investments are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the loan, and in particular the subordinated classes of any related loans or CMBS are likely to be adversely affected. The ultimate extent of the loss, if any, on the loan or any subordinated classes of loans or CMBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed-in-lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property, may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the loan or related CMBS. Revenues from the assets underlying such loan or CMBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Loans acquired by the Fund may be nonperforming at the time of their acquisition, or following their acquisition for a wide variety of reasons. Such nonperforming real estate loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial writedown of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control.

Subordinated Investments

Many of the Fund's investments will be in subordinated mezzanine loans, B-pieces and other junior participation interests and preferred equity interests of a direct or indirect property owning entity. These investments will be subordinated to the senior obligations of the property or issuer, either contractually or structurally, because they may be equity securities. Greater credit risks are usually attached to these subordinated investments rather than to a borrower's first mortgage or other senior obligations because, among other reasons, these investments may not be protected by financial or other covenants and may have limited liquidity. These investments may be so-called "first loss investments" (regardless of whether they are equity investments). Adverse changes in a borrower's or an issuer's financial condition and/or in general economic conditions may impair the

ability of the borrower or issuer to make payments on the subordinated securities, which are made, generally, only after payments are made on senior investments. Accordingly, such subordinated investments may go into default and suffer losses prior to the borrower's or issuer's senior obligations.

Risks Associated with Borrower Defaults

In the event of a borrower default under a loan from the Fund, the Fund may in certain limited cases be entitled to foreclose upon the property securing the Fund's loan investment. A foreclosure action or other lender remedies may be subject to delays and additional expenses if defenses or counterclaims are interposed, and may require several years to complete. Moreover, a non-collusive, regularly conducted foreclosure sale may be challenged as a fraudulent conveyance, regardless of the parties' intent, if a court determines that the sale was for less than fair consideration and such sale occurred when the borrower was insolvent and within one year (or within the applicable state statute of limitations if the trustee in bankruptcy elects to proceed under state fraudulent conveyance laws) of the filing of bankruptcy. Similarly, a suit against a borrower on a note may take several years, and generally is a remedy alternative to foreclosure so that the Fund may be precluded from pursuing both foreclosure and an action on a note simultaneously.

Risk of Inadequate Insurance

It is anticipated that the Fund's borrowers will maintain insurance coverage against liability for personal injury and property damage. However, there can be no assurance that such insurance will be sufficient to cover any such liabilities. Insurance against certain risks, such as earthquakes or floods, may be unavailable, or available only in amounts that are less than the full market value or replacement cost of the applicable collateral. In addition, there can be no assurance that particular risks, which are currently insurable, will continue to be insurable on an economical basis or that current levels of coverage will continue to be available on an economical basis. Should an insured or underinsured loss occur, the Fund could lose its investment as well as anticipated income from such investment.

High Risk Investments

As part of its investment strategy, the Fund may acquire interests in highly leveraged or distressed or mismanaged debt and equity investments. While the Fund believes there is an opportunity for significant capital appreciation with respect to such investments, there is also an enhanced degree of risk. These investments may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses and may be particularly sensitive to recessions, downturns in general economic and business conditions and increased interest rates. There can be no assurance that the investments will perform, the borrowers will pay as expected, or, if defaulted, that the underlying assets will be able to be foreclosed upon and liquidated in a cost effective manner. In addition to the risks of borrower default, the Fund will be subject to a variety of risks in connection with such investments, including risks arising from mismanagement or a decline in the value of collateral, contested foreclosures, bankruptcy of the debtor, claims for lender liability, violations of usury laws and the imposition of common law or statutory restrictions on the Fund's exercise of contractual remedies for defaults on such investments.

Environmental Risks

Any real property in which the Fund owns a direct or indirect ownership interest will be subject to federal and state environmental laws, regulations and administrative rulings, which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste. In the event the Fund owns or becomes an owner of real estate, through purchase, foreclosure or otherwise, the Fund may be subject to federal and state environmental laws, which impose joint and several liability on past and present owners and users of real property for hazardous substance remediation and removal costs. It is also possible, through the operation of various federal and state laws, for the Fund to be considered an owner or operator of real property simply as a result of making a loan secured on such property. Therefore, the Fund and any other entity in which the Fund acquires an interest may be exposed to substantial risk of loss from environmental claims arising

with respect to any property with undisclosed or unknown environmental problems or as to which inadequate reserves have been established, and the potential losses may exceed the Fund's investment therein.

Collateral

The Fund anticipates that its debt investments will be secured, directly or indirectly, by either a mortgage on real property or by a pledge and assignment of an ownership interest in the borrower entity. There is a risk that any such collateral may decline in value. Each loan that is secured directly or indirectly by real property is subject to the risk of loss from casualty or condemnation and the other risks associated with the ownership of real property, which risks are more particularly described in the paragraph entitled "General Real Estate Risks." Although it is anticipated that the Fund will in some instances have approval rights for certain major decisions (e.g., leasing, budgets, refinancing and sale), the Fund will be dependent upon the management skills of the borrower (or its affiliates or managers) for the overall operations of the underlying collateral.

Phantom Income

Investors in the Fund will be required to take into account for U.S. federal income tax purposes their allocable shares of the Fund's income without regard to the amount, if any, of distributions they have received from the Fund. Certain of the Fund's investments, particularly investments in CMBS, and certain resecuritizations that may be performed by the Fund are structured so as to cause the Fund to recognize taxable income in excess of its economic income ("phantom income"). Accordingly, to the extent the Fund recognizes phantom income or is not otherwise in a position to distribute its income investors may be required to pay federal income tax (and any other applicable income taxes) on amounts of income substantially in excess of cash distributions. (See Section X – "Certain Regulatory, Tax and ERISA Considerations.")

Credit Support Limitations

The amount, type and nature of insurance policies, subordination, letters of credit and other credit support, if any, with respect to certain CMBS and CDOs invested in by the Fund are based upon actuarial analysis. There can be no assurance that the historical data supporting such actuarial analysis will accurately reflect future experience nor any assurance that the data derived from a large pool of underlying mortgage loans accurately predicts the delinquency, foreclosure or loss experience of any particular pool of loans.

Lower Credit Quality Securities

There are no restrictions on the credit quality of the investments of the Fund. The Fund intends to invest in securities that may be deemed by nationally recognized rating agencies to have substantial vulnerability to default in payment of interest or principal. Securities purchased by the Fund may have the lowest quality ratings provided by the rating agencies or may be unrated. Lower rated and unrated securities have large uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative. Generally, such securities offer a higher return potential than higher rated securities, but involve greater volatility of price and greater risk of loss of income and principal.

The market values of certain of these securities (such as subordinated securities) also tend to be more sensitive to changes in economic conditions than higher rated securities. Declining real estate values in particular will increase the risk of loss upon default, and may lead to a downgrading of the securities by the rating agencies. The value of such CMBS may also be affected by changes in the market's perception of the entity issuing or guaranteeing them, or by changes in government regulations and tax policies.

"**Widening" Risk**

For reasons not necessarily attributable to any of the risks discussed above (for example, supply/demand imbalances or other market forces), the prices of the assets in which the Fund invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will

not be trading at even more "undervalued" levels at a time of sale by the Fund. It may not be possible to predict, or to hedge against, such "spread-widening" risk.

Leverage Risk

The Fund may use leverage in connection with its investments. While the use of leverage may enhance returns and increase the number of investments that can be made by the Fund, it may also substantially increase the risk of loss. Also, there can be no assurance that financing will be available to the Fund, available on a continuous basis or that it will be available on favorable terms. The Fund may also not be able to obtain financing with a term that matches the maturity of the investments acquired with such financing. In such a case, the Fund may need to liquidate investments to pay off such financing or obtain replacement financing on less favorable terms.

To enhance returns on its assets, the Fund may leverage its assets through bank credit facilities, warehouse lines of credit and other financings. On the basis of the estimated cash flows to be generated by its assets (both before and after giving effect to leverage) and subject to the leverage limitation of 60% of the sum of the acquisition costs of the Fund's Investments, the General Partner will decide, in its sole discretion (without the approval of or notice to investors), whether, and the extent to which, such leverage could be expected to achieve such enhancement. There can be no assurance, however, that leverage will achieve its goal. Leverage, moreover, can reduce the cash flows available for investment or distribution to investors. There can therefore be no assurance that the Fund will be able to meet its leverage-related debt service obligations and, to the extent that it cannot, the Fund risks to lose some or all of its assets.

The Fund's use of short-term floating-rate borrowings to acquire Investments (some of which will bear a fixed interest rate) may expose the Fund to a maturity mismatch. As a consequence, the Fund's borrowing costs could exceed the income earned on the assets it acquired with the borrowed funds, thereby reducing the Fund's income and its ability to invest and to make distributions to its investors. In addition, to repay maturing, short-term or called borrowings, the Fund may have to sell assets (even illiquid assets) quickly, at unfavorable prices, unless renewals of, or substitutes for, such borrowings are available. Forced sales of illiquid assets at unfavorable prices may result in a loss to the Fund.

The Fund's borrowings and its variable-rate assets are based on similar interest rate indices and repricing terms. The indices and terms for such borrowings, however, reflect a maturity somewhat shorter than those for the variable-rate assets. Although the historical spread between relevant short-term interest-rate indices has been relatively stable, the spread has on occasion been subject to volatility. In particular, spreads were extremely volatile during 2008-2009 and have been for extended periods in the past (*e.g.*, the 1979-1982 high interest rate environment). Certain assets of the Fund, furthermore, will bear interest at fixed rates and will have long-term maturities. There can be no assurance that such fixed rates will exceed the variable rates of interest on related borrowings. Interest rate mismatches could adversely affect the Fund's financial condition, income and ability to invest and to make distributions to its investors.

In addition, the Fund, as a structurally subordinated investor, has greater exposure to the risks incident to real estate ownership generally, and the leverage risk of the borrower in particular, than senior lenders. The Fund faces a greater exposure than senior lenders to the risk of borrower delinquency and default, as well as undercollateralization. As a rule, particularly if the borrower is in default, senior debt must be repaid before junior debt. If the senior and junior debts are secured by the same collateral, the senior lenders are entitled to foreclose on the collateral and satisfy their debt before the junior debt-holders receive any of the remaining foreclosure proceeds. The allocation of cash flows generated by the collateral property generally follows a similarly strict pattern during borrower default.

Risks of Derivatives

The Fund may utilize derivative instruments and techniques in order to hedge interest rate risk to which it is subject or to take on synthetic exposure to an investment. In addition to the general risks involved in any hedging activities, engaging in derivative transactions is subject to specific risks. The prices of all derivative instruments,

including options and swaps, are highly volatile. Price movements of options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities or other instruments underlying them. In addition, the Fund will also be subject to the risk of the failure of any of the exchanges on which it trades derivative instruments or of their clearinghouses.

The Fund may purchase and sell ("write") options on securities on national securities exchanges and in the domestic over-the-counter market. The seller ("writer") of a put option that is covered (e.g., where the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price (in establishing the short position) of the underlying security plus the premium received, and has sold the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of securities with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The writer of a call option that is covered (*e.g.*, where the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and has sold the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells the underlying security short, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security.

Options may be settled in cash, by physical delivery or by entering into a closing purchase (or sale) transaction. In entering into a closing purchase (or sale) transaction, the Fund may be subject to the risk of loss to the extent that the premium paid (or received) for entering into such closing purchase (or sale) transaction exceeds the premium received (or paid) when the option was first written (or purchased).

The Fund may buy or sell protection synthetically on various investments through the use of credit default swaps ("CDS") (or through credit linked notes), the reference obligations of which represent an interest in and are linked to structured products and other real estate-related investments. Investments in such types of assets through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of such investments. When the Fund is a buyer of protection in an unfunded CDS ("short"), upon the occurrence of a credit event, the counterparty to the Fund has an obligation to pay the par value of a defaulted reference obligation and take delivery from the Fund of such obligation, or to settle in cash. In order for physical settlement, the Fund would first need to purchase the reference obligation in order to deliver it and obtain payment under the CDS. The reverse is true when the Fund is a seller of protection ("long"). An active market may not exist for any of the CDSs in which the Fund invests or in the reference obligations subject to the CDS. As a result, the Fund's ability to maximize returns or minimize losses on such CDSs may be impaired. Other risks of CDSs include the difficulties in valuing the CDS, pricing transparency and the risk that the CDSs utilized by the Fund perform in a manner that does not correlate to the underlying markets or performs in other ways that are not expected. The Fund's positions in CDSs are also subject to counterparty risk, credit risk, market risk and interest rate risk. In addition, when the Fund is a buyer of protection on structured products, it may not be able to realize upon expected defaults if the underlying problem loans are bought out of the transaction at par by the issuer or another related party.

With respect to CDS, the Fund will not have a contractual relationship with the reference obligor on the reference obligation. The Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of either the reference obligation or any rights of set-off against the reference obligor, nor will the Fund generally have any voting or other consensual rights of ownership with respect to the reference obligation. The Fund will not directly benefit from any collateral supporting the reference obligation and will not have the

benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the CDS counterparty, the Fund will be treated as a general creditor of such counterparty and will not have any claim of title with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the CDS counterparty as well as that of the reference obligor.

The Fund may gain exposure to various investments through the use of total return swaps. The Fund can express a positive or negative view on the market by agreeing to either pay or receive the total return on a specific index. Investments in total return swaps may be unfunded, effectively involving leverage. Additionally, the term of any total return swap may be limited, and there is no guarantee than any active market will exist at any time. The Fund's positions in total return swaps are also subject to counterparty risk, credit risk, market risk and interest rate risk.

In order to further protect its investors from volatility, the General Partner may employ various forms of currency hedging, including using futures contracts. The General Partner may also leverage the investment return with commodity futures contracts. Futures markets are highly volatile. Price movements of futures markets are influenced by such factors as: changing supply and demand relationships; weather; governmental actions and interventions; agricultural, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and speculative frenzy and emotions of the marketplace.

Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund. (Also see Section IX - "Risk Factors and Conflicts of Interest.")

Futures interests may be illiquid. Most United States commodity exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have moved the daily limit for several consecutive days with little or no trading in the past. Similar occurrences could prevent the Fund from promptly liquidating unfavorable positions and thus subject the Fund to substantial losses, which could greatly exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Fund may not be able to execute trades at favorable prices if there is only light trading in the contracts involved. Forward contracts and options thereon generally are not traded on exchanges and are not regulated or standardized. Trading in interbank exchange contracts may be subject to more risk than futures or options trading on regulated exchanges. (See Section IX – "Risk Factors and Conflicts of Interest.") The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. Participants in these markets may refuse to quote prices for certain currencies or commodities or quote prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell.

Swaps, certain options and other custom instruments are subject to the risk of nonperformance by the swap counterparty, including the risks relating to the financial soundness and creditworthiness of the swap counterparty. The Fund does not have any fixed credit-rating requirements for the counterparties with which it may engage in swaps.

Limits on trading in options contracts have been established by the various options exchanges and FINRA. The General Partner believes that established position limits will not adversely affect the Fund's contemplated trading. However, it is possible that the trading decisions of the General Partner may have to be modified and that positions held by the Fund may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the Fund's operations and profitability.

Other Financial Instruments

The Fund may take advantage of opportunities with respect to financial instruments that presently are not contemplated for use or that currently are unavailable, but that may be developed, to the extent such opportunities are legally permissible. Special risks may apply to instruments in which the Fund in the future may invest that cannot be determined at this time or until such instruments are developed or the Fund invests in them. Other financial instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

Ability to Acquire Assets at Favorable Spreads; Competition and Supply

The Fund's return will depend, in large part, on the General Partner's ability to acquire investments for the Fund on advantageous terms. In acquiring investments, the Fund will compete with other investors, which may have greater financial resources than the Fund. Unanticipated increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments, which could narrow the yield spread over borrowing costs and reduce the Fund's returns.

Appraisal Reduction Risk

Upon the occurrence of certain events generally relating to a payment or other default on an underlying mortgage loan or events relating to the insolvency of the underlying mortgage loan borrower, the special servicer of the relevant asset will order an updated appraisal and calculate an "appraisal reduction" with respect to such mortgage loan. As a result of calculating one or more appraisal reductions, the amount of any required principal and interest advance with respect to such mortgage loan will be reduced by an amount equal to the amount of the appraisal reduction. This will have the effect of reducing the amount of interest available to the most subordinated class of CMBS outstanding, including the CMBS acquired by the Fund. Such reductions in interest, if they occur, may never be recouped. Consequently, the Fund may suffer from reductions in the amount of interest paid to it as the holder of such investments.

Counterparty Risk

During the recent financial crisis, several prominent financial market participants failed or nearly failed to perform their contractual obligations when due – creating a period of great uncertainty in the financial markets, government intervention in certain markets and in certain failing institutions, severe credit and liquidity contractions, early terminations of transactions and related arrangements, and suspended and failed payments and deliveries.

Many of the markets in which the Fund will affect its transactions will be "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the applicable contract (whether or not such dispute is bona fide) or because of a credit or liquidity problem, causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The General Partner has no internal credit function that evaluates the creditworthiness of a counterparty.

Insolvency Considerations

Debt securities held by the Fund may be subject to various laws enacted in the home country of the issuer of such debt securities (i.e., U.S., Canada, Mexico or the Caribbean, as applicable) for the protection of creditors. Insolvency considerations will differ depending on the country in which each issuer is located and may differ depending on whether the issuer is a non-sovereign or a sovereign entity. If a court in a lawsuit brought by an

unpaid creditor or representative of creditors of an issuer of debt securities, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such debt security and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the issuer or recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were greater than all of its property at a fair valuation or if the present fair saleable value of its assets were less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the debt securities, or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a debt security, payments made on such debt security could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency.

In addition, if an issuer of a debt security is the subject of a bankruptcy proceeding, payments to the Fund with respect to such debt security may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court including the following: (a) an "automatic stay," under which the Fund will not be able to institute proceedings or otherwise enforce its rights against the issuer or obligor with respect to such debt security without permission from the court, (b) conversion by the bankruptcy court of such debt security into more junior debt or into an equity obligation of the issuer thereof or obligor thereon, (c) modification of the terms of the debt security by the bankruptcy court, including reduction or delay of the interest or principal payments thereon and (d) grant of a priority lien to a new money lender to the issuer of, or obligor on, the debt security.

Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists.

Usury

Any loans made by the Fund to any borrower entity may be subject to state usury laws. The Fund intends to comply with any applicable usury laws; however, in some instances, the General Partner may not be aware that the usury laws of a state are applicable and/or may not be successful in causing the Fund to comply with such laws.

Failure of the Fund to comply with any applicable usury laws could result in a significant loss with respect to any such loan and/or equity investment.

Limited Information

The Fund may not receive access to all available information to fully determine the origination, credit appraisal and underwriting practices utilized with respect to the investments or the manner in which the investments have been serviced or operated prior to acquisition of the investment by the Fund. In such cases, the information available to the General Partner and the Investment Manager at the time of making an investment decision may be limited, and they may not have access to detailed information regarding the investment. Therefore, no assurance can be given that the General Partner and the Investment Manager will have knowledge of all circumstances that may adversely affect an investment.

Expedited Transactions

Investment analyses and decisions by the General Partner and the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In these circumstances, the General Partner and the Investment Manager often expect to rely upon independent consultants or the resources at various companies with which the Investment Committee Members were previously associated in connection with its evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Fund may incur liability as a result of such consultants' actions. Further, indemnification or other remedies may not be available to the Fund due to contractual provisions with such independent consultants limiting such indemnification or other remedies.

Diversification

Although the Fund intends to have certain diversification limitations (the Fund intends not to invest more than 15% of the aggregate Capital Commitments of all Limited Partners in any single investment, except in the limited circumstances described below), to the extent the Investment Manager concentrates the Fund's investments in a particular market, the Fund's portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular market. In addition, up to 25% of the aggregate amount of Capital Commitments may be invested in any one investment if the General Partner believes in good faith that the Capital Contributions invested in such investment can be reduced to no more than 15% of the aggregate Capital Commitments within two years from the date of the initial investment therein. In these circumstances and in other transactions where the General Partner intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Currency Risk

Foreign investors may experience currency risk with respect to their investment in the Fund. The value of the U.S. dollar fluctuates and it may change in relation to the value of other currencies around the world. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments.

Hedging Policies/Risks

In connection with the financing of certain investments, the Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, or currency

exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. The General Partner does not in the ordinary course of business expect to hedge currency risks.

Troubled Origination

The Fund's investments may have been originated by financial institutions that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected.

Potential of No Current Income

The Fund's investment policies should be considered speculative, as there can be no assurance that the General Partner's assessments of the short-term or long-term prospects of investments will generate a profit. An investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

Liability of Partners

The General Partner has unlimited liability for all debts and obligations of the Fund. The total liability of a Limited Partner is limited to the amount of its Capital Commitment, unless in certain circumstances where such Limited Partner was involved in the management or otherwise engaged in the business of the Fund or externally represented the Fund. Any Limited Partner's Capital Commitment is susceptible to risk of loss as a result of any liability of the Fund irrespective of whether such liability is attributable to an investment to which such Limited Partner did not contribute any capital. If the Fund is otherwise unable to meet its obligations, the Limited Partners may, under Delaware law or other applicable law, be obligated to return, with interest, distributions previously received by them pursuant to any applicable rules regarding fraudulent conveyances to the Fund or to creditors whose interests have been injured. In addition, a Limited Partner may be liable under applicable bankruptcy law to return a distribution made during the Fund's insolvency.

