

Memorandum # _____

NAME OF FUND, L.P.
(A Delaware Limited Partnership)

CONFIDENTIAL

PRIVATE OFFERING MEMORANDUM

This memorandum (the "Memorandum") has been prepared solely for prospective investors considering the purchase of limited partnership interest (the "Interest") in **Name of Fund, LP**, a **Delaware** limited partnership (the "Fund"). Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents, without the prior written consent of the Fund, is prohibited.

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 U.S. federal or state or any non-U.S. 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.

There are "Forward-Looking Statements" throughout this Memorandum. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe", "expect" or "anticipate" will occur and other similar statements), you must remember that our expectation may not be correct, even though we believe they are reasonable. We do not guarantee that the offering and events described in the Memorandum will happen as described (or that they will happen at all). You should read this Memorandum completely and with understanding that actual future results may be materially different from what we expect. We will not update these Forward-Looking Statements, even though our situation may change,

The Interest have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and will be offered and sold for investment only to qualifying recipients of this Memorandum pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof and in compliance with any applicable state or other securities laws. The Interests may not be transferred or resold except as permitted under the Securities Act and the applicable state of other securities laws pursuant to registration or exemption therefrom. In addition, such Interest may not be sold, transferred, assigned or hypothecated, in whole or in part, except as provided in the Limited Partnership Agreement referred to herein. Accordingly, investors should be aware that they will be required to bear the financial risks of an investment in the Interests for an indefinite period of time. There will be no public market for the Interests, and there is no obligation on the part of any person to register the Interest under the Securities Act or any state securities laws.

The Interest are offered subject to prior sale, and subject to the right of **Name of Management Company, LLC**, the General Partner of the Fund, to reject any subscription in whole or in part.

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY	1
Overview	1
Investment Objectives	1
The General Partners and Manager	1
Estimated Sources and Uses.....	3
II. EXECUTIVE SUMMARY OF KEY TERMS	4
III. INVESTMENT STRATEGY	5
Overview	5
Overview of the Investment Strategy	5
Elements of Strategy	5
Types of Investments.....	6
Acquisition Strategy	6
Investment Process	7
Investment Analysis.....	7
Decision Making Process.....	8
Management of Portfolio	9
Exit Strategy	9
Areas of Investment Interest in the Current Market.....	9
Mortgage Financing	9
IV. MANAGEMENT.....	11
V. SUMMARY OF TERMS AND CONDITIONS.....	12
VI. INVESTMENT CONSIDERATIONS	20
VII. POTENTIAL CONFLICTS OF INTEREST	25
VIII. CERTAIN ERISA, TAX AND LEGAL MATTERS	26
Employee Benefit Plan Regulations	26
United States Tax Status.....	26
Tax-Exempt Investors	28
Special Considerations for Foreign Investors	29
Other Important Tax Disclosures	30
Investment Company and Investment Advisors Regulation	31
Private Placement Status	31
Restrictions on Transfer.....	31
Additional Information	31

I. EXECUTIVE SUMMARY

Overview

In this introductory section, provide a brief overview of the investment fund. Discuss the types of investments and properties the fund will target; the range of investments; the management of the fund; and brief bios of the principals.

Name of Fund, L.P. (the “Partnership” or the “Fund”) is a Delaware limited partnership established by Name of Management Company, LLC (the “General Partner” or the “Manager”) to make investments in a variety of real estate properties including retail, industrial, commercial and residential properties. The Fund is seeking capital commitments of \$xx million. The General Partner anticipates that the Fund’s investments will be focused on properties located in secondary and tertiary markets, and will generally have valuations of less than \$xx million. Based on the experience of the General Partner’s investment professionals, investments in this segment of the market have historically been made at attractive valuations providing for attractive long-term risk adjusted returns.

The Fund’s investments are expected to range in size from \$x million to \$x million; however, investments in any single property (excluding bridge financings) will not exceed xx% of the Fund’s total capital commitments. It is expected that the Fund will make investments in xx to xx properties over its life. The Fund will invest in a diversified mix of performing and distressed opportunities. Such a diversified mix has proven in the past to provide attractive and consistent results. This strategy is designed to build a relatively lower risk real estate portfolio with a high percentage of successful investments.