Uncertainty of Financial Projections

The General Partner will generally establish the capital structure of portfolio entities on the basis of financial projections for such portfolio entities. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Indemnification

The Fund will be required to indemnify the General Partner, the Investment Manager, their respective affiliates and the respective members, partners, shareholders, officers, directors, employees, agents and representatives thereof for liabilities incurred in connection with the affairs of the Fund. Members of the Advisory Committee will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the Partnership Agreement. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the Unfunded Commitments of the Limited Partners. If the assets of the Fund are insufficient, the General Partner may recall the distributions previously made to the Limited Partners, subject to certain limitations set forth in the Partnership Agreement. The General Partner may cause the Fund to purchase insurance for the Fund, the General Partner, the Investment Manager and their employees, agents and representatives.

Public Disclosure and FOIA

To the extent that the General Partner determines in good faith that, as a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of its affiliates may be required to disclose information relating to the Fund, its affiliates, or any entity in which an investment is made (other than certain fund-level, aggregate performance information described in the Partnership Agreement), the General Partner may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such Limited Partner. Conversely, potential future regulatory changes applicable to investment advisers or the accounts they advise could result in the Investment Manager or the Fund becoming subject to additional disclosure requirements the specific nature of which is as yet uncertain.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, the Fund may be required to make representations about such investment. The Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In that regard, Limited Partners may be required to return amounts distributed to them to fund obligations of the Fund, including indemnity obligations, subject to certain limitations set forth in the Partnership Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to re-contribute such distribution to the Fund.

ECI

As further described in Section X – "Certain Regulatory, Tax and ERISA Considerations—United States Federal Income Taxation – Non-U.S. Limited Partners," certain activities conducted, and investments made by the Fund, such as loan originations or preferred equity or other investments in real property, may cause the Fund to be considered engaged in a U.S. trade or business for U.S. federal income tax purposes. As a result, income of the Fund from such investments may be treated as effectively connected income with such trade or business for such purposes ("ECI"). Non-U.S. Limited Partners must generally file U.S. federal income tax returns and pay U.S. federal income tax with respect to ECI of the Fund allocable to them. In addition, regardless of whether the Fund's activities constitute a trade or business, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"), gain derived by the Fund from the disposition of U.S. real property interests (including certain participating loans, preferred equity investments and other investments in real property) is generally treated as ECI. Thus, Non-U.S. Limited Partners that invest in the Fund should be aware that a significant portion of the Fund's income and gain may be treated as ECI and thus may cause the non-U.S. Limited Partners to be subject to U.S. federal income tax (and possibly state and local income tax) with respect to their shares of such income and gain. The Fund will be required to withhold tax at the highest U.S. tax rates on effectively connected income allocable to non-U.S. Limited Partners. The Fund has no obligation to minimize ECI; however, non-U.S. Limited Partners who do not wish to be treated as engaged in a U.S. trade or business and to file U.S. tax returns and pay U.S. tax directly may be offered the opportunity to make their commitments to a Parallel Vehicle. Non-U.S. Limited Partners should refer to the discussion of "Non-U.S. Limited Partners" in Section X – "Certain Regulatory, Tax and ERISA Considerations—U.S. Federal Income Taxation."

UBTI

The Fund is permitted to incur substantial debt that could, in turn, cause the Fund to generate substantial debt-financed income that will be treated as "unrelated business taxable income ("UBTI"). In addition, certain activities of the Fund, e.g., loan originations and fee-generating activities, may be treated as an unrelated trade or business for UBTI purposes. The Fund may make investments and conduct activities through a subsidiary REIT or other entity to "block" UBTI but is not required to do so. Accordingly, tax-exempt investors should be aware that they may be allocated substantial amounts of UBTI unless they invest through a UBTI "blocker."

Risks from the Provision of Managerial Assistance

The General Partner will use reasonable efforts to avoid having the assets of the Fund constitute "plan assets" of any plan subject to Title I of ERISA or Section 4975 of the Code and may, in this regard, elect to operate the Fund as a "venture capital operating company" ("VCOC") or a "real estate operating company" ("REOC"), each within the meaning of regulations promulgated under ERISA. Operating the Fund as a VCOC or REOC would require that the Fund obtain rights to substantially participate in or influence the conduct of the management of a number of the Fund's Portfolio Investments. The Fund may designate a director to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. While the General Partner intends to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

ERISA Considerations

In the event the Fund is operated to qualify as a VCOC or REOC in order to avoid holding "plan assets" within the meaning of ERISA, the Fund may be restricted or precluded from making certain investments. In addition, it could be necessary for the General Partner to liquidate Fund investments at a disadvantageous time in order to avoid holding ERISA "plan assets," resulting in lower proceeds to the Fund than might have been the case without the need to qualify as a VCOC or REOC.

Certain Proposed Federal Income Tax Legislation

The Obama administration has recently proposed legislation and Congress has previously considered proposed legislation that would treat carried interests as ordinary income for U.S. federal income tax purposes. Enactment of any such legislation could adversely affect employees or other individuals performing services for the Fund who hold direct or indirect interests in the General Partner and benefit from carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund.

Legal, Tax and Regulatory Risks

The Fund must comply with various legal requirements, including those imposed by securities laws, tax laws and pension laws. Should any of such laws change over the scheduled term of the Fund, the legal requirements to which the Fund and the Partners may be subject could differ materially from the current requirements and adversely affect the Partners.

Forward Looking Statements

Forward looking statements (including estimated returns, opinions or expectations about any future event) contained in the Memorandum are based on a variety of estimates and assumptions by the Fund and the General Partner, including, among others, estimates of future operating results, the value of assets and market conditions at the time of disposition, and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, geo-political, competitive and financial risks that are outside of the Fund's and the General Partner's control. There can be no assurance that any such estimates and assumptions will prove accurate, and actual results may differ materially, including the possibility that an investor may lose some or all of any invested capital. The inclusion of any forward looking statements herein should not be regarded as an indication that the Fund and the General Partner consider such forward looking statement to be a reliable prediction of future events and no forward looking statement should be relied upon as such. Neither the Fund nor any of its representatives has made or makes any representation to any person regarding any forward looking statements and none of them intends to update or otherwise revise such statements to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such forward looking statements are later shown to be in error.

Internal Rates of Return and Yields

To the Fund's knowledge, there are no established standards for the calculation of internal rates of return or yields for investment portfolios of the sort discussed herein. The use of a methodology other than the one used herein may result in different and possibly lower Returns. In addition, the current unrealized or estimated returns that are reflected in the overall track record may not be realized in the future, which would materially and adversely affect actual Returns for the applicable investments and potentially the overall track record of which it is a part.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING OR AN INVESTMENT IN THE FUND, ESPECIALLY SINCE THE FUND HAS THE FLEXIBILITY TO ENGAGE IN A WIDE RANGE OF INVESTMENT STRATEGIES AND THE FULL RANGE OF STRATEGIES, SECURITIES AND MARKETS IN WHICH THE FUND MAY INVEST CANNOT BE SPECIFIED IN ADVANCE. POTENTIAL INVESTORS SHOULD READ THIS MEMORANDUM, THE SUBSCRIPTION DOCUMENTS AND THE PARTNERSHIP AGREEMENT IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO INVEST IN THE FUND.

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CONFLICTS OF INTEREST

The Fund may be subject to a number of actual and potential conflicts of interest. Although the General Partner and the Investment Committee Members will devote to the Fund as much time as is necessary or appropriate, in their judgment, to manage the Fund's activities, certain of the Investment Committee Members and their affiliates also provide discretionary investment management services to other investment programs. The following briefly summarizes some other conflicts, but is not intended to be an exclusive list of all such conflicts. Any references to the General Partner and the Investment Manager in this Section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees.

Other Activities of the Investment Committee Members

The Investment Committee Members will devote such time as shall be reasonably necessary to conduct the business affairs of the Fund in an appropriate manner. The Investment Committee Members and their affiliates are not prohibited from engaging directly or indirectly, in any other business venture. Because certain of the Investment Committee Members may devote significant time to other projects as discussed previously, including other financial services firms or other real estate investment funds and businesses, conflicts may arise in the allocation of management resources. The Fund will have no interest in such other projects, investments, funds and businesses. None of the Investment Committee Members are prohibited from raising money for another entity that makes the same type of investments that the Fund seeks to acquire.

Not only do certain of the Investment Committee Members have investments and commitments away from the Fund, certain of the Investment Committee Members are the owners or employees of companies and businesses that are separate from the Fund and as a result they may owe fiduciary obligations to these companies and businesses. Mr. Stanger is a partial owner of Bridge-LLC and has time commitments away from the Fund as a member of Bridge-LLC's board of directors. Messrs. Hartman, Morse and Stanger are actively involved in the affairs of Bridge-IGP, ROC I and ROC II. Messrs. Hartman and Morse are also actively involved in the affairs of ROC Seniors. Furthermore, certain other personnel of the Investment Manager and its affiliates also continue to manage various real estate investments currently held by Bridge-LLC. (See Section VII – "The General Partner, the Investment Manager and Management.")

If a member of the Investment Committee is deemed to have a material conflict of interest with respect to a presented investment opportunity, such member will be prohibited from voting on the matter.

Related Party Transactions

In the operation of the Fund, the General Partner, the Investment Manager and the Investment Committee Members may have conflicts of interest in connection with transactions with or services provided to the Fund itself. If the General Partner, the Investment Manager or any of its affiliates, including the Investment Committee Members, engages in any related party transaction in which compensation is paid, the General Partner will evaluate the terms of such transactions to ensure that the terms will, in the good faith judgment of the General Partner, be fair to the Fund and will be consistent with market rates. Conflicts may arise, however, because such compensation will not be determined through arm's-length negotiation and the General Partner will not guarantee the performance by its affiliates of any services provided to the Fund.

Fees for Services

The General Partner and its affiliates may receive certain fees from Investments in connection with property management services or the purchase, monitoring or disposition of Investments or in connection with unconsummated transactions (e.g., transaction, consulting, management, Investment banking, advisory, closing, topping, break-up and other similar fees). For example, the Fund may be offered co-investment opportunities in transactions led by other investors. The General Partner or its affiliates may be engaged to provide asset management or other services in connection with the underlying portfolios acquired. With respect to the portion of any such portfolios owned by other investors, the General Partner or its affiliates may receive compensation at

competitive market rates. The General Partner is not obligated and does not expect to share any such earned fees with the Fund or the Limited Partners therefore, conflicts may arise in the allocation of management resources.

The voting members of the Advisory Committee will be independent and will not be affiliated with the General Partner, but conflicts may arise in connection with this committee as industry professionals are permitted to be appointed as non-voting members of the Advisory Committee and such industry professional members are eligible to be compensated for their service to the Fund in equity interests in the General Partner and paid market rate fees by the Fund.

Other Investment Vehicles and Accounts

The General Partner and the Investment Manager and their affiliates, including certain of the Investment Committee Members, currently manage and advise other businesses, investment vehicles, accounts and clients that may have objectives similar, in whole or in part, to the Fund; as a result, in certain situations conflicts of interest may arise with the allocation of investment opportunities.

To the extent that any of the Investment Committee Members become aware of a commercial real estate debt investment opportunity available to an affiliated company or business that is consistent with the Fund's Investment Guidelines (as defined in the Partnership Agreement), the Investment Committee will review the opportunity at the next scheduled Investment Committee meeting and will either vote to (i) assume the affiliate's bidding position with respect to the investment opportunity, or (ii) refuse to take further action with respect to the investment opportunity on behalf of the Fund. The members of the Investment Committee may vote to refuse to take further action with respect to the investment opportunity for any reason. Should the Investment Committee vote to refuse to take further action with respect to the investment opportunity, then the affiliate would be permitted to pursue and invest in the investment opportunity.

In addition, the General Partner and the Investment Manager or their affiliates may manage and advise other investment vehicles (including funds qualified under Internal Revenue Code Section 1031), accounts and clients which may have objectives similar, in whole or in part, to those of the Fund. In particular, the General Partner, the Investment Manager and their affiliates reserve the right to raise or manage one or more managed accounts or other similar arrangements structured through an entity (collectively, "Managed Account Vehicles") for the benefit of a limited number of specific investors which, in each case, may employ investment strategies that are substantially the same as, or that overlap with, those of the Fund. The Fund may co-invest with such other investment vehicles, accounts and clients, including any Managed Account Vehicle, on a basis that the General Partner believes in good faith to be fair and reasonable. To the extent that the Fund holds interests that are different (or more senior) than those held by a Managed Account Vehicle or any of such other vehicles, accounts and clients, the General Partner and the Investment Manager may be presented with decisions involving circumstances where the interests of a Managed Account Vehicle or such other vehicle, account or client are in conflict or competition with those of the Fund. In that regard, actions may be taken for the Managed Account Vehicle or other vehicle that are adverse to the Fund.

It should be noted that the terms of a Managed Account Vehicle (including the economic terms, investment limitations, diversification parameters and governance rights afforded to investors in such Managed Account Vehicle) may materially differ from, or be materially more favorable to the investors in such Managed Account Vehicle than, the terms of the Fund. Moreover, as a result of a Managed Account Vehicle's terms, including, for example, its investment limitations, diversification parameters and excuse and exclusion provisions, there may be one or more investment opportunities where such Managed Account Vehicle's participation is restricted or with respect to which the Fund's share is disproportionate relative to such Managed Account Vehicle's interest therein. Conversely, it is also possible that a Managed Account Vehicle could receive a disproportionate share with respect to certain investment opportunities for such reasons. In addition, conflicts may arise in connection with the operation of the Fund and a Managed Account Vehicle. Specifically, the Limited Partners in the Fund and the limited partners of such Managed Account Vehicle vote separately on matters pertaining to their respective partnerships. For example, a determination by the investors in a Managed Account Vehicle to terminate such Managed Account Vehicle or its investment period where a corresponding action is not taken on behalf of the

Fund could affect the General Partner's ongoing investment management decisions with regard to the Fund's Investments, including, with respect to the timing, size and terms of any disposition of such Investments on behalf of the Fund, and any actions taken on behalf of such Managed Account Vehicle with respect to the winding up of its portfolio could adversely affect the Fund's Investments. There can be no assurance that the return on any of the Fund's Investments will be equivalent to or better than the returns obtained by a Managed Account Vehicle participating in such transaction.

As more fully set forth in Section VIII – "Detailed Summary of Terms – Restrictions on Non-Fund Investments," not all investments which are consistent with the Fund's investment objectives will be presented to the Fund. As set forth under Section VIII – "Detailed Summary of Terms – Co-Investment Policy" in some instances, investments may be made available to and shared with third-party co-investors, and thus not all amounts available to the Fund relating to an investment will be presented to the Fund.

Other Potential Real Estate Funds

The General Partner reserves the right to raise additional real estate investment funds ("Other Real Estate Funds"), including a fund formed to make investments that would be precluded or materially limited by the Fund's investment limitations or applicable law or regulation. See Section VIII – "Detailed Summary of Terms – Restriction on Competing Funds." The closing of an Other Real Estate Fund could result in the reallocation of personnel to such Other Real Estate Fund. In addition, potential investments that may be suitable for the Fund may be directed toward or shared with such Other Real Estate Fund.

Material, Non-Public Information

By reason of their responsibilities in connection with their other activities, the General Partner and its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Diverse Limited Partner Group

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Fund and with respect to the interests of investors in other investment vehicles managed or advised by the General Partner and the Investment Manager that may participate in the same investments as the Fund. The conflicting interests of Limited Partners with respect to other Limited Partners and relative to investors in other investment vehicles may relate to or arise from, among other things, the nature of investments made by the Fund and such other partnerships, the structuring or the acquisition of investments and the timing of disposition of investments by the Fund and such other partnerships. As a consequence, conflicts of interest may arise in connection with the decisions made by the General Partner and the Investment Manager, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, the Fund may make investments that may have a negative impact in related investments made by the Limited Partners in separate transactions. In selecting and structuring investments appropriate for the Fund, the General Partner and the Investment Manager will consider the investment and tax objectives of the Fund and its Partners (and those of investors in other investment vehicles managed or advised by the General Partner and the Investment Manager) as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Effect of Carried Interest

The existence of the General Partner's 15% Carried Interest may create an incentive for the General Partner to make investments that are more speculative than would be the case in the absence of such performance-based compensation, although the General Partner's investment in the Fund should somewhat reduce this incentive.

General Partner Counsel

Alston & Bird LLP currently serves as U.S. counsel ("Counsel") for the General Partner, the Fund and the Investment Manager. The firm renders legal services to the General Partner, the Fund and the Investment Manager and does not represent the interests of any Limited Partner in the Fund. Prospective investors should seek their own legal, tax and financial advice before making an investment in the Fund. Counsel may be removed by the General Partner at any time without the consent of, or notice to, the Limited Partners. In addition, Counsel does not undertake to monitor the compliance of the Fund, the General Partner, the Investment Manager and their affiliates with the investment program, investment strategies, investment restrictions and other guidelines and terms set forth in this Memorandum and the Partnership Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of any information set forth in this Memorandum.

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X. CERTAIN REGULATORY, TAX AND ERISA CONSIDERATIONS

Federal Securities Laws

Securities Act of 1933

The Interests are not registered under the Securities Act, or any other securities laws, including state securities or blue sky laws and the Fund does not intend to register the Interests under such laws. The Interests are offered in reliance upon the exemption from registration thereunder provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder. Each prospective purchaser is required to represent, among other customary private placement representations, that it is an accredited investor, as defined in Regulation D and is acquiring the Interests for investment purposes only and not for resale or distribution.

Securities Exchange Act of 1934

It is not expected that the Fund will be required to register the limited partnership interests or any other security of the Fund under the Exchange Act. As a result, the Fund would not be subject to the periodic reporting and related requirements of the Exchange Act and Limited Partners should only expect to receive the information and reports required to be delivered pursuant to the Fund Agreement and applicable law.

Investment Company Act of 1940

The Fund is not subject to the provisions of the 1940 Act in reliance upon Section 3(c)(7) thereof, which excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers," and that meet the other conditions contained therein. A "qualified purchaser" generally includes a natural person who owns not less than $5,000,000 in investments or a company acting for its own account or the accounts of other qualified purchasers which owns and invests on a discretionary basis not less than $25,000,000 in investments and certain trusts. The Subscription Documents and the Fund Agreement contain representations and restrictions on transfer designed to assure that these conditions are met. The Fund may in its sole discretion determine in the future to require that the number of beneficial owners of Interests in the Fund for purposes of the 1940 Act be limited to no more than 100 persons in order for the Fund to qualify for the exemption from the provisions of the 1940 Act as set forth in Section 3(c)(1) thereof. With respect to determination of the number of such beneficial owners, the Fund will obtain and rely on appropriate representations and undertakings from each Limited Partner in order to assure that the Fund meets the conditions of the exemption on an ongoing basis.

Investment Advisers Act of 1940

Bridge-IGP has registered as an investment adviser under the Advisers Act and is the "filing adviser" with the SEC, and the Investment Manager is the "relying adviser" in such registration and both are together an integrated investment adviser.

Anti-Money Laundering

In order to comply with applicable anti-money laundering requirements, each investor must represent in its subscription agreement with the Fund that neither the investor, nor any person having a direct or indirect beneficial interest in the Interest being acquired by the investor, appears on the Specifically Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control in the U.S. Department of the Treasury or in Annex I to U.S. Executive Order 132224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, and that the investor does not know or have any reason to suspect that (a) the monies used to fund the investor's investment in the Fund have been or will be derived from or related to any illegal activities and (b) the proceeds from the investor's investment in the Fund will be used to finance any illegal activities. Each investor must also agree to provide any information to the Fund and its agents as

the Fund may require in order to determine the investor's and any of its beneficial owners' source and use of funds and to comply with any anti-money laundering laws and regulations applicable to the Fund.

Certain ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Fund by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts ("IRAs") and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Fund of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Fund, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. Furthermore, absent an exemption, the fiduciaries of a Plan should not invest in the Fund with the assets of any Plan if the General Partner or any of its affiliates is a fiduciary with respect to such assets of the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Interests by an ERISA Plan with respect to which the Fund is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the U.S. Department of Labor (the "DOL") has issued prohibited transaction class exemptions, or "PTCEs," that may apply to the acquisition and holding of investments in the Fund. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers.

Plan Assets

Under ERISA and one of the regulations promulgated thereunder (the "Plan Asset Regulations"), when an ERISA Plan acquires an equity interest in an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that less than 25% of the total value of each class of equity interests in the entity is held by "benefit plan investors" as defined in Section 3(42) of ERISA (the "25% Test") or that the entity is an "operating company," as defined in the Plan Asset Regulations. For purposes of the 25% Test, the assets of an entity will not be treated as "plan assets" if, immediately after the most recent acquisition of any equity interests in the entity, less than 25% of the total value

of each class of equity interest in the entity is held by "benefit plan investors," excluding equity interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. The term "benefit plan investors" is generally defined to include employee benefit plans subject to Title I of ERISA or Section 4975 of the Code (including "Keogh" plans and IRAs), as well as any entity whose underlying assets include plan assets by reason of a plan's investment in such entity. Thus, absent satisfaction of another exception under ERISA, if 25% or more of the total value of any class of equity interests of the Fund were held by benefit plan investors, an undivided interest in each of the underlying assets of the Fund would be deemed to be "plan assets" of any ERISA Plan that invested in the Fund.

The definition of an "operating company" in the Plan Asset Regulations includes, among other things, a VCOC. Generally, in order to qualify as a VCOC, an entity must demonstrate on its "initial valuation date" (as defined in the Plan Asset Regulations), and annually thereafter, that at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), are invested in operating companies (other than VCOCs) (i.e., operating entities that (x) are primarily engaged directly, or through a majority owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, or (y) qualify as REOC in which such entity has direct contractual management rights. In addition, to qualify as a VCOC, an entity must, in the ordinary course of its business, actually exercise such management rights with respect to at least one of the operating companies in which it invests. Similarly, generally in order to qualify as a REOC an entity must demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets valued at cost (other than short term investments pending long term commitment or distribution to investors) are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must in the ordinary course of its business actually be engaged directly in such real estate management or development activities. The Plan Asset Regulations do not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

Plan Asset Consequences

If the assets of the Fund were deemed to be "plan assets" under ERISA, this would result, among other things, in (a) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the Fund and (b) the possibility that certain transactions in which the Fund might seek to engage could constitute "prohibited transactions" under ERISA and the Code. If a prohibited transaction occurs for which no exemption is available, the General Partner and/or any other fiduciary that has engaged in the prohibited transaction could be required to (a) restore to the ERISA Plan any profit realized on the transaction and (b) reimburse the ERISA Plan for any losses suffered by the ERISA Plan as a result of the investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. ERISA Plan fiduciaries who decide to invest in the Fund could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Fund or as co-fiduciaries for actions taken by or on behalf of the Fund or the General Partner. With respect to an IRA that invests in the Fund, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

The General Partner will use reasonable efforts to (i) limit equity participation by benefit plan investors in the Fund to less than 25% of the total value of each class of equity interests in the Fund as described above, and/or (ii) operate the Fund in such a manner so as to qualify the Fund as a VCOC or REOC so that the underlying assets of the Fund should not constitute "plan assets" of any ERISA Plan which invests in the Fund. However, there can be no assurance that, notwithstanding the reasonable efforts of the General Partner, the Fund will qualify as a VCOC

or REOC, the structure of the particular investments of the Fund will satisfy the Plan Asset Regulations, or the underlying assets of the Fund will not otherwise be deemed to include ERISA plan assets.

Under the Partnership Agreement, the General Partner will have the power to take certain actions to avoid having the assets of the Fund characterized as "plan assets," including, without limitation, the right to cause a Limited Partner that is a benefit plan investor to withdraw from the Fund. While the General Partner and the Fund do not expect that the General Partner will need to exercise such power, neither the General Partner nor the Fund can give any assurance that such power will not be exercised.

Under certain circumstances certain investors may invest in the Fund or one or more alternative investment vehicles (each, an "Alternative Vehicle") through an entity or entities established by the General Partner or an affiliate thereof (each, a "Feeder Vehicle"). The discussion above under "General Fiduciary Matters," "Plan Assets" and "Plan Asset Consequences" will be similarly applicable to any investment in the Fund or Alternative Vehicle either directly or indirectly through a Feeder Vehicle. While the General Partner will use its reasonable efforts, as described above, to provide that the underlying assets of the Fund and each Alternative Vehicle should not constitute "plan assets" under ERISA, a Feeder Vehicle is not expected to qualify as an "operating company" for purposes of the Plan Asset Regulations and it is possible that a Feeder Vehicle may not satisfy the 25% Test, in which case the assets of such Feeder Vehicle, or a portion thereof, will constitute "plan assets" for purposes of ERISA and Section 4975 of the Code. However, the general partner (or similar managing entity) of the Feeder Vehicle is not intended to act as a fiduciary with respect to any Plan that invests in a Feeder Vehicle. In this regard, the General Partner intends to structure each such Feeder Vehicle as an intermediate entity for purposes of an investment in the Fund or an Alternative Vehicle, as applicable, and intends to limit any discretion with respect to the management or disposition of the assets of each such Feeder Vehicle. Consequently, when investing in the Fund or an Alternative Vehicle through such a Feeder Vehicle, each Limited Partner investing the assets of a Plan will, by making a capital contribution to the Feeder Vehicle, be deemed to (a) direct the general partner (or similar managing entity) of the Feeder Vehicle to invest the amount of such capital contribution in the Fund or Alternative Vehicle, as applicable, and acknowledge that during any period when the underlying assets of the Feeder Vehicle are deemed to constitute "plan assets" of any Plan for purposes of Title I of ERISA, Section 4975 of the Code or applicable Similar Law, the general partner (or similar managing entity) of the Feeder Vehicle will act as a custodian with respect to the assets of such Plan but is not intended to be a fiduciary with respect to any such Plan for purposes of ERISA, Section 4975 of the Code or any applicable Similar Law and (b) represent that such capital contribution, and the transactions contemplated by such direction, will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code, or a violation of any applicable Similar Law or a fiduciary breach. However, there can be no assurance that the fiduciary and prohibited transaction provisions of ERISA, Section 4975 of the Code or applicable Similar Law will not be applicable to activities of any such Feeder Vehicle. During any period when the underlying assets of a Feeder Vehicle are deemed to constitute "plan assets" of any ERISA Plan under ERISA, the general partner (or similar managing entity) of the Feeder Vehicle will, or will cause an affiliate of the general partner (or managing entity) to, hold the counterpart of the signature page of the Feeder Vehicle's partnership agreement (or similar governing document) in the United States.

Reporting of Indirect Compensation

The descriptions contained in this Memorandum of fees and compensation, including the Management Fee and the Carried Interest, are intended to satisfy the disclosure requirements for "eligible indirect compensation" for which the alternative reporting option on Schedule C of Form 5500 Annual Return/Report may be available.

The foregoing discussion is general in nature and is not intended to be all-inclusive. As indicated above, Similar Laws governing the investment and management of the assets of governmental or non-U.S. plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code. Accordingly, fiduciaries of such governmental or non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws and regulations on an investment in the Fund and the considerations discussed above, if applicable.

The fiduciaries of each Plan proposing to invest in the Fund represent that they have made the decision to invest in the Fund, they have been informed of and understand the Fund's investment objectives, policies and strategies and that the decision to invest in the Fund is consistent with the relevant provisions of ERISA and/or the Code. By its investment, each Limited Partner will be deemed to represent that either: (A) no portion of the assets used by the purchaser to acquire and hold Interests constitute assets of any Plan, or (B) if the purchaser is a Plan or subject to Similar Law, (i) the purchase and holding of Interests will not constitute a nonexempt prohibited transaction under § 406 of ERISA or § 4975 of the Code or a violation under any applicable Similar Law, and (ii) the purchaser has made its own discretionary decision to acquire and hold the Interests.

EACH PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR AS TO THE PROPRIETY OF AN INVESTMENT IN INTERESTS IN LIGHT OF THE CIRCUMSTANCES APPLICABLE TO THAT PLAN BEFORE MAKING AN INVESTMENT IN THE FUND. ACCEPTANCE OF INVESTMENTS IS IN NO RESPECT A REPRESENTATION THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT THE INVESTMENT IS APPROPRIATE FOR SUCH PLAN.

U.S. Federal Income Taxation

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT ANY DISCUSSION OF TAX MATTERS SET FORTH IN THIS MEMORANDUM WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN AND WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY PROSPECTIVE INVESTOR, FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER FEDERAL, STATE OR LOCAL TAX LAW. EACH PROSPECTIVE INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a discussion of certain U.S. federal income tax considerations in connection with an investment in the Fund. Investors should note that the discussion covers only a limited number of U.S. federal income tax considerations and does not generally address state or local or foreign tax considerations. In addition, this summary does not generally discuss the tax treatment of the Fund's investments. Moreover, there is no discussion of the tax consequences to a non-U.S. investor or tax-exempt investor in the Fund, except where otherwise noted, or of any special tax considerations applicable to certain investors, such as dealers, traders that elect to mark their securities to market, insurance companies, and financial institutions. This discussion is based upon the Code, Treasury Regulations, judicial decisions, and IRS rulings in existence on the date hereof, all of which are subject to change. Each prospective investor should obtain advice from its own tax advisor as to the income and other tax consequences of an investment in the Fund.

For purposes of this discussion, a "U.S. Person" or a "U.S. Limited Partner" is an individual who is a citizen or resident of the United States, a corporation or entity treated as a corporation for U.S. federal income tax purposes that is created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (a) it is subject to the primary supervision of a court within the United States and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. Person. A "non-U.S. Person" is a person that is not a U.S. Person, and a "non-U.S. Limited Partner" is a Limited Partner (other than a partnership) that is not a U.S. Person.

If a partnership holds Interests in the Fund, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the Fund. If the prospective investor is a partnership or a partner of a partnership investing in the Fund, the prospective investor should consult its own tax advisors.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE FUND.

Partnership Status

Under Treasury Regulations, a domestic entity such as the Fund will generally be classified as a partnership for U.S. federal income tax purposes unless it elects to be treated as a corporation. The Fund has not elected, and does not intend to elect, to be taxed as a corporation. Thus, subject to the discussion of "publicly traded partnerships" set forth below, the Fund will be treated as a partnership for U.S. federal income tax purposes. The classification of an entity as a partnership for U.S. federal income tax purposes may not be respected for state or local tax purposes.

An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." A publicly traded partnership is any partnership the interests in which are traded on an established securities market or which are readily tradable on a secondary market (or the substantial equivalent thereof). Interests in the Fund will not be traded on an established securities market. Treasury Regulations concerning the classification of partnerships as publicly traded partnerships provide certain safe harbors under which interests in a partnership will not be considered readily tradable on a secondary market (or the substantial equivalent hereof). The Fund may not be eligible for any of those safe harbors. Even if a partnership is a publicly traded partnership, it will not be taxed as a corporation if 90% or more of its gross income each year consists of passive type "qualifying income" within the meaning of Section 7704(d) of the Code. The General Partner intends to operate the Fund to ensure that the Fund is not treated as a publicly traded partnership that is taxed as a corporation. However, in the absence of a ruling from the United States Internal Revenue Service (the "IRS"), there can be no assurance that the IRS will not attempt to recharacterize the Fund as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes. If the Fund were determined to be taxable as a corporation, it would be taxed on its earnings at corporate income tax rates and any distributions to the Partners would be taxable as dividends to the Partners to the extent of the earnings and profits of the Fund.

The remainder of this discussion assumes that the Fund will be treated as a partnership for U.S. federal income tax purposes.

An organization that is classified as a partnership for U.S. federal income tax purposes and is not a publicly traded partnership taxable as a corporation is not subject to U.S. federal income tax itself, although it must file annual information returns.

Taxation of U.S. Limited Partners

Each Partner will be taxed upon its distributive share of each item of the Fund's income, gain, loss, deduction and credit for each taxable year of the Fund ending with or within the Partner's taxable year. Each item will have the same character to a Partner as though the Partner realized the item directly. Partners must report these items regardless of the extent to which, or whether, they receive cash distributions from the Fund for such taxable year and thus may incur income tax liabilities unrelated to and in excess of any distributions from the Fund. Any reinvestment by a Partner of a distribution from the Fund will not change the Partner's taxability on its share of the Fund's taxable income.

Allocations of Income, Gain, Loss and Deduction

Pursuant to the Partnership Agreement, items of the Fund's income, gain, loss and deduction are allocated so as to take into account the varying interests of the Partners in the Fund. Treasury Regulations provide that allocations of items of partnership income, gain, loss, deduction or credit will be respected for tax purposes if such allocations have "substantial economic effect" or are determined to be in accordance with the partners' interests in the partnership. The Fund believes that, for U.S. federal income tax purposes, allocations pursuant to the

Partnership Agreement should be given effect, and the General Partner intends to prepare tax information returns based on such allocations. If the IRS were to re-determine the allocations to a particular U.S. Limited Partner, such re-determination could be less favorable than the allocations set forth in the Partnership Agreement.

Partnership Distributions

In general, a cash distribution from the Fund to a Partner will reduce the adjusted basis of the Partner's Interest in the Fund and, to the extent it exceeds the adjusted basis of the Partner's Interest in the Fund, will result in treatment as gain from the sale or exchange of the Interest. However, the portion of the distribution attributable to "unrealized receivables" or "substantially appreciated inventory" (including any gain realized in respect of certain short-term or market discount debt) will give rise to ordinary income under Section 751 of the Code in certain circumstances. For these purposes, a reduction in a Partner's share of the Fund's non-recourse debt, such as when a new Partner is admitted to the Fund, will result in a deemed cash distribution to the Partner in an amount equal to the reduction.

In addition, under Section 731 of the Code, a distribution consisting of "marketable securities" generally is treated as a distribution of cash (rather than property) unless the distributing partnership is an "investment partnership" within the meaning of Section 731(c)(3)(C)(i) and the recipient is an "eligible partner" within the meaning of Section 731(c)(3)(C)(iii). The Fund will determine at the appropriate time whether it qualifies as an "investment partnership."

A U.S. Limited Partner's tax basis in its Interest in the Fund is, in general, equal to the amount of cash the U.S. Limited Partner has contributed to the Fund, increased by the U.S. Limited Partner's proportionate share of income and liabilities of the Fund, and decreased by the U.S. Limited Partner's proportionate share of reductions in such liabilities, distributions, and losses.

Sale or Disposition of Limited Partner Interests

A U.S. Limited Partner that sells or otherwise disposes of an Interest in the Fund in a taxable transaction generally will recognize gain or loss equal to the difference, if any, between the adjusted basis of the Interest and the amount realized from the sale or disposition. The amount realized will include the U.S. Limited Partner's share of the Fund's liabilities outstanding at the time of the sale or disposition. If the U.S. Limited Partner holds the Interest as a capital asset, such gain or loss will generally be treated as capital gain or loss to the extent a sale of assets by the Fund would qualify for such treatment. Gain from the sale or other disposition of an Interest will be treated as ordinary income to the extent of the U.S. Limited Partner's distributive share of any "unrealized receivables" and "inventory items." Gain or loss from the disposition of an Interest will generally be long-term capital gain or loss if the U.S. Limited Partner had held the Interest for more than one year on the date of such sale or disposition, provided, that a capital contribution by the U.S. Limited Partner within the one-year period ending on such date may cause part of such gain or loss to be short-term. In addition, if the contribution of a new Limited Partner is distributed to the Partners (other than such new Limited Partner), such as in the case of a Limited Partner admitted in a subsequent closing, for U.S. federal income tax purposes such distributions will likely be treated as a taxable sale of a portion of their Interests by U.S. Limited Partners receiving such distributions. In the event of a sale or other transfer of an Interest at any time other than the end of the Fund's taxable year, the share of income and losses of the Fund for the year of transfer attributable to the Interest transferred will be allocated for U.S. federal income tax purposes between the transferor and the transferee on either an interim closing-of-the-books basis or a pro rata basis reflecting the respective periods during such year that each of the transferor and the transferee owned the Interest.

Medicare Tax on Unearned Income

High-income U.S. individuals, estates and trusts are subject to an additional 3.8% tax on net investment income. For these purposes, net investment income includes interest, dividends, gains from sales of debt instruments, and stock and income derived from a passive activity or a trade or business of trading in financial instruments or commodities. In the case of an individual, the tax will be 3.8% of the lesser of: (1) the individual's

net investment income; or (ii) the excess of the individual's modified adjusted gross income over (a) $250,000 in the case of a married individual filing a joint return or a surviving spouse, (b) $125,000 in the case of a married individual filing a separate return or (c) $200,000 in the case of a single individual.

Tax Treatment of Fund Investments

Gains and Losses

The Fund generally expects to act as a trader or investor, and not as a dealer, with respect to its securities transactions. A trader and an investor are persons who buy and sell securities for their own accounts. A dealer, on the other hand, is a person who purchases securities for resale to customers rather than for investment or speculation. Except as described below, the Fund generally does not expect to take the position that its securities transactions constitute a trade or business. The determination of whether the Fund is an investor or a trader will be made on an annual basis and, accordingly, may change from one year to the next.

The Fund also expects to be engaged in the business of lending money. In this connection the Fund could be considered a dealer in loans or could elect to be treated as a dealer. If the Fund is treated as a dealer with respect to its lending activities and certain other transactions, gains or losses would be taxed under a "mark-to-market" method, other than for securities that it identifies as being held for investment and certain other assets. Under this "mark-to-market" accounting method, (i) gains or losses recognized by the Fund upon an actual disposition of loans and other securities subject to such accounting method are treated as ordinary income or loss and (ii) any such loans and other securities held by the Fund on the last day of each taxable year are treated as if they were sold by the Fund for their fair market value on that day, and gains or losses recognized on this deemed sale are treated as ordinary income or loss. For purposes of measuring gain or loss with respect to any such security in any subsequent year, the amount of any gain or loss previously recognized under the mark-to-market rules is taken into account in determining the tax basis for the security.

The Fund expects to generally identify its non-loan assets as being held for investment and gains or losses with respect to such assets will generally be treated as capital gains or losses. However, some of the Fund's non-loan assets may be subject to the mark-to-market accounting method described above or to another method of accounting for federal tax purposes.

If the Fund incorrectly identifies a security as being held for investment, the Fund would be required to recognize "mark-to-market" gains on such security as ordinary income at the end of each taxable year, but defer recognition of any "mark-to-market" losses, to the extent they exceed gains previously recognized with respect to such security, until the security is sold. There can be no assurance that the IRS would agree with any designation of certain securities as being held for investment.

Gain or loss realized in respect of investments that constitute "Section 988 transactions" will constitute ordinary income or loss to the extent such gain or loss is attributable to exchange rate fluctuations. Section 988 transactions generally include acquiring and disposing of debt instruments denominated in a foreign currency, and entering into or acquiring forward contracts, futures contracts, swaps and other similar instruments in respect of or denominated in a foreign currency.

Generally, the gains and losses realized by a trader or an investor on the sale of securities are capital gains and losses. Capital gains and losses recognized by the Fund may be long-term or short-term depending, in general, upon the length of time the Fund maintains a particular investment position and, in some cases, upon the nature of the transaction. Property held for more than one year generally will be eligible for long-term capital gain or loss treatment. The application of certain rules (e.g., those relating to short sales, to so-called "straddle" and "wash sale" transactions and to Section 1256 Contracts) may alter the timing and character of income and loss of the Fund's investments.

The excess of capital losses over capital gains may be offset against the ordinary income of an individual taxpayer, subject to an annual deduction limitation of $3,000. Capital losses of an individual taxpayer may generally

be carried forward to succeeding tax years to offset capital gains and then ordinary income (subject to the $3,000 annual limitation). Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

Interest and Similar Income

The Fund's principal source of income should be interest on the loans it makes and the debt securities it acquires. The Fund may hold debt obligations with "original issue discount." In such case, the Fund would be required to include amounts in taxable income on a current basis even though receipt of such amounts may occur in a subsequent year. In addition, certain investments held by the Fund, by reason of imputed "discount," "pay-in-kind," dividend accruals or similar features, may give rise to current income even though there has been no corresponding cash distribution to the Fund. There can be no assurance that the IRS will agree with the Fund's characterization of the income from such investments.

Investments by the Fund in certain securities such as original issue discount obligations (including contingent payment debt instruments), preferred stock with redemption premium or "Section 1256 contracts" or in positions that constitute "straddles" for income tax purposes, and methods of accounting adopted by the Fund, or the participation by the Fund in debt restructurings or exchanges may result in the recognition of substantial amounts of taxable income (including ordinary income) without receipt of cash, or substantial amounts of taxable income when little economic income is realized.

In addition, the Fund may purchase debt instruments with "market discount." Under the market discount rules, the Fund will be required to treat any gain on the sale, exchange or redemption of a debt instrument as ordinary income to the extent of the market discount that has not previously been included in income and is treated as having accrued on such debt instrument at or prior to the time of such payment or disposition. In addition, a Limited Partner may be required to defer the deduction of a portion of the interest expense on borrowing used to purchase Interests in the Fund to the extent allocable to market discount debt instruments. Market discount in respect of a debt instrument is generally considered to accrue ratably during the period from the date of acquisition to the maturity date of such debt instrument, unless the holder elects to accrue market discount on the debt instrument under the constant yield method.

There are a number of uncertainties in the federal income tax law relating to debt restructuring. In general, a "significant modification" of a debt obligation acquired by the Fund at a discount may be treated as a taxable event to the Fund, with the resulting gain or loss measured by the difference between the principal amount of the debt after the modification and the Fund's tax basis in such debt before the modification. However, other than for certain "safe harbor" modifications specified in Treasury Regulations, the determination of whether a modification is "significant" is based on all of the facts and circumstances. Therefore, it is possible that the IRS could take the position that the restructuring of a debt obligation acquired by the Fund at a discount amounts to a "significant modification" that should be treated as a taxable event even if the Fund did not so treat the restructuring on its tax return.

It is possible that, from time to time, the Fund may not have sufficient cash to make distributions sufficient for U.S. Limited Partners to pay their tax liabilities with respect to their shares of the Fund's income, including by reason of timing differences between the Fund's actual receipt of cash and the Fund's inclusion of items in income for federal income tax purposes. Potential sources of non-cash taxable income include securities that have been financed through securitization structures, such as the term-debt structure, which require some or all of available cash flows to be used to service borrowings, loans or mortgage-backed securities the Fund holds that have been issued at a discount and require the accrual of taxable economic interest in advance of its receipt in cash, and distressed loans on which the Fund may be required to accrue taxable interest income even though the borrower is unable to make current payments in cash.

Fund Subsidiaries

The Fund may hold certain of its investments through an entity electing to be treated as a REIT. To qualify as a REIT, a company must meet a number of technical requirements relating to the ownership of its shares and the nature of its assets and income. In addition, a REIT must generally distribute annually to its shareholders an

amount that equals at least 90% of its real estate investment trust taxable income before the deduction of dividends paid and excluding any net capital gain. If the real estate investment trust taxable income of any REIT is more than the cash flow it receives, such REIT may, among other things, use a "consent dividend" procedure to satisfy the distribution requirement.

In general, a REIT will not be subject to U.S. federal income tax on the portion of its ordinary income and capital gain that is distributed to its shareholders. The REIT may be subject to various taxes if it (a) fails to distribute income; (b) ceases to meet certain requirements; or (c) engages in certain "prohibited transactions."

Each of the Partners in the Fund will be (a) allocated a portion of the income that the Fund realizes with respect to its ownership of REIT shares and (b) taxed with respect to such allocated income in the same manner as if such Partner held the REIT shares directly. Income from a REIT investment in the form of regular dividends is generally taxable as ordinary income and will not be eligible for the dividends received deduction for corporations or the lower 20% rate on dividends for individuals currently in force (subject to exceptions). Income from a REIT investment in the form of capital gain dividends is generally taxable in the same manner as capital gains. Gain or loss upon disposition of REIT shares, including gain or loss in connection with the liquidation of a REIT, is generally taxable in the same manner as gain or loss from disposition of other stock investments.

It is possible that the Fund may invest in non-U.S. corporations treated as PFICs or controlled foreign corporations ("CFCs"). In the case of PFICs (in the absence of certain elections, which may or may not be available depending on the circumstances), a U.S. Limited Partner's share of certain distributions from such corporations and gains from the sale by the Fund of interests in such corporations (or gains from the sale by a U.S. Limited Partner of its Interest in the Fund) could be subject to an interest charge and certain other disadvantageous tax treatment, including ordinary income treatment. If a U.S. person, including any U.S. Limited Partner, owns actually or constructively at least 10% of the voting stock of a foreign corporation, such U.S. person is considered a "U.S. Shareholder" with respect to the foreign corporation. If U.S. Shareholders in the aggregate own more than 50% of the voting power or value of the stock of such corporation, the foreign corporation will be classified as a CFC. In the case of CFCs, a portion of the income of such corporations (whether or not distributed) could be imputed currently as ordinary income to Limited Partners. Furthermore, in the case of PFICs and CFCs, gains from the sale by the Fund of an interest in such corporations (or gains recognized by Limited Partners on the sale of their Interests in the Fund) could be characterized as ordinary income (rather than as capital gains) in whole or in part.

Taxable Mortgage Pools

An entity, or a portion of an entity, may be classified as a taxable mortgage pool under the Code if: (i) substantially all of its assets consist of debt obligations or interests in debt obligations; (ii) more than 50% of those debt obligations are real estate mortgages or interests in real estate mortgages as of specified testing dates; (iii) the entity has issued debt obligations (liabilities) that have two or more maturities; and (iv) the payments required to be made by the entity on its debt obligations (liabilities) "bear a relationship" to the payments to be received by the entity on the debt obligations that it holds as assets. Under Treasury Regulations, if less than 80% of the assets of an entity (or a portion of an entity) consist of debt obligations, these debt obligations are considered not to comprise "substantially all" of its assets, and therefore the entity would not be treated as a taxable mortgage pool.

Where an entity, or a portion of an entity, is classified as a taxable mortgage pool, it is generally treated as a taxable corporation for federal income tax purposes. Special rules apply, however, in the case of a taxable mortgage pool that is a REIT, a portion of a REIT or a disregarded subsidiary of a REIT. In that event, the taxable mortgage pool is not treated as a corporation that is subject to corporate income tax and does not directly affect the tax status of the REIT, although any "excess inclusion income" will be subject to special tax rules to the REIT's shareholders.

If the Fund were to utilize a taxable mortgage pool financing structure other than under a subsidiary REIT, the taxable mortgage pool would be treated as a corporation for federal income tax purposes and would potentially

be subject to corporate income tax. The Fund does not intend to acquire interests in taxable mortgage pools and will attempt to avoid securitization structures that may be treated as taxable mortgage pools.

Limitations on Deductions and Losses

For noncorporate taxpayers, Section 163(d) of the Code limits the deduction for "investment interest" (i.e., interest for "indebtedness properly allocable to property held for investment"). Investment interest is not deductible in the current year to the extent that it exceeds the taxpayer's "net investment income," consisting of net gain and ordinary income derived from investments in the current year less certain directly connected expenses (other than interest or short sale expenses). For this purpose, qualified dividends and long-term capital gains are excluded from net investment income unless the taxpayer elects to pay tax on such amounts at ordinary income tax rates.

For purposes of this provision, the Fund's activities (other than certain activities that are treated as "passive activities" under Section 469 of the Code) will be treated as giving rise to investment income for a Limited Partner, and the investment interest limitation would apply to a noncorporate Limited Partner's share of the interest and short sale expenses attributable to the Fund's operation. In such case, a noncorporate Limited Partner would be denied a deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to interest unless it had sufficient investment income from all sources including the Fund. A Limited Partner that could not deduct losses currently as a result of the application of Section 163(d) would be entitled to carry forward such losses to future years, subject to the same limitation.

The investment interest limitation would also apply to interest paid by a noncorporate Limited Partner on money borrowed to finance its investment in the Fund. Potential investors are advised to consult with their own tax advisers with respect to the application of the investment interest limitation in their particular tax situations.

For each taxable year, Section 1277 of the Code limits the deduction of the portion of any interest expense on indebtedness incurred by a taxpayer to purchase or carry a security with market discount which exceeds the amount of interest (including original issue discount) includible in the taxpayer's gross income for such taxable year with respect to such security ("Net Interest Expense"). In any taxable year in which the taxpayer has Net Interest Expense with respect to a particular security, such Net Interest Expense is not deductible except to the extent that it exceeds the amount of market discount which accrued on the security during the portion of the taxable year during which the taxpayer held the security. Net Interest Expense which cannot be deducted in a particular taxable year under the rules described above can be carried forward and deducted in the year in which the taxpayer disposes of the security. Alternatively, at the taxpayer's election, such Net Interest Expense can be carried forward and deducted in a year prior to the disposition of the security, if any, in which the taxpayer has net interest income from the security. Section 1277 would apply to a Limited Partner's share of the Fund's Net Interest Expense attributable to a security with market discount held by the Fund. In such case, a Limited Partner would be denied a current deduction for all or part of that portion of its distributive share of the Fund's ordinary losses attributable to such Net Interest Expense and such losses would be carried forward to future years, in each case as described above. Although no guidance has been issued regarding the manner in which an election to deduct previously disallowed Net Interest Expense in a year prior to the year in which a bond is disposed of should be made, it appears that such an election would be made by the Fund rather than by the Limited Partner. Section 1277 would also apply to the portion of interest paid by a Limited Partner on money borrowed to finance its investment in the Fund to the extent such interest was allocable to securities with market discount held by the Fund.

Investment expenses (e.g., investment advisory fees) of an individual, trust or estate are deductible only to the extent they exceed 2% of adjusted gross income. In addition, the Code further restricts the ability of an individual with an adjusted gross income in excess of a specified amount to deduct such investment expenses. Under such provision, there is a limitation on the deductibility of investment expenses in excess of 2% of adjusted gross income to the extent such excess expenses (along with certain other itemized deductions) exceed the lesser of (i) 3% of the excess of the individual's adjusted gross income over the specified amount or (ii) 80% of the amount of certain itemized deductions otherwise allowable for the taxable year. Moreover, such investment expenses are miscellaneous itemized deductions which are not deductible by a noncorporate taxpayer in calculating its

alternative minimum tax liability.

Pursuant to Temporary Regulations, these limitations on deductibility should not apply to a noncorporate Limited Partner's share of the trade or business expenses of the Fund. These limitations on deductibility will apply to a noncorporate Limited Partner's share of certain expenses of the Fund, including the Management Fee. As described above, the Fund expects to be engaged in the business of lending money. Accordingly, the Fund intends to treat its expenses attributable to such business as not being subject to such limitations, although there can be no assurance that the IRS will agree.

The consequences of these limitations will vary depending upon the particular tax situation of each taxpayer. Accordingly, noncorporate Limited Partners should consult their tax advisers with respect to the application of these limitations.

In general, neither the Fund nor any Partner may deduct organization or syndication expenses. An election may be made by a partnership to amortize organizational expenses over a 15-year period. However, syndication expenses must be capitalized and cannot be amortized or otherwise deducted. U.S. Limited Partners may claim ordinary deductions for the Management Fee paid to the Investment Manager but the IRS may take the view that such amounts must be capitalized and treated as part of the cost of an investment made by the Fund.

The Code restricts the deductibility of losses from a "passive activity" against certain income which is not derived from a passive activity. This restriction applies to individuals, personal service corporations and certain closely held corporations. Pursuant to Temporary Regulations, income or loss from the Fund's securities investment and trading activity generally will not constitute income or loss from a passive activity. Therefore, passive losses from other sources generally could not be deducted against a Limited Partner's share of such income and gain from the Fund. However, income or loss attributable to certain activities of the Fund may constitute passive activity income or loss.

In addition, pursuant to Temporary Regulations, all or a portion of the Fund's net income from an "equity-financed lending activity", if any, will be characterized as nonpassive. As described above, the Fund expects to be engaged in the business of lending money, and, accordingly, all or a portion of the net income from such business may constitute income from an "equity-financed lending activity" that is treated as nonpassive. However, a net loss from such business is generally expected to constitute a passive activity loss that is subject to the deductibility limitations described above.

The amount of any loss of the Fund that a Limited Partner is entitled to include in its income tax return is limited to its adjusted tax basis in its interest as of the end of the Fund's taxable year in which such loss occurred. Generally, a Limited Partner's adjusted tax basis for its interest is equal to the amount paid for such Interest, increased by the sum of (i) its share of the Fund's liabilities, as determined for federal income tax purposes, and (ii) its distributive share of the Fund's realized income and gains, and decreased (but not below zero) by the sum of (i) distributions (including decreases in its share of Fund liabilities) made by the Fund to such Limited Partner and (ii) such Limited Partner's distributive share of the Fund's realized losses and expenses.

Similarly, a Limited Partner that is subject to the "at risk" limitations (generally, noncorporate taxpayers and closely held corporations) may not deduct losses of the Fund to the extent that they exceed the amount such Limited Partner has "at risk" with respect to its Interest at the end of the year. The amount that a Limited Partner has "at risk" will generally be the same as its adjusted basis as described above, except that it will generally not include any amount attributable to liabilities of the Fund (other than certain loans secured by real property and certain other assets of the Fund) or any amount borrowed by the Limited Partner that is secured by the Limited Partner's Interest on a non-recourse basis. Losses denied under the basis or "at risk" limitations are suspended and may be carried forward in subsequent taxable years, subject to these and other applicable limitations.

Tax Audits, Tax Returns and Tax Elections

The General Partner will represent the Fund at any tax audit as the "tax matters partner" and has considerable authority to make decisions affecting the tax treatment and procedural rights of the Partners. Adjustments by the IRS of the Fund's items of income, gain, loss, deduction or expense could change a Partner's U.S. federal income tax liabilities and possibly require the filing of amended returns.

The General Partner decides how to report the partnership items on the Fund's tax returns. All Partners are required to treat the partnership items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. In certain cases, the Fund may be required to file a statement with the IRS disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. Given the uncertainty and complexity of the tax laws, it is possible that the IRS may not agree with the manner in which the Fund's items have been reported.

The Code generally provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner and transfers of partnership interests (including by reason of death) provided that a partnership election has been made pursuant to Section 754. The General Partner, in its sole discretion, may cause the Fund to make such an election. Any such election, once made, cannot be revoked without the IRS's consent.

The Fund is generally required to adjust its tax basis in its assets in respect of all Partners in cases of partnership distributions that result in a "substantial basis reduction" (i.e., in excess of $250,000) in respect of the partnership's property. The Fund is also required to adjust its tax basis in its assets in respect of a transferee, in the case of a sale or exchange of an interest, or a transfer upon death, when there exists a "substantial built-in loss" (i.e., in excess of $250,000) in respect of partnership property immediately after the transfer. For this reason, the Fund will require a transferee of an Interest (including a transferee in case of death) and any other Partner in appropriate circumstances to provide the Fund with information regarding its adjusted tax basis in its Interest.

Tax-Exempt Investors

In general, income recognized by a tax-exempt investor is exempt from U.S. federal income tax, except to the extent of the entity's UBTI. With exceptions for certain types of entities, UBTI is generally defined as income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the entity is a partner). Subject to the discussion below of "unrelated debt-financed income," however, UBTI does not include, among other items, dividends, interest, rent, annuities, royalties, consideration for entering into agreements to make loans and gains from the sale of property that is neither inventory nor held for sale to customers in the ordinary course of business. Preferred equity investments and other investments in real property may also generate UBTI. In addition, fee income actually received or deemed to be received by the Fund or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager, or its affiliates, such income results in a reduction in the Management Fee) may be treated as UBTI in certain circumstances. The Fund intends to take the position that Limited Partners do not share in fee income by virtue of such a reduction in Management Fee. Certain fees paid on account of debt and loan purchase, origination or other such investment, which may be paid to the Fund, may be exempt from UBTI.

If a tax-exempt entity's acquisition of an interest in the Fund is debt-financed, or the Fund incurs "acquisition indebtedness" with respect to the acquisition of a partnership investment, then, UBTI generally includes a percentage of gross income (less the same percentage of deductions) derived from such investment regardless of whether such income would otherwise be excluded from UBTI as dividends, interest, rents, gain or loss from sale of eligible property or similar income. The percentage of income treated as UBTI, in the case of operating income, is the average amount of acquisition indebtedness for a taxable year with respect to property over the average adjusted basis for such year for the property or, in the case of a sale of debt-financed property, the highest amount of indebtedness outstanding for the 12-month period prior to the sale with respect to the property over the average adjusted basis for such year for the property. Acquisition indebtedness includes the amount of (a) any

mortgage or lien to which property is subject at the time of its acquisition and (b) debt incurred after the acquisition or improvement of any property if the debt would not have been incurred but for such acquisition or improvement and the incurrence of the debt was reasonably foreseeable at the time of the acquisition or improvement.

The Fund expects to incur debt, subject to limitations provided in the Partnership Agreement, either directly or through entities through which the Fund invests. Generally, debt incurred by a partnership is attributed to its partners. In addition, the Fund or the entities through which it invests may earn operating income that would be UBTI if earned by a U.S. tax-exempt Limited Partner directly.

The Fund may form a REIT through which to make a U.S. investment. If the REIT requirements are satisfied and it distributes all of its taxable income, a REIT is generally not subject to U.S. federal income tax. Dividends from a REIT generally are not UBTI to tax exempt investors, even if the property held by the REIT is debt-financed. However, a pension trust qualified under Section 401(a) of the Code (a "qualified trust") that owns more than 10% of a REIT's shares is required to recognize any UBTI from REIT distributions if the REIT is considered to be "pension-held." A "pension held REIT" is a REIT that is more than 50% owned by a group of five or fewer individuals and qualified trusts if either (a) at least one qualified trust holds more than 25% of the interests in the REIT or (b) a group of qualified trusts, each separately holding more than 10% of the REIT, collectively owns more than 50% of the REIT. If a REIT is pension-held, it must determine the extent to which its dividends would constitute UBTI for its more than 10% qualified trust shareholders. For this purpose, the activities of the REIT are tested for UBTI as if it were a qualified trust. If the REIT would have recognized UBTI at least equal to 5% of its income if it were a qualified trust, then any qualified trust that owns more than 10% of a pension-held REIT will recognize UBTI on the REIT's dividends in the same proportion as the REIT's deemed gross UBTI (less direct expenses) bears to its total gross income (less direct expenses).

In some instances, an investment in the Fund by a private foundation could be subject to an excise tax to the extent that it constitutes an "excess business holding" within the meaning of the Code. For example, if a private foundation (either directly or after taking into account the holdings of its disqualified persons) acquires more than 20% of the profits interest of the Fund (or 35%, if the private foundation does not directly or indirectly "control" the Fund), the private foundation may be considered to have an excess business holding unless at least 95% of the Fund's gross income is from passive sources within the meaning of Section 4943(d)(3)(B) of the Code and the private foundation does not own, through the Fund, an excess amount of the voting stock or equivalent in any business enterprise owned by the Fund. Additionally, if a private foundation generates a substantial amount of UBTI, it may risk losing its tax-exempt status. Private foundations should consult their own tax advisers regarding the excess business holdings provisions and all other aspects of Chapter 42 of the Code as they relate to an investment in the Fund, including the level of UBTI that a private foundation may generate as a result of an investment in the Fund.

As a result of recently enacted legislation, certain tax-exempt investors may be subject to an excise tax if the Fund engages in a "prohibited tax shelter transaction" or a "subsequently listed transaction" within the meaning of Section 4965 of the Code. In addition, if the Fund engages in a "prohibited tax shelter transaction," tax-exempt investors may be subject to substantial penalties if they fail to comply with special disclosure requirements and managers of such tax-exempt investors may also be subject to substantial penalties. Although the Fund does not expect to engage in any such transaction, the rules are new and are subject to interpretation. Tax-exempt investors should consult their own tax advisors regarding the legislation.

Non-U.S. Limited Partners

The discussion below addresses special rules applicable to non-U.S. Limited Partners. It assumes that a non-U.S. Limited Partner is not engaged in a U.S. trade or business apart from its Interest in the Fund and, in the case of an individual, is not present in the United States for 183 days or more in any year.

Investments made by, and activities of, the Fund in the United States may constitute a U.S. trade or business. In general, in that event, non-U.S. Limited Partners would themselves be considered engaged in a trade or business

in the United States through a permanent establishment. Thus, non-U.S. Limited Partners that invest in the Fund directly or through an entity that is transparent for U.S. federal income tax purposes should be aware that the Fund's income and gain from (as well as gain on sale Interests in the Fund attributable to) U.S. investments may be treated as effectively connected with the conduct of a U.S. trade or business through a permanent establishment and thus be subject to U.S. federal income tax (and possibly state and local income tax), even though such investor has no other contact with the United States. In that event, the Fund would be required to withhold tax at the highest regular income tax rate applicable to such non-U.S. Limited Partners from such income and gain allocable to each non-U.S. Limited Partner. Notwithstanding that some or all of taxes may be collected by withholding, such non-U.S. Limited Partners would be required to file appropriate federal (and possibly state and local) income tax returns. In addition, fee income actually received or deemed to be received by the Fund or the Limited Partners (including any fee income that might be deemed to be received because, although paid to the Investment Manager or its affiliates, such income results in a reduction in the Management Fee) may cause the Fund and the Limited Partners to be treated as engaged in a U.S. trade or business in certain circumstances. The Fund intends to take the position that Limited Partners do not share in fee income by virtue of that reduction in the Management Fee.

Prospective non-U.S. Limited Partners that are foreign corporations should also be aware that the 30% U.S. branch profits tax and branch-level interest tax may apply to a non-U.S. corporate Limited Partner that is allocated effectively connected income, although the rate at which such taxes apply may be reduced or eliminated for residents of certain countries having tax treaties with the United States. Non-U.S. Limited Partners who wish to claim the benefit of an applicable income tax treaty may be required to satisfy certain certification requirements.

Non-U.S. Limited Partners who do not wish to be treated as engaged in a U.S. trade or business and to file U.S. tax returns and pay U.S. tax directly or who would otherwise be subject to branch profits tax may be given the opportunity to invest through a Parallel Vehicle. The Parallel Vehicle or Vehicles may utilize certain structures to minimize certain tax reporting and tax filing obligations, but such structures may not necessarily eliminate all filing obligations or reduce the U.S. federal income tax liability associated with certain investments.

In the case of U.S.-source income that is not effectively connected with a U.S. trade or business, non-U.S. Limited Partners will be subject to a U.S. federal withholding tax of 30% (unless reduced by applicable treaty) on all "fixed or determinable annual or periodical gains, profits and income" (as defined in the Code and including, but not limited to, interest and dividends), and certain other gains and original issue discount that are included in the non-U.S. Limited Partners' distributive share of Partnership income (whether or not distributed). Non-U.S. Limited Partners will not be subject to U.S. federal income tax on interest income that is not effectively connected income and qualifies for the "portfolio interest" exemption. Not all interest will qualify for the portfolio interest exemption, e.g., certain contingent interest.

Regardless of whether the Fund's activities constitute a trade or business giving rise to U.S. "effectively connected" income under provisions added to the Code by FIRPTA, non-U.S. Limited Partners are taxed on the gain derived from the dispositions of U.S. real property interests (including gain allocated pursuant to the Partnership Agreement upon a sale of such property interests by the Fund) and certain interests in entities owning such property. Gains from sale of domestically-controlled REIT stock, however, are not considered gains from U.S. real property interests. Under FIRPTA, as described above, non-U.S. Limited Partners treat gain or loss from dispositions of U.S. real property as if the gain or loss were "effectively connected" with a U.S. trade or business and, therefore, are required to pay U.S. taxes at regular U.S. rates on such gain or loss. Generally, the Fund will be required under Section 1445 of the Code to withhold an amount equal to as much as 35% of the gain attributable to the U.S. real property interest realized on the sale of the Fund's property to the extent such gain is allocated to a non-U.S. Limited Partner. Also, such gain may be subject to a 30% branch profits tax (as discussed above).

Upon a sale of a Limited Partner's interest, if (a) 50% or more of the Fund's gross assets consist of U.S. real property interests and (b) 90% or more of the Fund's gross assets consist of U.S. real property interests and cash or cash equivalents, a purchaser will be required to withhold tax pursuant to Section 1445 of the Code on the full amount of the purchase price. Regardless of whether the Fund satisfies these requirements, gain attributable to the Fund's U.S. real property interests may be subject to U.S. federal income tax.

The Fund may establish a domestically controlled REIT through which U.S. investments may be made. A REIT is domestically controlled if less than 50% of its stock is held directly or indirectly by non-U.S. Persons. Assuming the REIT requirements are satisfied and the REIT distributes all of its taxable income, the REIT will generally not be subject to U.S. federal income tax. Dividends from the REIT that are not attributable to gains from the sale of U.S. real property interests would be subject to U.S. federal withholding tax at a 30% rate, unless reduced by applicable treaty. Dividends and liquidating distributions that are attributable to gains from the sale of U.S. real property interests would be subject to a 35% withholding tax. For those purposes, dividends paid are first considered attributable to gains from the sale of U.S. real property interests, if any. Distributions from a REIT may also be subject to a 30% branch profits tax when paid to a corporate non-U.S. Limited Partner that is not entitled to treaty exemption. In general, gains on sale of stock in a domestically controlled REIT would not be subject to U.S. federal income tax.

Foreign Account Tax Compliance Act

After June 30, 2014, withholding at a rate of 30% will be required on U.S.-source interest (including original issue discount) and certain other types of income, and after December 31, 2016, withholding at a rate of 30% will be required on gross proceeds from the sale of debt instruments of U.S. obligors and stock of U.S. corporations held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury (unless alternative procedures apply pursuant to an applicable intergovernmental agreement between the United States and the relevant foreign government) to report, on an annual basis, information with respect to shares in, and accounts maintained by, the institution to the extent such shares or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons. Accordingly, the entity through which Interests are held will affect the determination of whether such withholding is required. Similarly, after June 30, 2013, U.S.-source interest (including original issue discount) and certain other types of income, and after December 31, 2016, gross proceeds from the sale of debt instruments of U.S. obligors and stock of U.S. corporations, by an investor that is a non-financial non-U.S. entity will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any "substantial U.S. owners" or (ii) provides certain information regarding the entity's "substantial U.S. owners," which we will in turn provide to the Secretary of the Treasury. Non-U.S. stockholders are encouraged to consult with their tax advisers regarding the possible implications of these rules on their investment in Interests.

These rules promulgated under the Foreign Account Tax Compliance Act could also complicate our use of non-U.S. Parallel Vehicles of Alternative Investment Vehicles or subsidiaries.

Changes to U.S. Federal Income Tax Legislation

A number of items of legislation have been proposed in the past that could significantly alter certain of the U.S. federal income tax consequences of an investment in the Fund. It is uncertain whether any such proposed legislation (or similar legislation) will be enacted. Prospective investors should consult their own tax advisors regarding proposed legislation.

Certain Reporting and Return Requirements

U.S. persons may be subject to substantial penalties if they fail to comply with special information reporting requirements with respect to their investment in any non-U.S. partnership, including an indirect investment through the Fund. In addition, U.S. persons that own stock in foreign corporations, including CFCs and PFICs, may be subject to special information reporting requirements. Potential investors should consult their own tax advisors regarding such reporting requirements.

Treasury Regulations require the Fund to complete and file Form 8886 ("Reportable Transaction Disclosure Statement") with its tax return for any taxable year in which the Fund participates in a "reportable transaction." Additionally, each Partner treated as participating in a reportable transaction of the Fund is generally required to file Form 8886 with its tax return (or, in certain cases, within 60 days of the return's due date). If the IRS designates a transaction as a reportable transaction after the filing of a taxpayer's tax return for the year in which

the Fund or a Partner participated in the transaction, the Fund and/or such Partner may have to file Form 8886 with respect to that transaction within 90 days after the IRS makes the designation. The Fund and any such Partner, respectively, must also submit a copy of the completed form with the Service's Office of Tax Shelter Analysis.

The Fund intends to notify the Partners that it believes (based on information available to the Fund) are required to report a transaction of the Fund and intends to provide such Limited Partners with any available information needed to complete and submit Form 8886 with respect to the transactions of the Fund. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the IRS at its request.

A Partner's recognition of a loss upon its disposition of an interest in the Fund could also constitute a "reportable transaction" for such Partner, requiring such Partner to file Form 8886.

A significant penalty is imposed on taxpayers who participate in a "reportable transaction" and fail to make the required disclosure. The penalty is generally $10,000 for natural persons and $50,000 for other persons (increased to $100,000 and $200,000, respectively, if the reportable transaction is a "listed" transaction). Investors should consult with their own advisers concerning the application of these reporting obligations to their specific situations.

Reporting of Indirect Compensation

The descriptions contained in this Memorandum of fees and compensation, including the Management Fee payable to the Investment Manager and the carried interest allocable to the General Partner, are intended to satisfy the disclosure requirements for "eligible indirect compensation" for which the alternative reporting option on Schedule C of Form 550 Annual Return/Report may be available.

United States State and Local Taxes

In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Fund. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A Partner's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which it is a resident. A partnership in which the Fund acquires an interest may conduct business in a jurisdiction which will subject to tax a Partner's share of the partnership's income from that business and may cause Partners to file tax returns in those jurisdictions. Many of such states may permit the Fund to file a composite, combined, group, block or similar tax return and to make tax payments on behalf of eligible non-resident Partners. As a convenience to Partners, the Fund may make composite state filings and payments whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by state law. Any state taxes (including estimated taxes) paid by the Fund on behalf of a Partner will be charged to such Partner's Capital Account. Prospective investors should consult their tax advisers with respect to the availability of a credit for such tax in the jurisdiction in which that Partner is a resident.

The tax laws of various states and localities limit or eliminate the deductibility of itemized deductions for certain taxpayers. These limitations may apply to a Partner's share of some or all of the Fund's expenses, including interest expense, to the extent that the expenses are not considered to be trade or business expenses in the applicable jurisdiction. Prospective investors are urged to consult their tax advisers with respect to the impact of these provisions on the deductibility of certain itemized deductions, including interest expense, on their tax liabilities in the jurisdictions in which they are resident.

Limited Partners may be subject to state and/or local income franchise, withholding, capital gain or other tax payment obligations and filing requirements in those jurisdictions where the Fund is regarded as doing business or

earning income. Credits for these taxes may not be available (or may be subject to limitations) in the jurisdictions in which Limited Partners are resident.

One or more states may impose reporting requirements on the Fund and/or its Partners in a manner similar to that described above regarding tax shelters. Investors should consult with their own advisers as to the applicability of such rules in jurisdictions which may require or impose a filing requirement.

The Fund is expected to be subject to the New York City Unincorporated Business Tax, which is a 4% tax imposed on the income of a partnership that is attributable to business activities conducted in New York City. The determination of whether the Fund will be subject to such tax is made on an annual basis and, accordingly, may change from one year to the next. Nonresident individual Partners will be subject to New York State personal income tax with respect to their share of the New York source income or gain realized directly by the Fund. The Fund may make composite state filings and payments in New York whenever feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by New York law so as to minimize any such tax payment obligations and filing requirements.

Individual Limited Partners who are residents of New York State and New York City should be aware that the New York State and New York City personal income tax laws limit the deductibility of itemized deductions and interest expense for individual taxpayers at certain income levels. As described above, the Fund expects to be engaged in the business of lending money. Accordingly, the Fund intends to treat its expenses attributable to such business as not being subject to the foregoing limitations on deductibility. However, there can be no assurance that New York State and New York City will not treat such expenses as investment expenses which are subject to such limitations. These limitations may apply to a Limited Partner's share of the Fund's other expenses. Prospective Limited Partners are urged to consult their tax advisers with respect to the impact of these provisions and the federal limitations on the deductibility of certain itemized deductions and interest expense on their New York State and New York City tax liability.

For purposes of the New York State corporate franchise tax and the New York City general corporation tax, a corporation generally is treated as doing business in New York State and New York City, respectively, and is subject to such corporate taxes as a result of the ownership of a partnership interest in a partnership which does business in New York State and New York City, respectively. (New York State (but not New York City) generally exempts from corporate franchise tax a non-New York corporation which (i) does not actually or constructively own a 1% or greater limited partnership interest in a partnership doing business in New York and (ii) has a tax basis in such limited partnership interest not greater than $1 million.) Each of the New York State and New York City corporate taxes are imposed, in part, on the corporation's taxable income or capital allocable to the relevant jurisdiction by application of the appropriate allocation percentages. Moreover, a non-New York corporation which does business in New York State may be subject to a New York State license fee. A corporation which is subject to New York State corporate franchise tax solely as a result of being a limited partner in a New York partnership may, under certain circumstances, elect to compute its New York State corporate franchise tax by taking into account only its distributive share of such partnership's income and loss. There is currently no similar provision in effect for purposes of the New York City general corporation tax. Regulations under both the New York State corporate franchise tax and the New York City general corporation tax, however, provide an exception to this general rule in the case of a "portfolio investment partnership," which is defined, generally, as a partnership which meets the gross income requirements of Section 851(b)(2) of the Code. New York State (but not New York City) has adopted regulations that also include income and gains from commodity transactions described in Section 864(b)(2)(B)(iii) as qualifying gross income for this purpose. The qualification of the Fund as a portfolio investment partnership must be determined on an annual basis and, with respect to a taxable year, the Fund may not qualify as a portfolio investment partnership. Therefore, a corporate limited partner may be treated as doing business in New York State and New York City as a result of its interest in the Fund.

New York State imposes a quarterly withholding obligation on certain partnerships with respect to partners that are individual non-New York residents or corporations (other than "S" corporations). Accordingly, the Fund will be required to withhold on the distributive shares of New York source partnership income allocable to such Partners, unless such Partners timely deliver to the Fund an executed New York State Department of Taxation and

Finance Form IT-2658-E or New York State Department of Taxation and Finance Form CT-2658-E, as applicable, or any successor forms, and update such form as required.

A trust or other unincorporated organization which by reason of its purposes or activities is exempt from federal income tax is also exempt from New York State and New York City personal income tax. A nonstock corporation which is exempt from Federal income tax is generally presumed to be exempt from New York State corporate franchise tax and New York City general corporation tax. New York State imposes a tax with respect to such exempt entities on UBTI (including unrelated debt-financed income) at a rate which is currently equal to the New York State corporate franchise tax rate (plus the corporate surtax). There is no New York City tax on the UBTI of an otherwise exempt entity.

Each prospective Partner should consult its tax adviser with regard to the New York State and New York City tax consequences of an investment in the Fund.

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APPENDIX A. NOTICE TO CERTAIN NON-U.S. INVESTORS

Notice to All Non-U.S. Investors Generally

It is the responsibility of any persons wishing to subscribe for interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of interests, and any foreign exchange restrictions that may be relevant thereto.

Notice to Residents of Argentina

This Memorandum does not constitute an invitation to buy or a solicitation of an offer to sell securities or any other products or services in Argentina. Interests in the Fund are not and will not be offered or sold in Argentina, in compliance with section No. 310 of the argentine criminal code. No application has been or will be made with the Argentine Comisión Nacional de Valores, the Argentine securities governmental authority, to offer the Fund or the interests thereof in Argentina. Documents relating to this offering may not be supplied or made available in Argentina or used in connection with an offer to sell or a solicitation of an offer to buy in Argentina.

Notice to Residents of Australia

The offer of interests contained in this Memorandum is directed only to persons who qualify as "wholesale clients" within the meaning of section 761g of the Corporations Act 2001 (CTH). If the Interests are to be on sold to investors in Australia without a product disclosure statement, within 12 months of their issue, they may only be on sold to persons in Australia who are 'wholesale clients' under section 761g of the Corporations Act 2001 (CTH). Each recipient of this Memorandum warrants that it is, and at all times will be a 'wholesale client.'

This Memorandum is not a product disclosure statement or other disclosure document for the purposes of the Corporations Act 2001 (CTH). This Memorandum has not been, and will not be, reviewed by, nor lodged with, the Australian securities and investments commission and does not contain all the information that a product disclosure statement or other disclosure document is required to contain. The distribution of this Memorandum in Australia has not been authorized by any regulatory authority in Australia.

This Memorandum is provided for information purposes only and does not constitute the provision of any financial product advice or recommendation. This Memorandum does not take into account the investment objectives, financial situation and particular needs of any person and the Fund is not licensed to provide financial product advice in Australia. You should consider carefully whether the investment is suitable for you. There is no cooling-off regime that applies in relation to the acquisition of any interests in Australia.

Notice to Residents of Austria

The interests described in this Memorandum and the related documents may be offered, solicited, sold, distributed or advertised, directly or indirectly, in Austria only to identified and predetermined investors, each of which has been individually approached and identified by its name prior to dispatching the offer, solicitation for the offer, sale, distribution or advertisement, and in all cases only in circumstances where no public offering of the interests is constituted in Austria within the definition of the Austrian Capital Market Act or, the Austrian Investment Funds Act 2011 or any other law and regulation in Austria applicable to the offer and the sale of the securities in Austria. Neither this Memorandum nor any other material or information relating to the securities is a prospectus within the meaning of the Austrian Capital Market Act or the Austrian Investment Fund Act 2011 nor a public offering or a public solicitation to subscribe for or purchase the interests or a public invitation to make an offer for the interests or any advertisement or marketing which may be considered equivalent to a public offer or solicitation in Austria. No prospectus has been or will be published pursuant to the Austrian Capital Market Act or, the Austrian Investment Funds Act 2011, the Austrian Real Estate Investment Funds Act or the Austrian Stock Exchange Act. The interests have not been and will not be registered or otherwise authorized for public offer in

Austria under the Austrian Capital Market Act, the Austrian Investment Funds Act 2011, the Austrian Real Estate Investment Funds Act or the Austrian Stock Exchange Act or otherwise. This Memorandum and the related documents are solely for the use of the person to whom they have been delivered and may not be distributed other than to the qualified professional advisors of the person to whom such documents have been delivered.

Notice to Residents of the Bahamas

This Memorandum is not, and under no circumstances is to be construed as, an advertisement or a public offering or a solicitation of an offer to buy the securities described therein in the Bahamas. Neither the Securities Commission nor any similar authority in the Bahamas has reviewed or in any way passed upon the Memorandum or the merits of the securities described herein, and any representation to the contrary is an offence. Interests may not be offered or sold, transferred to, registered in favor of, beneficially owned by or otherwise disposed of in any manner to persons (legal or natural) deemed by the Central Bank of the Bahamas as resident for exchange control purposes, unless such persons deemed as resident obtain the prior approval of the Central Bank of the Bahamas. This Memorandum is not, and under no circumstances is it to be construed as, an advertisement to or a solicitation of an offer to buy the securities described therein to such non-resident persons.

Notice to Residents of Bahrain

This offer is a private placement. It is not subject to the regulations of the central bank of Bahrain that apply to public offerings of securities, and the extensive disclosure requirements and other protections that these regulations contain. This Memorandum is therefore intended only for "accredited investors" as defined in the glossary to this Memorandum.

The financial instruments offered by way of private placement may only be offered in minimum subscriptions of $100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this document.

The Board of Directors and the management of the issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Board of Directors and the management, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

Notice to Residents of Belgium

This Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority (Autoriteit voor financiële diensten en markten / Autorité des services et marchés financiers) or any other competent authority in the European Economic Area and, accordingly, the Interests may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 2.1(d) of the Prospectus Directive and Article 3, §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time, save in those circumstances (commonly called "Private Placement") set out in Article 3.2 of the Prospectus Directive and Article 3, §2 of the aforementioned Belgian Law of 16 June 2006.

Prospective purchasers shall only acquire Interests for their own account.

In addition, Interests may not be offered or sold to any person qualifying as a consumer within the meaning of the Belgian Law of 6 April 2010 on market practices and the protection of the consumer unless such sale is made in compliance with this law, the Prospectus Directive and the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and any applicable implementing regulation. Belgian investors should seek advice from their own advisers about the consequences of the investment in the Interests, including the tax consequences.

Notice to Residents of Bermuda

The Interests being offered hereby are being offered on a private basis to investors who satisfy the criteria outlined in this Memorandum. This Memorandum is not subject to, and has not received approval from either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorized to be made in this regard.

Notice to Residents of Brazil

The interests may not be offered or sold to the public in Brazil. Accordingly, the offering of the Interests has not been submitted to the Brazilian securities commission ("CVM") for approval. documents relating to such offering, as well as the information contained herein and therein may not be supplied to the public as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

Notice to Residents of the British Virgin Islands

The Interests may not be offered in the British Virgin Islands unless the Fund or the person offering the Interests on its behalf is licensed to carry on business in the British Virgin Islands. The Fund is not licensed to carry on business in the British Virgin Islands. The Interests may be offered to British Virgin Islands business companies (from outside the British Virgin Islands) without restriction. A British Virgin Islands business company is a company formed under or otherwise governed by the BVI Business Companies Act, 2004 (British Virgin Islands).

Notice to Residents of Brunei

This Memorandum does not, and is not intended to constitute an invitation, offer, sale or delivery of the Interests in Brunei Darussalam. This Memorandum is not intended to be a prospectus. It is for information purposes only. This Memorandum may not be distributed or redistributed to and may not be relied upon or used by any person in Brunei Darussalam. Any offers, acceptances, subscription, sales and allotments of the Interests shall be made outside Brunei Darussalam. This Memorandum, the Fund and the Interests have not been registered with, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam; nor has it been registered with the Registrar of Companies or the Brunei Darussalam Ministry of Finance.

Notice to Residents of Canada

This offering is being made in the provinces of Alberta, British Columbia, Ontario and Québec (the "Canadian Jurisdictions") solely by this Memorandum and any decision to purchase the Interests should be based solely on information contained in this Memorandum.

Resale Restrictions

The distribution of the Interests in the Canadian Jurisdictions is being made on a private placement basis only and is therefore exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian regulatory authority. accordingly, any resale of the Interests must be made in accordance with applicable securities laws, which will vary depending on the relevant Canadian Jurisdiction, and which may require resales to be made in accordance with exemptions from registration and prospectus requirements. Canadian resale restrictions in some circumstances may apply to resales of interests made outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the interests.

The Fund and the General Partner are not, and may never be, "reporting issuers," as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the interests will be offered and there currently is no public market for any of the interests in Canada, and one may never develop. Under no circumstances will the Fund or the General Partner be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the interests to the public in any province

or territory of Canada. Canadian investors are advised that the Fund and General Partner currently have no intention to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Interests to the public in any province or territory in Canada.

Representations of Purchasers

Each Canadian investor who purchases the Interests will be deemed to have represented that: (1) the offer and sale was made exclusively through the final version of the Memorandum and was not made through an advertisement in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada; (2) such investor has reviewed the terms referred to above under "resale restrictions"; (3) where required by law, such investor is, or is deemed to be, acquiring the interests as principal for its own account in accordance with the laws of the Canadian Jurisdiction in which the investor is resident and not as agent or trustee; (4) such investor, or any ultimate investor for which such investor is acting as agent, is entitled under applicable Canadian securities laws to acquire the interests without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing, such investor or any ultimate investor for which such investor is acting as agent (a) is an "accredited investor" as defined in section 1.1 of national instrument 45-106 – prospectus and registration exemptions ("NI 45-106") who is purchasing the interests from an "investment dealer" as defined in section 1.1 of national instrument 31-103 – registration requirements, exemptions and ongoing registrant obligations ("NI 31-103") registered in the relevant Canadian Jurisdiction; or (b) is a "permitted client" as defined in section 1.1 of NI 31-103 who (i) is a person or company registered under the securities legislation of the Canadian Jurisdiction as an adviser or a dealer; or (ii) has received the notice required pursuant to paragraph 8.18(4)(b) of NI 31-103; and (5) such investor, if not an individual or an investment fund, has a pre-existing purpose and was not established solely or primarily for the purpose of acquiring the interests in reliance on an exemption from applicable prospectus requirements in the Canadian Jurisdiction.

Important Information Regarding the Collection of Personal Information

Each resident of Ontario who purchases the Interests will be deemed to have represented to the Fund and the General Partner that such investor: (a) has been notified by the Fund and the General Partner (i) that the Fund is required to provide information ("personal information") pertaining to the investor as required to be disclosed in schedule I of form 45-106F1 (including its name, address, telephone number and the aggregate amount and value of any interests purchased), which form 45-106F1 is required to be filed by or on behalf of the Fund under NI 45-106; (ii) that such personal information will be delivered to the Ontario Securities Commission (the "OSC") in accordance with NI 45-106; (iii) that such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario; (iv) that such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the administrative assistant to the director of corporate finance at the OSC, suite 1903, box 55, 20 Queen Street West, Toronto, Ontario m5h 3s8, telephone: (416) 593-8086; and (b) has authorized the indirect collection of the personal information by the OSC. Further, the investor acknowledges that its name, address, telephone number and other specified information, including the aggregate amount of interests it has purchased and the aggregate purchase price to the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws. each resident of a Canadian Jurisdiction other than Ontario who purchases the interests hereby acknowledges to the Fund and the general partner that its name and other specific information, including the aggregate amount of the interests it has purchased and the aggregate amount and value of any interests purchased, may be disclosed to Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian securities laws. By purchasing the Interests, each investor consents to the disclosure of such information and also agrees to provide such information and documents as the Fund and the General Partner may reasonably require from time to time to comply with any filings and other requirements of applicable Canadian securities laws.

The investor certifies that none of the funds being used to purchase securities are, to its knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and that: (i) the funds being used to purchase the securities and advanced by or on behalf of the applicant do not represent proceeds of crime for the purpose of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the "PCMLTFA") and (ii) the Fund and the general partner or any person acting on their behalf or as their agent may in the future be required by law to disclose the applicant's name and other information relating to the applicant and any purchaser of the securities, on a confidential basis, pursuant to the PCMLTFA and the criminal code of Canada (Canada or as otherwise may be required by applicable laws, regulations or rules).

Rights of Action for Damages or Rescission

Securities legislation in some of the Canadian Jurisdictions provides some purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages or both where an offering memorandum (such as this memorandum) and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. Those remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the relevant securities legislation and are advised to consult their own legal advisers as to which, or whether any, of such rights may be available to them.

The rights of action discussed below will be granted to the purchasers to whom such rights are conferred upon the subscription for the interests. The rights discussed above are in addition to and without derogation from any other right or remedy which purchasers may have at law. Similar rights may be available to investors resident in other Canadian jurisdictions under local provincial securities laws.

Rights for Purchasers in Ontario

Section 130.1 of the Securities Act (Ontario) (the "Ontario Act") provides that every purchaser of securities pursuant to an offering memorandum (such as this Memorandum) shall have a statutory right of action for damages or rescission in the event that the offering memorandum contains a misrepresentation. where used herein, "misrepresentation" means an untrue statement of a material fact (meaning a fact that would reasonably be expected to have a significant effect on the value of the interests) or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. a purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission provided that:

(A) If the purchaser exercises its right of rescission, it shall cease to have a right of action for damages;

(B) The Fund and the general partner will not be liable if they prove that the purchaser purchased the securities with knowledge of the misrepresentation;

(C) The Fund and the general partner will not be liable for all or any portion of damages that they prove do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(D) In no case shall the amount recoverable exceed the price at which the securities were offered. Section 138 of the Ontario act provides that no action shall be commenced to enforce these rights more than:

(a) In the case of an action for rescission, 180 days from the day of the transaction that gave rise to the cause of action; or

(b) In the case of an action for damages, the earlier of:

(i) 180 days from the day that the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years from the day of the transaction that gave rise to the cause of action.

The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this Memorandum) delivered to a prospective purchaser in connection with a distribution made in reliance on the exemption from the prospectus requirement in section 2.3 of NI 45-106 (the "Accredited Investor" exemption) if the prospective purchaser is:

(A) A Canadian financial institution (as defined in NI 45-106) or a schedule iii bank;

(B) The business development bank of Canada incorporated under the business development bank of Canada act (Canada); or

(C) A subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The rights of action for damages or rescission under the Ontario act are in addition to and do not derogate from any other right which a purchaser may have at law.

Rights for Purchasers in Québec

Legislation has been adopted in Québec, but is not yet in force, that will provide the purchasers of the securities with a statutory right to sue (if proclaimed in force). Until such time as this legislation is in force, in addition to any other right or remedy available to the purchasers of the securities under ordinary civil liability rules, purchasers are granted the same rights of action for damages or rescission as purchasers in Ontario. If and when this legislation is in force, then purchasers of the securities residing in the province of Québec will no longer have the rights granted to purchasers in Ontario and the following will apply, in addition to any other right or remedy available to purchasers of securities residing in the province of Québec under ordinary civil liability rules:

If there is a misrepresentation in the offering document, purchasers will have a statutory right to sue:

(A) To cancel subscription agreement to buy the securities or to revise the price at which the securities were sold to the purchaser; and

(B) For damages against the issuer, the persons in charge of the issuer's patrimony, the dealer(s) under contract to the issuer in connection with the sale of the securities and any expert whose opinion appears in the offering document if such opinion contains a misrepresentation.

This statutory right to sue will be available to purchasers whether or not purchasers have relied on the offering document. Purchasers will be able to elect to cancel their agreement to buy the securities or to bring an action to revise the price without prejudice to their claim for damages.

However, there will be various defenses available to the persons that purchasers will have a right to sue. For example, they will have a defense if purchasers knew of the misrepresentation when they purchased the securities. In an action for damages, a person listed above, other than the issuer or the persons in charge of the issuer's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(A) The offering document contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(B) There was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If purchasers of securities intend to rely on the rights described in (A) or (B) above, they will have to do so within strict time limitations. Purchasers will have to commence an action to cancel the agreement or revise the price within three years after the date of the purchase. Purchasers will have to commence an action for damages within the earlier of (i) three years after they first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to purchaser's negligence) or (ii) five years after the filing of the offering document with the autorité des marchés financiers.

This summary is subject to the express provisions of the securities act (Québec) and the regulations and rules made under it, and you should refer to the complete text of those provisions.

Language of Documents

Each purchaser of interests hereby agrees that it is the purchaser's express wish that all documents evidencing or relating in any way to the sale of the interests be drafted in the English language only.

Chaque acheteur au canada des billets reconnaît que c'est sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière à la vente des billets soient rédigés uniquement en anglais.

Notice to Residents of the Cayman Islands

This is not an offer to the public in the Cayman islands to subscribe for Interests, and applications originating from the Cayman islands will only be accepted from exempted Cayman islands companies, trusts registered as exempted in the Cayman islands, Cayman islands exempted limited partnerships or companies incorporated in other jurisdictions and registered as foreign corporations in the Cayman islands.

Notice to Residents of Chile

The Interests offered hereby are not required to be registered in Chile and, in consequence, have not been, and will not be, registered with the Superintendencia de Valores y Seguros de Chile and therefore are not subject to its surveillance. Furthermore, the issuer is not obliged to deliver public information regarding these interests. These interests will not be subject to a public offering unless registered with the registry of securities. This offering commences on the date of the memorandum and is performed according to norma de carácter general 336 of the superintendencia de valores y seguros de chile.

Esta oferta se realiza conforme a la norma de carácter general n° 336 de la superintendencia de valores y seguros (svs) y comienza en la fecha de este memorandum/documento. Esta oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la svs y, por lo mismo, estos valores no están sujetos a su fiscalización. Por lo mismo, no existe de parte del emisor obligación de entregar en chile información pública respecto de estos valores. Finalmente, estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.

Notice to Residents of China

This Memorandum does not constitute a public offering of securities, whether by way of sale or subscription, in the People's Republic of China. The offer or sale of the Interests has not been and will not be filed with any securities or other regulatory authorities of the People's Republic of China pursuant to relevant securities-related or other laws and regulations and may not be offered or sold within the mainland of the People's Republic of China through a public offering or in circumstances which require an examination or approval of any securities or other regulatory authorities in the People's Republic of China or unless otherwise in accordance with the laws and regulations of the People's Republic of China.

Notice to Residents of Colombia

This Memorandum is for the sole and exclusive use of the addressee as a determined individual/entity, and cannot be understood as addressed or be used by any third party, including any of its shareholders, administrators or by any of the employees of the addressee.

This Memorandum has not been and will not be filed with or approved by the Colombian Financial Superintendency or any other regulatory authority in Colombia.

The issuance of the Interests, its trading and payment shall occur outside Colombia, therefore the Interests have not been and will not be registered before the National Securities and Issuers Registry, nor with the Bolsa de Valores de Colombia. The delivery of this Confidential Memorandum does not constitute a public offer of securities under the laws of Colombia. The Interests may not be solicited, publicly offered, transferred, sold or delivered, whether directly or indirectly, to any individual or legal entity in Colombia.

The addressee acknowledges the Colombian laws and regulations (specifically foreign exchange and tax regulations) applicable to any transaction or investment made in connection with this agreement and represents that it is the sole responsible party for full compliance therewith. Additionally, Colombian investors shall be the sole responsible party for compliance therewith. Additionally, Colombian investors are solely liable for conducting an investment suitability analysis as per their applicable investment regime.

Notice to Residents of the Cyprus

The information contained in this Memorandum has not been prepared with the intention to make an offer or invitation to the public to subscribe for the Interests. This Memorandum is specifically addressed to a limited number of investors which in the aggregate do not amount to more than 50 as regards the Cypriot market. All information contained in this Memorandum is strictly confidential and the Interests, if subscribed for, are not renounceable in favor of any third party.

Notice to Residents of the Czech Republic

This Memorandum is provided only to professional customers and/or experienced investors. The information contained herein should neither be regarded as an offer nor a solicitation to buy, sell or otherwise deal with any investment referred to herein and is not intended for distribution to, or use by, any person in the Czech Republic, where the Fund is not authorized or registered for distribution or in which the dissemination of information on the Fund is forbidden. This Memorandum may not be distributed to any person or entity other than the recipient hereof. The Interests have not been and will not be registered or approved by the Czech National Bank or any other relevant supervisory authority. The Interests must not be distributed within the Czech Republic by way of public offer or in any similar manner.

The key investor information forms an integral part of this Memorandum.

Notice to Residents of Denmark

This Memorandum has not been and will not be filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark and the Interests have not been and are not intended to be listed on a Danish regulated market place. Furthermore, the Fund Interest has not been and will not be offered to the public in Denmark. Consequently, this Memorandum may not be made available nor may the Interests otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 643 of 19 June 2012.

Notice to Residents of Dubai International Financial Center

This Memorandum relates to a partnership which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). This Memorandum is intended for distribution only to persons meeting the criteria of a "professional client" in accordance with the DFSA's rules and must not, therefore, be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any Memorandum or other documents in connection with this Partnership. Accordingly, the DFSA has not approved this Memorandum or any other associated documents nor taken any steps to verify the information set out in this Memorandum, and has no responsibility for it. The Interests to which this Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the units. If you do not understand the contents of this document you should consult an authorized financial advisor.

Notice to Residents of Egypt

The securities discussed in the enclosed materials are not being offered or sold publicly in Egypt and they have not been and will not be registered with the Egyptian Capital Market Authority and may not be offered or sold to the public in Egypt. No offer, sale or delivery of such securities, or distribution of any prospectus relating thereto, may be made in or from Egypt except in compliance with the applicable Egypt laws and regulations.

Notice to Residents of Finland

This Memorandum does not constitute an offer to the public in Finland. The Interests cannot be offered or sold in Finland by means of any document to any persons other than "Qualified Investors" as defined by the Finnish Securities Markets Act (Fin: Arvopaperimarkkinalaki, 495/1989) as amended or in any other circumstances which do not require the publication by the issuer or any other entity of a prospectus pursuant to Article 3 of the Directive 2003/71/EC (Prospectus Directive). No action has been taken to authorize an offering of the Interests to the public in Finland and the distribution of this Memorandum is not authorized by the Financial Supervision Authority in Finland. This Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this Memorandum has been delivered by the Fund or its representative. This Memorandum may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

Notice to Residents of France

This Memorandum has not been prepared in the context of a public offering of financial securities in France within the meaning of Article l.411-1 of the French Code Monétaire et Financier and Title I of book II of the Règlement Général of the Autorité des Marchés Financiers (the "AMF") and therefore has not been and will not be submitted for clearance to the AMF. Consequently, the interests are not being offered, directly or indirectly, to the public in France and this Memorandum has not been and will not be distributed to the public in France. offers, sales and distributions of the interests in France will be made only to qualified investors (Investisseurs Qualifiés) acting for their own accounts or to a closed circle of investors (cercle restreint d'investisseurs) acting for their own accounts, and/or to providers of the investment service of portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers) as defined in, and in accordance with, articles l. 411-2 and d. 411-1 to d. 411-4, d. 744-1, d. 754-1 and d. 764-1 of the French code monétaire et financier. The interests may only be offered, directly or indirectly, to the public in France, in compliance with articles l. 411- 1, l. 411-2, l. 412-1 and l. 621-8 through l. 621-8-3 of the French code monétaire et financier.

Le present memorandum (Memorandum) n'a pas ete prepare dans le cadre d'une offre au public d'instruments financiers realisee en france au sens de l'article l. 411-1 du code monetaire et financier français et du titre i du livre ii du reglement general de l'autorite des marches financiers (l' « AMF ») et n'a donc pas ete et ne fera pas l'objet d'une demande de visa ou d'autorisation aupres de l'amf. En consequence, les parts ne sont pas offertes,

directement ou indirectement, au public en france. les offres, ventes, et distributions des parts en france ne seront faites qu'aupres d'investisseurs qualifies agissant pour leur propre compte, ou a un cercle restreint d'investisseurs agissant pour leur propre compte, et/ou aux prestataires fournissant le service de gestion de portefeuille pour le compte de tiers, tel que definis par, et en application, des articles l. 411-2, d. 411-1 a d. 411-4, d. 744-1, d. 754-1 et d. 764-1 du code monetaire et financier. les parts ne pourraient faire l'objet d'une offre au public en france, directement ou indirectement, que si l'offre etait realisee conformement aux articles l. 411-1, l. 411-2, l. 412-1, et l. 621-8 a l.621-8-3 du code monetaire et financier francais.

Notice to Residents of Germany

This offering Memorandum and other offering documentation have not been submitted to the German federal Financial Supervisory Authority (bundesanstalt für finanzdienstleistungsaufsicht, bafin) and the Interests have not been and will not be admitted or registered for public distribution under the Securities Sale Prospectus Act (WpPG), the Investment Products Act (VermanlG) and the Investment Act (InvG). The Interests must not be distributed within Germany by way of public offer, public advertisement or in any similar manner. This offering Memorandum and any other marketing materials relating to the interests as well as information contained therein are strictly confidential and may not be supplied to the public in Germany or used in connection with any offer for subscription of the interests to the public in Germany and may not be distributed to any person or entity other than the recipients hereof. Recipients may not pass this offering Memorandum or any other offering materials onto third persons except for purposes of evaluating their own investment.

Notice to Residents of Greece

The Fund has not been approved by the Hellenic capital market commission for distribution and marketing in Greece.

This Memorandum and the information contained therein do not and shall not be deemed to constitute an invitation to the public in Greece to purchase interests in the Fund. The Interests have not been and will not be distributed or sold by any form of solicitation or advertising to the public in Greece. The Interests may not be distributed, offered or in any way sold in Greece except as permitted by Greek law. The Fund does not have a guaranteed performance and past returns do not guarantee future ones.

Notice to Residents of Guernsey

This Memorandum has not been approved or authorised by the Guernsey Financial Services Commission for circulation in the Bailiwick of Guernsey. Accordingly, this Memorandum may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000.

Notice to Residents of Hong Kong

The contents of this Memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Memorandum, you should obtain independent professional advice.

The Fund has not been authorized by the Securities and Futures commission in Hong Kong pursuant to the Securities and Futures Ordinance (cap. 571 of the laws of Hong Kong) (the "SFO").

No advertisement, invitation or document related to the interests has been or will be issued, in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to interests

which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that ordinance.

Notice to Residents of India

This Memorandum does not constitute an offer to sell or an offer to buy interests from any person other than the person to whom this Memorandum has been sent by the Fund or its authorized agent. This Memorandum is not and should not be construed as a prospectus. The Interests in the Fund are not being offered to the public for sale or subscription but are being privately placed with a limited number of sophisticated investors. Prospective investors must seek legal advice as to whether they are entitled to subscribe for the Interests of the Fund and must comply with all relevant Indian laws in this respect.

Notice to Residents of Indonesia

This Memorandum may not be distributed in the Republic of Indonesia and the Interests may not, directly or indirectly, be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian entities or residents in a manner which constitutes a public offering of the Interests under the laws of the Republic of Indonesia.

Notice to Residents of Ireland

This Memorandum and the information contained herein is confidential and has been prepared and is intended for use on a confidential basis solely by those persons in Ireland to whom it is sent. It may not be reproduced, redistributed or passed on to any other persons or published in whole or in any part for any purpose. The Offer is being made pursuant to an exemption or exemptions under the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and accordingly no Prospectus pursuant to those Regulations is required to be published. Facilities for participation by the public are not being provided in respect of the offer.

Notice to Residents of Israel

The offering under this Memorandum does not constitute an "offer to the public" as defined in the Israeli securities law 5728-1968, and investors will not be able to rely on such securities law in any matters related to or deriving from this Memorandum and/or their investment in the Fund. The securities offered hereby have not been approved or disapproved by the securities authority or any other authority of the state of Israel.

Notice to Residents of Italy

The Fund is not a ucits complying fund. This Memorandum has not been nor will it be filed with the Italian authorities for registration. No action has been or will be taken which would allow the offering of the interests in Italy. Accordingly, the Interests can only be offered upon the express and unsolicited request of an investor who has directly contacted the Fund on his/her/its own initiative. No active marketing of the Fund or the Interests has been made in Italy, and this Memorandum has been sent to the investor at such investor's express and unsolicited request.

Notice to Residents of Japan

Registration pursuant to article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan, as amended (the "FIEA") has not been and will not be made with respect to the solicitation of an offer to purchase an Interest ("Interest") of the Fund on the ground that the solicitation qualifies as a "solicitation for a small number of investors" (as defined in article 23-13, paragraph 4 of the FIEA), and the interests are "securities" as defined in article 2, paragraph 2, item 6 of the fiea and being offered in accordance with article 2, paragraph 3, item 3 of the FIEA where the interests are to be acquired by 499 or fewer investors.

Prospective investors should be aware that the general partner has not been and will not be registered under the FIEA as "type 2 financial instrument trader" (dainishu kinyushohin torihiki gyo) nor "Investment Management Business" (toshi unyo gyo), and no transfer of interests shall be permitted in any manner whatsoever if such transfer causes the general partner to be registered as "Type 2 Financial Instrument Trader" (dainishu kinyushohin torihiki gyo) and/or "investment management business" (toshi unyo gyo) under the FIEA.

In the event that the general partner chooses to rely on the exemption for registration requirement for "type 2 financial instrument trader" (dainishu kinyushohin torihiki gyo) as provided for in article 63, paragraph 1, item 1 of the FIEA with respect to the offering and sale of the interests, the investor acknowledges and agrees that: (i) no interests shall be sold to or held by any resident in Japan (including those who have been solicited in Japan to subscribe for the interests) unless at least one "qualified institutional investor," as defined in article 2, paragraph 3, item 1 of the FIEA and article 10 of the cabinet order regarding definitions under article 2 of the FIEA (the "QII"), purchases and holds an interest; (ii) the number of the investors who are not QII in Japan (including those who have been solicited in Japan to subscribe for the interests) that purchase or hold interests shall not exceed 49 during any given six months period (subject to the rules of integration as provided for under the FIEA); (iii) no interest shall be sold to or held by any person falling under article 63, paragraph 1, item 1, sub-items (i) to (iii) of the FIEA (any such person being referred to as an "unqualified investor"); (iv) if the investor is a QII, it agrees not to transfer the interests if (a) the transferee is not a QII or (b) the transferee is an unqualified investor; and (v) if the investor is not a QII, it can transfer the interests only in a single block transaction to a single transferee who is not an unqualified investor, and all of the investor's interests must be transferred to the transferee in such transaction.

Furthermore, in the event that the general partner chooses to rely on the exemption for registration requirement for "investment management business" (toshi unyo gyo), no interests shall be sold in Japan or held by Japanese investors, unless either (a): (i) all of the Japanese investors in the Fund who are "direct investors" (as defined in article 16, paragraph 1, item 13 of the cabinet order regarding definitions under article 2 of the FIEA) are (x) QIIs or (y) those who have filed the notification form for special business activities for qualified institutional investors in respect of "investment management business" (as defined in article 63, paragraph 1, item 2 of the FIEA) in accordance with article 63, paragraph 2 of the FIEA (the "article 63 notification"); (ii) all of the Japanese investors in the Fund who are "indirect investors" (as defined in article 16, paragraph 1, item 13 of the cabinet order regarding definitions under article 2 of the FIEA), if any, are QIIs; (iii) the number of Japanese investors (including "indirect investors") in the Fund is not more than 9; and (iv) the aggregate amount of investment in the Fund made by the "direct investors" is not more than one-third (1/3) of the aggregate amount of the investment made by all investors in the Fund, or (b): (i) at least one QII holds, at any given time, an interest; (ii) the number of investors who are not QIIs ("non-QII") in Japan holding the interests, if any, does not exceed 49 during any given six months period (subject to the aggregation rules provided for in article 17-12, paragraph 3, item 2, sub-item (b) of the enforcement ordinance of the FIEA); (iii) no interests are sold to or held by unqualified investors; and (iv) the general partner of the Fund has filed the article 63 notification prior to the commencement of the management of the assets of the Fund.

Notice to Residents of Jersey

Interests in the Fund are only suitable for sophisticated investors who have the requisite knowledge and experience of financial and business matters to evaluate the merits and understand the risks of such an investment. Neither this Memorandum nor the offer of Interests pursuant to this Memorandum has been approved by or filed with the jersey financial services commission. Consent under the control of borrowing (Jersey) order 1958 ("COBO") has not been obtained for the circulation of this Memorandum. accordingly, the offer that is the subject of this Memorandum may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Notice to Residents of Jordan

This Memorandum has not been presented to, or approved by the Jordanian Securities Commission or the Board for Regulating Transactions in Foreign Exchanges. Sending this Memorandum or establishing direct contact about it with potential investors in Jordan cannot be made unless and until proper registration, filing and licenses, or exemptions therefrom, required under the Jordanian Securities Law and the law regulating trading in foreign exchanges have been secured.

Notice to Residents of Korea

The Fund makes no representation with respect to the eligibility of any recipients of this Memorandum to acquire the interests under the laws of Korea, including, without limitation, the foreign exchange transaction law and regulations thereunder. The Interests have not been registered with the Financial Services Commission of Korea (the "FSC") in Korea under the financial investment services and capital markets act of Korea, and the interests may not be offered, sold or delivered, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the interests may not be resold to Korean residents unless the purchaser of the interests complies with all applicable regulatory requirements (including, without limitation, governmental approval requirements under the foreign exchange transaction law and its subordinate decrees and regulations) in connection with the purchase of the Interests.

Notice to Residents of Kuwait

With respect to the content of this Memorandum, you are recommended to seek advice from a person licensed in accordance with the law and specialized in rendering advice on the purchase of stocks and securities before you make a subscription decision.

Notice to Residents of Liechtenstein

The Interests are offered to a narrowly defined category of investors, in all cases and under all circumstances designed to preclude a public solicitation in Liechtenstein. This Memorandum may not be reproduced or used for any other purpose nor be furnished to any other person than those to whom copies have personally been sent. This offer is a private offer, this Memorandum and the transaction described therein is therefore not, nor has it been, subject to the review and supervision of the Liechtenstein Financial Market Authority.

Notice to Residents of Luxembourg

This Memorandum is strictly private and confidential. The Interests are being issued to a limited number of sophisticated investors, and this Memorandum may not be reproduced or used for any other purpose, nor provided or sold to any other person other than the recipient thereof. In Luxembourg, the sale of the Interests has not been authorized by the Commission de Surveillance du Secteur Financier and, accordingly, the Interests have not been and may not be offered directly or indirectly, to the public in or from Luxembourg, and further they may not be offered in Luxembourg outside the scope of the exemptions provided for in the Luxembourg Law of 10 July 2005 on prospectuses for securities, as amended.

Notice to Residents of Malaysia

Prior permission of the Malaysian Securities Commission pursuant to the Malaysian Capital Markets and Services Act 2007 has not and will not be obtained for the making available, offering for subscription or purchase or issuance of an invitation to subscribe for or purchase the Interests in Malaysia. Neither the Memorandum nor any document or other material in connection therewith has been registered as a prospectus or deposited with the securities commission under the Capital Markets and Services Act 2007. Accordingly:

(A) the Memorandum and any document or other material in connection therewith may not be distributed, circulated or made available directly or indirectly in Malaysia and the offeror shall not be liable in any manner whatsoever in the event this Memorandum and any document or other material in connection therewith is distributed or made available in Malaysia; and

(B) the Interests may not be made available, offered for subscription or purchase directly and indirectly in Malaysia, and no invitation to subscribe for or purchase of the Interests may be made directly or indirectly to any person in Malaysia. If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional advisor immediately. It is your sole responsibility to satisfy yourself as to the full observance of the laws of Malaysia and to obtain all relevant government and regulatory approvals including but not limited to exchange control laws;

(C) nothing in this Memorandum and any document or other material in connection therewith shall constitute in any manner whatsoever a proposal to make available, offer for subscription or purchase or to issue an invitation to subscribe for or purchase any securities in Malaysia or a proposal to implement any of the foregoing in Malaysia; and

(D) the securities are being offered to you outside Malaysia under a very limited and exclusive private placement.

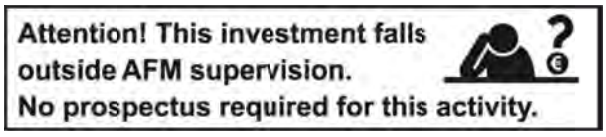
Notice to Residents of Mexico

The Interests have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and may not be publicly offered in Mexico. This Memorandum may not be publicly distributed in Mexico. The Interests may be offered as private offering in terms of article 8 of the Securities Market Law.

Notice to Residents of the Netherlands

The Interests have not been and will not be offered, sold, transferred or delivered in the Netherlands, as part of their initial distribution or at any time thereafter, directly or indirectly, other than (a) to individuals or legal entities which are considered to be "qualified investors" (gekwalificeerde beleggers) within the meaning of Section 1:1 of the Dutch Financial Supervision Act (wet op het financieel toezicht, the "WFT"); and/or (b) for a minimum consideration of €100,000 (or the equivalent amount in another currency); and/or (c) in a minimum denomination of €100,000 (or the equivalent amount in another currency); and/or (d) in circumstances where other exemptions in respect of the offering of the Interests apply.

The offering of the Interests does not require the Fund to have a license pursuant to the WFT and the Fund is not subject to supervision of the Netherlands Authority for Financial Markets (autoriteit financiële markten, the "AFM") or supervision of the dutch central bank (DE Nederlandsche Bank, the "DNB").



Notice to Residents of New Zealand

Warning (please read the following important information):

The offer of Interests in the Fund is restricted in New Zealand to persons:

(A) Whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money;

(B) Who otherwise pay a minimum subscription price of at least nz$500,000 for Interests under this offer;

(C) Who have within the last 18 months paid a minimum subscription price of at least nz$500,000 for the same Interests in the Fund in a single transaction before the allotment of those initial securities.

This Memorandum does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for securities in the Fund by persons in New Zealand who do not meet the above criteria. Applications or any requests for information from persons in New Zealand who do not meet the above criteria will not be accepted.

By applying for Interests in the Fund, each New Zealand investor is deemed to agree that:

(A) They are not acquiring the Interests in the Fund with a view to offering them for sale to members of the public in New Zealand (as that expression is used in the securities act 1978), and that if in the future they elect to sell any of the Interests in the Fund, they will not do so in any manner which will, or is likely to, result in the Interests in the Fund being subject to the securities act 1978 or may result in the Fund or any of its directors or related bodies corporate incurring any liability whatsoever; and

(B) If Interests in the Fund are found to have been offered to persons in New Zealand who do not meet the above criteria, they will provide their consent to the making of a relief order under the securities act 1978, in accordance with the procedure prescribed by that act.

Notice to Residents of Nicaragua

The present is not a public offering document. Interests are not to be offered, placed or traded in by any means to the public or determined groups, including the use of mass media and any other public offering means.

Notice to Residents of Norway

The Fund is not subject to regulation under the Norwegian Securities Funds Act of 2011. No action has been, nor will be, taken for the offering of Interests in the Fund and the Memorandum to be registered nor approved by the Norwegian Financial Supervisory Authority (Finanstilsynet) according to the Norwegian Securities Funds Act No 44 of 25 November 2011 nor under the public offering rules of the Norwegian Securities Trading Act No. 75 of 29 June 2007 Chapter 7. The Fund has not been, nor will be under supervision by the Financial Supervisory Authority of Norway (Finanstilsynet). Interests in the Fund will only be sold to selected professional investors in Norway. This Memorandum must not be copied or otherwise distributed by the recipient. Each investor should carefully consider individual tax issues before investing in the Fund.

Notice to Residents of Oman

The interest in the Fund, this Memorandum or any offering material relating to the Interests in the Fund may not be marketed or distributed to any person in Oman other than by an entity licensed to market non-Omani securities by the capital market authority and then only in accordance with any terms and conditions of such license.

Notice to Residents of Panama

These Interests have not been and will not be registered with the Superintendence of Securities Market of the Republic of Panama (former National Securities Commission) under Decree Law No. 1 of July 8, 1999 and Law 67 of September 1, 2011 and/or its regulations (the "Panamanian Securities Act") and may not be publicly offered or sold within Panama, except in certain limited transactions exempt from the registration requirements of the Panamanian Securities Act. These Interests do not benefit from the tax incentives provided by the Panamanian Securities Act and are not subject to regulation or supervision by the Superintendence of Securities Market of the Republic of Panama.

Notice to Residents of Peru

The Interests will be sold through a private offering in Peru. The offering will not be registered with the Peruvian Securities and Exchange Commission (Superintendencia del Mercado de Valores) and will not qualify as a public offering pursuant to Peruvian Securities Market Law (Ley del Mercado de Valores).

Notice to Residents of the Philippines

The Philippine Securities and Exchange Commission has not approved these securities or determined if this Memorandum is accurate or complete. Any representation to the contrary is a criminal offense and should be reported immediately to the Philippine Securities and Exchange Commission. The Interest will be offered in the Philippines only pursuant to exemptions under the Securities Regulation Code (the "SRC"). Accordingly, securities may not be offered or sold or made the subject of an solicitation for subscription or purchase nor may this Memorandum or any other document or material in connection with the offer or sale, or solicitation for subscription or purchase, of securities circulated or distributed whether directly or indirectly to any person in the Republic of the Philippines except in a transaction exempt from the SRC's registration requirements under Section 10 of the SRC. The Interest being offered or sold have not been registered with the Philippine Securities and Exchange Commission under the SRC. Any future offer or sale thereof is subject to registration requirements under the SRC unless such offer or sale qualifies as an exempt transaction.

Notice to Residents of Poland

The Interests described in this Memorandum and related documents may not be publicly offered in the Republic of Poland. The Memorandum has been neither submitted for approval nor was it notified to the Polish Financial Supervision Commission (komisja nadzoru finansowego) or any other public authority in the Republic of Poland in any way.

It is therefore neither an issue prospectus (prospekt emisyjny) nor an information memorandum (memorandum informacyjne) in the understanding of the Act on Public Offering, conditions governing the introduction of financial instruments to organised trading, and public companies (ustawa o ofercie publicznej I warunkach wprowadzania instrumentów finansowych do zorganizowanego systemu obrotu oraz o spólkach publicznych), its by-laws and the Act on the Investment Funds (ustawa o funuszach inwestycyjnych).

There are no Polish language counterparts of this Memorandum and related documents and at the same time these are not intended to constitute a public offering in the Republic of Poland and should not be regarded as such.

In particular, this Memorandum does not constitute an offer to sell (nor a solicitation of any offer to buy) the Interests in the Polish jurisdiction and no steps may be taken which would constitute or result in a public offering of the Interests in the Republic of Poland.

This Memorandum is strictly for private use by its holder and may not be passed on to third parties. It has been prepared for private information purposes only. Sale of Interests to Polish residents regardless whether direct or indirect will be made in compliance with all applicable requirements.

Notice to Residents of Portugal

This material is being provided by the Fund at the request of the addressee for its exclusive use. This offer is addressed only to institutional investors, as so qualified pursuant to the Portuguese securities code (decree-law 486/99, dated November 13, 2000, as amended) and pre-determined investors, and does not qualify as marketing of participation unites in undertakings for collective investments, as per article 1 no. 3 ex vi article 15 of undertaking for collective investment law. The Fund has not been and will not be registered with the Portuguese Securities Market Commission (comissão do mercado de valores mobiliários) as a foreign non-harmonized

investment fund (article 71 ss of CMVM Regulation 15/2003 ex VI article 78 of decree-law 252/2003, dated 17 October 2003), as amended.

Notice to Residents of Qatar

This offering has not been filed with, reviewed or approved by the Qatar central bank, any other relevant Qatar governmental body or securities exchange.

Notice to Residents of Russia

This Memorandum is not registered with the Russian regulator (Federal Service for Financial Markets) and intended exclusively for the qualified investors (as defined in Section 51.2 of the Federal Law No. 39-FZ of April 22, 1996 (as amended), "On the Securities Market" and in the Order of the Federal Service on Financial Markets No. 08-12/pz-n of March 18, 2008). Accordingly, the securities (financial instruments) cannot be advertised or otherwise publicly marketed and/or offered for sale in the Russian Federation.

Notice to Residents of Saudi Arabia

This Memorandum may not be distributed in the Kingdom except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Memorandum. Prospective purchasers of the Interests offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

Notice to Residents of Scotland

This Memorandum has not been approved by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000 ("FSMA"), nor is it a prospectus approved under Section 87a et seq. of the FSMA, nor has any regulatory filing been made in the United Kingdom in respect of this Memorandum. The distribution of this Memorandum in the United Kingdom is restricted by the FSMA and related legislation (together, the "Regulations") and this Memorandum is for distribution in the United Kingdom only to persons to whom it may lawfully be communicated under such Regulations ("relevant persons").

This communication is directed only at persons in the United Kingdom who are relevant persons and must not be distributed to, acted on or relied on by persons who are not relevant persons.

Notice to Residents of Singapore

This Memorandum has not been registered as a prospectus with the monetary authority of Singapore. Accordingly, this Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Interests may not be circulated or distributed, nor may Interests be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) pursuant to, and in accordance with, the conditions of an exemption under any provision of subdivision (4) of division 1 of part XIII of the Securities and Futures Act, chapter 289 of Singapore (the "SFA"), other than an exemption in section 272b and section 280 of the SFA or (ii) pursuant to, and in accordance with, the conditions of an exemption in section 272b of the SFA where the offer, sale or invitation to the person named above is not made with a view to the Interests being subsequently the subject of an offer, sale or invitation to another person under section 272b or section 280 of the SFA.

Notice to Residents of South Africa

This Memorandum is not intended to be and does not constitute solicitation for investments from members of the public in South Africa in terms of Collective Investment Schemes Control Act 45 of 2002 (as amended).

A South African investor who has received such Memorandum warrants that they have received such Memorandum on a reverse-solicitation basis.

Recipients who accept this offer warrant that they have obtained the relevant exchange control approval.

Notice to Residents of Spain

This Memorandum is neither approved by nor registered in the administrative registries of the Spanish Comisión Nacional del Mercado de Valores ("CNMV"). The Interests may not be offered or sold in Spain or targeted to Spanish resident investors save in compliance with the requirements of the Spanish Securities Market Law, as amended and restated, from time to time and decrees, regulations and any further subsequent legislation issued thereunder.

Notice to Residents of Sweden

The Fund is not authorised under the Swedish Investment Funds Act (SFS 2004:46) (the "Funds Act"). This Memorandum has not been nor will it be registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority) under the Funds Act or the Swedish Financial Instruments Trading Act (SFS 1991:980). Accordingly, this Memorandum may not be made available, nor may the Interests offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus under the Trading Act. Prospective investors should not construe the contents of this Memorandum as legal or tax advice. This Memorandum has been prepared for marketing purposes only and does not constitute investment advice.

Notice to Residents of Switzerland

The Fund has not been approved by the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of June 23, 2006 ("CISA"). The Interests may not be publicly offered in or from Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Memorandum has been prepared without regard to the disclosure standards for issuance of prospectuses under the CISA, Article 652a or 1156 of the Swiss Code of Obligations or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Article 652a or 1156 of the Swiss Code of Obligations or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. The Interests may not be publicly offered in or from Switzerland and may only be offered to qualified investors as such term is defined by the CISA and its implementing ordinance. Neither this Memorandum nor any other offering or marketing material relating to Fund or the Interests may be publicly distributed or otherwise made available in or from Switzerland through a public offering within the meaning of the CISA, the Swiss Code of Obligations and all other applicable laws and regulations in Switzerland. Neither this Memorandum nor any other offering or marketing material relating to the Fund or the Interests have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to acquirers of the Interests.

Notice to Residents of Taiwan

Interests in the Fund cannot be offered, distributed, transferred or resold in Taiwan without prior approval or registration from or with the roc financial supervisory commission pursuant to the applicable laws or meeting the private placement exemption under the applicable laws.

Transfer of the Interests in the Fund is only limited to the following situations:

(A) Redemption of the interests by foreign fund institutions;

(B) Transfer to another qualified institutional investor or qualified non-institutional investor as mentioned above;

(C) Where the transfer occurs by operation of laws; or

(D) Where otherwise approved by the roc financial supervisory commission.

Notice to Residents of Thailand

No solicitation for investment in the Interests can be made in Thailand or to any resident of Thailand unless

(A) such solicitation is conducted by an offshore securities company holding securities licences granted by an offshore regulator which is an ordinary member of the International Organisation of Securities Commission (IOSCO); and

(B) such solicitation is made to:

(a) the government pension fund;

(b) the social security fund;

(c) insurance companies;

(d) commercial banks;

(e) banks established under specific law;

(f) securities companies for management of their own assets;

(g) other financial institutions as specified by the office of the Thai Securities and Exchange Commission with approval from the Thai Securities and Exchange Commission; and

(h) securities companies for management of the assets of the eligible investors in (a) to (g) above by means of private fund management, or for management of mutual funds or provident funds.

(C) the investment by each investor as mentioned in (ii) above is also subject to the specific governing law of each entity.

And otherwise in compliance with applicable regulations of the Thai Securities and Exchange Commission.

Notice to Residents of Turkey

The issuance in Turkey of ownership interests in non-Turkish limited partnerships is subject to the authorization of the capital markets board. Below are the general conditions applied by the capital markets board for the issuance of foreign securities by private placement.

This Memorandum is intended solely for qualified investors and individuals (such as banks, intermediary institutions, pension funds and other institutional investors and individuals holding large scale portfolios in the minimum amount of 1.900.000 new Turkish lira) permitted to acquire securities by private placement under Turkish capital markets law, and this Memorandum may not be considered either as a circular or an offering memorandum or promotion for sales by private placement. The sale of the interests by private placement is subject to a registration requirement with the CMB and can be made only by an intermediary institution authorized in Turkey. The sale of the Interests to any person, directly or indirectly, in Turkey is subject to the capital markets law, the tax laws and to the other applicable laws and regulations of the republic of Turkey.

Notice to Residents of the United Arab Emirates

The Interests offered are not regulated under the laws of the United Arab Emirates ("UAE") relating to funds, investments or otherwise. Neither the Fund nor this Memorandum is approved by the UAE Central Bank, the Securities and Commodities Authority, or any other regulatory authority in the UAE. This Memorandum is strictly private and confidential and is being distributed to a limited number of selected institutional and other sophisticated investors merely to provide information. This Memorandum (a) does not constitute a public offer, or an advertisement or solicitation to the general public; (b) is intended only for the original recipients hereof to whom this document is personally provided and may not be reproduced or used for any other purpose; and (c) no sale of securities or other investment products is intended to be consummated within the UAE. The Interests referred to in this Memorandum are not offered or intended to be sold directly or indirectly to the public in the UAE. Further, the information contained in this Memorandum is not intended to lead to the conclusion of any contract of any nature within the territory of the United Arab Emirates. The placement agents are not licensed brokers, dealers, financial advisors or investment advisors under the laws applicable in the United Arab Emirates, and do not advise individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the United Arab Emirates. This document is confidential and for your information only and nothing in this Memorandum is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice rendered on the basis of your situation.

Notice to Residents of the United Kingdom

The Fund is a collective investment scheme as defined in part XVII of the United Kingdom Financial Services and Markets Act 2000, as amended ("FSMA"). The Fund has not been authorised, recognised or otherwise approved by the financial services authority in accordance with FSMA and, as an unregulated scheme, it cannot be promoted to the general public in the United Kingdom. accordingly, this communication is made to persons in the United Kingdom only if they fall within the following categories of exempt persons under the Financial Services and Markets Act (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Order"): (1) persons who are investment professionals, as defined in article 14 of the Order; (2) persons who are high net worth companies, unincorporated associations etc., as defined in article 22(2) of the Order; or (3) persons to whom it may otherwise lawfully be communicated. By accepting and not immediately returning this Memorandum, recipients warrant that they qualify as such an exempt person. Communication of this Memorandum to any person who is not an exempt person is unauthorised and may contravene FSMA and any such person should return this Memorandum immediately.

Notice to Residents of Uruguay

In Uruguay the interests are being placed relying on a private placement ("Oferta Privada") pursuant to section 2 of law 18, 627. The Interests are not and will not be registered with the Financial Services Superintendence of the Central Bank of Uruguay to be publicly offered in Uruguay. This Fund is not constituted under law NR. 16.774 and will not be registered with the Central Bank of Uruguay.

Notice to Residents of Venezuela

The Interests offered hereby may not be offered to the public in Venezuela and may not be sold or offered in Venezuela in any manner that may be construed as a public offering.

APPENDIX B. INVESTMENT PERFORMANCE-ROC I (March 19, 2009 through March 31, 2014)

Real Estate Opportunity Capital Fund, LP

March 19, 2009 through March 31, 2014

Investment Performance Summary

Investment	Location	Type	Valuation Method[1]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[2]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[3]
Multifamily Investments													
Cottages at McMillen Park	Ft. Wayne, IN	Multifamily	A	Apr-09	Sep-10	637,966	-	1,183,976	-	1,183,976	546,010	1.86x	109.2%
Ladera Palms Apts.[4]	Ft. Worth, TX	Multifamily	A	Apr-09	Jan-11	5,617,420	-	11,991,811	-	11,991,811	6,374,391	2.13x	67.5%
Briargate Development	CO Springs, CO	MF Land	A	Jun-09	Jun-12	2,082,567	-	3,173,101	-	3,173,101	1,090,533	1.52x	18.5%
Acacia Lofts Apts.	Casa Grande, AZ	Multifamily	G	Nov-09	-	1,475,000	1,475,000	-	2,484,387	2,484,387	1,009,387	1.68x	12.6%
Arbors at Eastland Apts.	Bloomington, IL	Multifamily	A	Jan-10	Sep-13	1,278,838	-	3,259,957	-	3,259,957	1,981,119	2.55x	28.1%
Providence Apts.	Dallas, TX	Multifamily	D	Jun-10	-	2,650,000	2,650,000	-	4,769,132	4,769,132	2,119,132	1.80x	17.1%
Indigo on Forest Apts.	Dallas, TX	Multifamily	D	Jun-10	-	10,000,000	7,035,368	5,590,632	23,372,917	28,963,549	18,963,549	2.90x	34.7%
Torrey Ridge Apts.	Fresno, CA	Multifamily	D	Jun-10	-	6,500,000	6,500,000	1,778,640	11,366,156	13,144,796	6,644,796	2.02x	23.2%
Arbors at Eastland Note	Bloomington, IL	Multifamily	A	Nov-10	Sep-13	4,000,000	-	5,450,614	-	5,450,614	1,450,614	1.36x	17.5%
Arroyo Springs (Oak Creek) Apts.	Arlington, TX	Multifamily	D	Mar-11	-	2,900,000	2,822,000	222,200	4,895,806	5,118,006	2,218,006	1.76x	21.4%
Axis 739 Apts.	Salt Lake City, UT	Multifamily	A	Mar-11	Feb-13	2,589,062	-	5,935,226	-	5,935,226	3,346,164	2.29x	55.2%
San Marin (Santaluz) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	1,938,500	1,355,724	971,776	3,740,620	4,712,396	2,773,896	2.43x	36.9%
Mirabella (Villa Antiqua) Apts.	Tucson, AZ	Multifamily	D	Apr-11	-	6,035,000	3,733,336	3,347,065	8,315,540	11,662,605	5,627,605	1.93x	28.9%
Oakbrook Terrace Apts.	Topeka, KS	Multifamily	D	Jun-11	-	1,750,000	1,615,000	889,331	3,253,181	4,142,512	2,392,512	2.37x	40.6%
Monte Carlo (Park at Lakeside) Apts.	Houston, TX	Multifamily	D	Sep-11	-	6,960,838	6,960,838	525,000	21,138,260	21,663,260	14,702,422	3.11x	54.7%
Evergreen Pointe Apts.	Houston, TX	Multifamily	A	Sep-11	May-13	2,361,572	-	5,429,620	-	5,429,620	3,068,048	2.30x	63.6%
Republic Hollow Tree Apts.	Houston, TX	Multifamily	D	Nov-11	-	6,485,000	5,623,000	1,987,000	9,844,172	11,831,172	5,346,172	1.82x	31.9%
Villas at Arroyo (Pres. Corner) Apts.	Arlington, TX	Multifamily	D	Dec-11	-	1,400,000	1,400,000	85,000	3,025,329	3,110,329	1,710,329	2.22x	41.7%
Valencia Crossing Apts.	Mesa, AZ	Multifamily	D	Dec-11	-	7,275,000	7,275,000	1,109,000	13,894,619	15,003,619	7,728,619	2.06x	40.2%
Woodglen Village Apts.	Houston, TX	Multifamily	D	Dec-11	-	5,275,000	5,275,000	343,000	6,807,760	7,150,760	1,875,760	1.36x	17.0%
Andorra Apts.	Indio, CA	Multifamily	A	May-12	Apr-14	1,500,000	1,500,000	130,462	1,970,479	2,100,941	600,941	1.40x	20.7%
Mission Falls Apts.	Houston, TX	Multifamily	D	Jul-12	-	1,500,000	1,500,000	297,861	2,964,852	3,262,713	1,762,713	2.18x	61.4%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	1,331,820	1,331,820	124,266	1,929,738	2,054,004	722,184	1.54x	42.1%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	2,548,500	2,548,500	203,500	3,589,863	3,793,363	1,244,863	1.49x	43.3%
Enclave Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,825,274	1,825,274	97,334	2,337,991	2,435,325	610,051	1.33x	40.5%
Overlook Apts.	Euless, TX	Multifamily	D	Jun-13	-	1,838,143	1,838,143	116,688	2,429,081	2,545,769	707,626	1.38x	47.2%
Total Multifamily Investments						**89,755,500**	**64,264,003**	**54,243,059**	**132,129,883**	**186,372,942**	**96,617,442**	**2.08x**	**35.0%**
Commercial/Retail Investments													
Marathon Medical Office	Los Angeles, CA	Medical Office	A	Aug-09	Nov-09	2,453,591	-	2,637,696	-	2,637,696	184,104	1.08x	34.5%
Attic Self Storage	Shawnee, KS	Self Storage	A	Sep-09	Oct-12	1,303,642	-	1,747,194	-	1,747,194	443,552	1.34x	10.7%
Big Lots! Midbox Retail	Bolingbrook, IL	Retail	A	Nov-09	Feb-11	1,680,499	-	2,287,654	-	2,287,654	607,155	1.61x[5]	35.7%
Compass/Promenade	Dallas, TX	Office/Retail	A	Sep-10	Mar-14	5,200,000	-	4,814,062	46,950	4,861,012	(338,988)	0.93x	-2.2%
Cherry Creek Campus	Denver, CO	Office	A	Jul-11	Jan-14	6,035,714	-	15,489,520	167,280	15,656,800	9,621,085	2.59x	48.8%
Cherry Creek Corporate Center	Denver, CO	Office	A	Jul-11	Dec-13	2,089,286	-	3,677,914	335,942	4,013,856	1,924,570	1.92x	43.2%
Logan Tower	Denver, CO	Office	D	May-12	-	1,750,000	1,683,889	316,556	3,138,444	3,455,000	1,705,000	1.97x	47.7%
Total Commercial/Retail Investments						**20,512,732**	**1,683,889**	**30,970,595**	**3,688,616**	**34,659,211**	**14,146,479**	**1.69x**	**25.8%**
Short-Term Investments, Reserves and Other													
ROC Nevada 1	NV, CA, AZ	Condo & Retail	A	Mar-09	Apr-09	4,900,000	-	5,434,516	-	5,434,516	534,516	1.11x	1710.3%
SPB Pool 85	CA,FL,AZ,OK,NV	Various	A	Apr-09	Jul-09	3,555,392	-	3,844,325	-	3,844,325	288,934	1.08x	38.6%
RMR Cash & Asset Bundle	San Fran., CA	Cash	A	Oct-09	Oct-10	1,020,000	-	1,185,173	-	1,185,173	165,173	1.16x	15.5%
ASAP Portfolio	Various	Various	A	Dec-09	Jun-10	2,045,479	-	2,587,893	-	2,587,893	542,414	1.27x	64.7%
K.F. Real Estate Asset Portfolio	N.A.	Cash	A	Nov-10	Jul-11	2,000,000	-	2,160,319	-	2,160,319	160,319	1.08x	14.7%
Hotel Cascada (Radisson Hotel)	Albuquerque, NM	Hotel	D	Jul-11	-	12,950,000	12,950,000	-	12,941,227	12,941,227	(8,773)	1.00x	0.0%
Total Short-Term Investments and Reserves						**26,470,871**	**12,950,000**	**15,212,227**	**12,941,227**	**28,153,454**	**1,682,583**	**1.06x**	**5.4%**
Total Net Return on Realized Investments[6]						**67,230,300**	**23,475,234**	**72,576,231**	**29,959,489**	**102,535,720**	**35,305,420**	**1.53x**	**18.0%**
Total Net Return on Unrealized Investments						**89,985,192**	**75,450,867**	**17,686,162**	**115,636,175**	**133,322,337**	**43,337,145**	**1.48x**	**20.2%**
RETURN TO THE ROC FUND I[7]						**120,046,948**	**98,926,101**	**58,920,019**	**159,430,137**	**218,350,156**	**98,303,208**	**1.82x**	**23.0%**
TOTAL NET RETURN[8]						**120,046,948**	**98,926,101**	**53,093,849**	**145,595,664**	**198,689,513**	**78,642,565**	**1.66x**	**19.1%**

Notes:

1 See Value Method Key (to the right).

2 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of December 31, 2013 and are supported by recent appraisals, actual contracts and ROC estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based.

3 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. In the June 30, 2010 Summary of Results as set forth in the First Supplement to the PPM, calculations were based on monthly cash flows as if they occurred on the last day of each month (plus Unrealized Values on June 30, 2010). For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").

4 ROC realized $2.6 million in gains upon consummation of the foreclosure of this asset in 2009. These realized gains were not monetized.

5 Costs incurred during Q4 of 2010 and Q1 of 2011 which are associated with the lease-up and sale of this asset are not included in the multiple calculation.

6 Realized investments include investments sold with distribution pending, investments sold and distributed, reserves, and investments which have returned all invested capital to the fund as a result of refinancing or a partial sale.

7 Return to the ROC Fund is an annualized realized and unrealized return net of Management Fees, and expenses.

8 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.

B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.

C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.

D "DCF" - Net Present Value of future cash flows and residual supported by third-party sources.

E "UPB" - Unpaid loan balance including principal and accrued interest.

F "Cost" - Acquisition basis net of transaction costs.

G "Estimate" - Internal Management Estimate.

APPENDIX C. INVESTMENT PERFORMANCE-ROC II (April 3, 2012 through March 31, 2014)

ROC II Funds[1]

April 3, 2012 through March 31, 2014
Investment Performance Summary

Investment	Location	Type	Valuation Method[2]	Date Acquired	Date Sold	Total Investment	Investment at Cost	Realized Proceeds	Unrealized Value[3]	Implied Value	Implied Gain / (Loss)	Return Multiple	IRR[4]
Multifamily Investments													
West Town Court Apartments	Phoenix, AZ	Multifamily	D	Apr-12	-	6,888,000	6,888,000	970,000	10,380,241	11,350,241	4,462,241	1.65x	31.3%
The Venetian on Ella (La Jolla) Apts.	Houston, TX	Multifamily	D	May-12	-	5,805,000	5,805,000	-	10,370,507	10,370,507	4,565,507	1.79x	36.7%
Andorra Apartments	Indio, CA	Multifamily	D	May-12	Apr-14	3,375,000	3,375,000	293,538	4,433,579	4,727,117	1,352,117	1.40x	20.8%
Pinewood Apartments	Lynwood, WA	Multifamily	D	May-12	-	1,665,000	1,665,000	308,768	2,643,668	2,952,436	1,287,436	1.77x	39.4%
Rock Creek (Autumn's Combined) Apts.	Houston, TX	Multifamily	D	Jun-12	-	11,602,000	11,602,000	-	21,359,262	21,359,262	9,757,262	1.84x	41.6%
Mission Falls Apartments	Houston, TX	Multifamily	D	Jul-12	-	1,715,000	1,715,000	342,845	3,389,814	3,732,659	2,017,659	2.18x	52.3%
La Entrada Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	679,171	679,171	155,505	845,812	1,001,317	322,146	1.47x	27.4%
Monterra Apartments	Albuquerque, NM	Multifamily	D	Jul-12	-	908,176	908,176	134,628	1,028,634	1,163,262	255,086	1.28x	15.6%
Stratford Apartments	San Antonio, TX	Multifamily	D	Oct-12	-	5,000,000	5,000,000	365,000	6,977,005	7,342,005	2,342,005	1.47x	30.6%
Surprise Lake Apartments	Milton, WA	Multifamily	D	Oct-12	-	9,099,000	9,099,000	1,302,000	13,988,633	15,290,633	6,191,633	1.68x	44.8%
Bradley Park Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	5,490,000	5,490,000	721,000	8,817,985	9,538,985	4,048,985	1.74x	55.9%
Chestnut Hills Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	3,987,000	3,987,000	375,000	5,484,481	5,859,481	1,872,481	1.47x	36.3%
Hamptons Apartments	Puyallup, WA	Multifamily	D	Dec-12	-	6,295,000	6,295,000	670,000	8,067,211	8,737,211	2,442,211	1.39x	30.4%
Landing at Dashpoint (Forest Cove) Apts.	Federal Way, WA	Multifamily	D	Dec-12	-	9,546,430	9,546,430	890,734	13,832,280	14,723,014	5,176,584	1.54x	41.2%
Pembrooke (Kennedy Ridge) Apts.	Denver, CO	Multifamily	D	Dec-12	-	19,831,250	19,831,250	2,085,250	45,830,386	47,915,636	28,084,386	2.42x	107.7%
Lodge on 84th Apartments	Federal Heights, CO	Multifamily	D	Jan-13	-	6,397,000	6,397,000	1,109,000	14,520,708	15,629,708	9,232,708	2.44x	103.8%
Pinnacle Grove Apartments	Tempe, AZ	Multifamily	D	Feb-13	-	5,957,000	5,957,000	353,000	7,138,486	7,491,486	1,534,486	1.26x	21.0%
Sonoma Pointe (The Ritz) Apts.	Las Vegas, NV	Multifamily	D	Feb-13	-	3,158,500	3,158,500	203,500	4,199,863	4,403,363	1,244,863	1.39x	42.8%
Timberlodge Apartments	Dallas, TX	Multifamily	D	Apr-13	-	3,860,000	3,860,000	-	5,189,766	5,189,766	1,329,766	1.34x	36.2%
Chandlers Bay Apartments	Kent, WA	Multifamily	D	Apr-13	-	10,299,000	10,299,000	740,000	14,020,074	14,760,074	4,461,074	1.43x	44.6%
Cameron Landing Apartments	Atlanta, GA	Multifamily	D	May-13	-	7,628,000	7,628,000	571,000	8,958,593	9,529,593	1,901,593	1.25x	27.8%
Enclave Apartments	Euless, TX	Multifamily	D	Jun-13	-	4,421,726	4,421,726	227,666	5,612,374	5,840,040	1,418,314	1.32x	40.2%
Overlook Apartments	Euless, TX	Multifamily	D	Jun-13	-	5,486,857	5,486,857	348,312	7,250,320	7,598,632	2,111,775	1.38x	45.5%
Mission Palms Apartments	Tuscon, AZ	Multifamily	D	Jun-13	-	7,774,000	7,774,000	415,000	8,642,221	9,057,221	1,283,221	1.17x	19.0%
Villetta Apartments	Mesa, AZ	Multifamily	D	Jul-13	-	6,022,000	6,022,000	308,000	6,870,647	7,178,647	1,156,647	1.19x	24.3%
The Retreat Apartments	Phoenix, AZ	Multifamily	D	Jul-13	-	16,616,000	16,616,000	726,000	17,757,381	18,483,381	1,867,381	1.11x	16.1%
Coronado Palms (Palmilla Villas) Apts.	Anaheim, CA	Multifamily	D	Aug-13	-	9,159,000	9,159,000	349,000	8,185,041	8,534,041	(624,959)	0.93x	-10.2%
The Preserve Apartments	Houston, TX	Multifamily	D	Aug-13	-	13,487,000	13,487,000	731,000	14,778,719	15,509,719	2,022,719	1.15x	24.7%
Madison Park Apartments	Vancouver, WA	Multifamily	D	Sep-13	-	8,793,000	8,793,000	428,000	10,406,309	10,834,309	2,041,309	1.23x	39.6%
Jasmine at Winters Chapel	Atlanta, GA	Multifamily	F	Oct-13	-	12,033,000	12,033,000	520,000	11,795,024	12,315,024	282,024	1.02x	NM
Meridian Pointe Apartments	Duluth, GA	Multifamily	F	Oct-13	-	3,702,000	3,702,000	183,000	3,493,322	3,676,322	(25,678)	0.99x	NM
Aventerra Apartments	Mesa, AZ	Multifamily	F	Oct-13	-	13,620,000	13,620,000	381,000	13,157,858	13,538,858	(81,142)	0.99x	NM
Shadows of Cottonwood Apartments	Dallas, TX	Multifamily	F	Oct-13	-	11,350,000	11,350,000	375,000	10,922,835	11,297,835	(52,165)	1.00x	NM
Falls at Gwinnett Place Apartments	Duluth, GA	Multifamily	F	Nov-13	-	8,875,000	8,875,000	155,000	8,733,176	8,888,176	13,176	1.00x	NM
Village at Seeley Lake Apartments	Lakewood, WA	Multifamily	F	Dec-13	-	16,550,000	16,550,000	110,000	16,305,440	16,415,440	(134,560)	0.99x	NM
Ashley Vista Apartments	Lithonia, GA	Multifamily	F	Jan-14	-	7,063,802	7,063,802	-	6,988,643	6,988,643	(75,159)	0.99x	NM
Bridgewater Apartments	Stockbridge, GA	Multifamily	F	Jan-14	-	3,156,834	3,156,834	-	3,007,712	3,007,712	(149,122)	0.95x	NM
Silver Shadow Apartments	Las Vegas, NV	Multifamily	F	Jan-14	-	4,339,942	4,339,942	-	3,931,473	3,931,473	(408,469)	0.91x	NM
Presidio Apartments	Oceanside, CA	Multifamily	F	Jan-14	-	16,042,062	16,042,062	-	15,441,736	15,441,736	(600,326)	0.96x	NM
Vista at 23rd Apartments	Gresham, OR	Multifamily	F	Mar-14	-	10,000,263	10,000,263	-	9,462,758	9,462,758	(537,505)	0.95x	NM
Total Multifamily Investments						**307,678,014**	**307,678,014**	**16,847,747**	**394,219,977**	**411,067,724**	**103,389,710**	**1.34x**	**39.0%**
Commercial Investments													
1700 West Loop Building	Houston, TX	Office	D	Jun-12	-	21,550,000	21,550,000	455,000	25,311,595	25,766,595	4,216,595	1.20x	13.0%
LaSalle 29 Building	Chicago, IL	Office	D	Apr-13	-	7,420,000	7,420,000	-	7,929,064	7,929,064	509,064	1.07x	7.0%
LaSalle 39 Building	Chicago, IL	Office	A	Apr-13	Jan-14	11,580,000	-	20,130,936	830,533	20,961,469	9,381,469	1.81x	123.4%
Biltmore Commerce Center Note	Phoenix, AZ	Office	A	Aug-13	Nov-13	25,000,000	-	25,542,466	-	25,542,466	542,466	1.02x	9.3%
Biltmore Commerce Center	Phoenix, AZ	Office	D	Aug-13	-	16,000,000	16,000,000	-	18,203,909	18,203,909	2,203,909	1.14x	23.9%
Total Commercial Investments						**81,550,000**	**44,970,000**	**46,128,402**	**52,275,101**	**98,403,503**	**16,853,503**	**1.21x**	**26.5%**
Net Unrealized return on Properties acquired on or before September 30, 2013[5]						**259,329,634**	**259,329,634**	**21,600,048**	**320,823,246**	**342,423,294**	**83,093,660**	**1.32x**	**28.0%**
Net Unrealized return on Properties acquired since September 30, 2013[5]						**99,450,279**	**99,450,279**	**-**	**91,604,846**	**91,604,846**	**(7,845,433)**	**0.92x**	**NM**
RETURN TO ALL PARTNERS[6]						**370,134,820**	**370,134,820**	**24,206,081**	**444,020,125**	**468,226,206**	**98,091,386**	**1.27x**	**26.8%**
TOTAL NET RETURN[7]						**358,779,913**	**358,779,913**	**21,600,048**	**412,428,092**	**434,028,140**	**75,248,227**	**1.21x**	**23.2%**

Notes:

1 ROC II Funds consists of Real Estate Opportunity Capital Fund II LP, Real Estate Opportunity Capital Fund II-A LP, Real Estate Opportunity Capital Fund II-B LP, and ROC International II Master LP.
2 See Value Method Key (to the right).
3 Unrealized Values represent estimated liquidation values including current and long-term assets and liabilities as of the date of this report and are supported by recent appraisals, actual contracts and Bridge Investment Group Partners' estimates. There can be no assurance that investments with unrealized value may be realized at valuations shown, as actual realized returns will depend on, among other factors, future operating results, asset values and market conditions at the time of disposition, unrelated transaction costs, and the timing and manner of disposition, all of which may differ from the assumptions on which the valuations contained herein are based. In an effort to comply with U.S. GAAP, assets are held at cost minus transaction expenses for the first six months.
4 IRR calculations are based on actual daily cash flows plus Unrealized Values as described above. For certain investments, due to the short measurement period, Internal Rates of Return for this period are Not Meaningful ("NM").
5 Assumes that fund-level expenses are allocated proportionately based on "Total Investment" capital. "Unrealized Value" is net of carried interest and assumes that a clawback is applied to unrealized investments with unrealized gains above the preferred return threshold of nine percent. Properties acquired within the last six months are currently valued at total investment cost, less acquisition costs.
6 Return to All Partners is an annualized realized and unrealized return net of Management Fees, and expenses.
7 Total Net Return is an annualized realized and unrealized return to Limited Partners net of Management Fees, expenses and Carried Interest.

Valuation Method Key:

A "Realized" - Investment has been sold. Any Unrealized Value shown represents net assets held for unidentified liabilities and undistributed proceeds.
B "Under Contract" - Asset is under contract to be sold in the near future. Value represents Net Present Value of contracted price less transaction costs.
C "Appraisal" - Value from recent appraisal or third party valuation source plus capitalized improvements.
D "DCF" - Net Present Value of future cash flows and residual supported by third-party sources.
E "UPB" - Unpaid loan balance including principal and accrued interest.
F "Cost" - Acquisition basis net of transaction costs.
G "Estimate" - Internal Management Estimate.