Investment Objectives

Provide your investors an overview of the investment objectives of the fund. Investment objectives include preservation of capital, current cash dividends, long-term capital gains, etc.

The investment objective of the Partnership is to maximize total return on capital by seeking capital appreciation and, from time to time, current income, through the acquisition, development and management of a diversified portfolio of real estate properties.

The General Partners and Manager

The Manager will manage the day-to-day operations and the portfolio of real estate assets. The Manager will also provide asset-management, marketing, investor relations and other administrative services on behalf of the Partnership with the goal of maximizing operating cash flow and profits.

The Manager’s investment team is comprised of professionals with a strong track record and over xx years of combined experience in real estate investing [and other relevant experience]. The Manager’s investment team has the unique ability to create proprietary deal flow and to assist in evaluating, structuring, and executing potential investments.

Operating out of Cincinnati, Ohio for more than fifteen years, the Manager has, either directly or through affiliates used its expertise to acquire, finance, manage and resell a variety of property types, including:

- Example #1
- Example #2
- Example #3
- Example #4

The three managing partners, Messrs. Jones, Smith and Davis (collectively, the “Principals”), have worked together for over xx years at ... Each of the Principals have a minimum of xx years of experience in a variety of real estate related disciplines, including, sales, marketing, leasing, development, construction, construction management, and valuation.

- Mr. Jones (short three or four sentence bio)...
- Mr. Smith (short three or four sentence bio)...
- Mr. Davis (short three or four sentence bio)...

The Principals believe that the Fund represents a highly attractive risk-adjusted investment opportunity for the following reason:

- **Experienced Management Team** – The principals have more than xx years of combined experience in real estate and have demonstrated the ability to creatively structure transactions to minimize risk. [Add other relevant experience that your team brings to the table; e.g. leasing, sales, property management, turnaround experience. Anything that dovetails into the franchise of your Fund]
- **Proactive Transaction Sourcing** – Over the past xx years, the Principals have developed business relationships and proprietary transaction sourcing that historically have resulted in a higher percentage of negotiated transactions, which typically translate into more reasonable valuations.
- **Proven Investment Strategy** – the Fund will follow a disciplined strategy that maximizes risk-adjusted investment returns by focusing on fundamental analysis and extensive due diligence the Principals have successfully followed this strategy....
- **Advisory Board** – the Fund’s Advisory Board will consist of...
- **Investment Merit #5** – Reason #5 why the Fund will perform.

Estimated Sources and Uses

Sources		Uses	
General Partner's Investment	\$x,xxx,xxx	Organizational Fees ⁽¹⁾	\$xxx,xxx
Limited Partners' Investment	Xx,xxx,xxx	Legal and Accounting Expenses ⁽²⁾	Xxx,xxx
		Available for Investment	Xx,xxx,xxx
Total Sources	\$xx,xxx,xxx	Total Uses	\$xx,xxx,xxx

NOTES:

⁽¹⁾ The General Partners will receive a maximum of **XX Thousand** Dollars (\$xx,000) for their efforts in establishing and organizing the Partnership.

⁽²⁾ The Partnership may pay up to **\$xxx,xxx** for accounting and legal costs associated with the formation of the Partnership.

II. EXECUTIVE SUMMARY OF KEY TERMS

The following information is presented as a summary of certain of the Partnership's key terms and conditions only and is qualified in its entirety by reference to the "Summary of Terms and Conditions" in Section V herein and to the limited partnership agreement of the Partnership and the subscription agreements relating thereto, copies of which will be provided to qualified investors prior to closing.

The Partnership	Name of Fund, L.P., a Delaware Limited Partnership.
General Partner	Name of Management Company, LLC, a Delaware Limited Liability Company.
Offering Size	\$xx million, subject to increase or decrease at the discretion of the General Partner.
Minimum Commitment	\$x million, subject to lesser amounts being accepted at the discretion of the General Partner.
General Partner Investment Commitment Period	At least x% of total Commitments. Number (x) years from the initial Closing.
Term	Number (xx) years, subject to number (x) consecutive number-year extensions.
Distributions of Proceeds from Realized Investments	In general, proceeds from realized investments with respect to each partner will be distributed as follows: i. a return of capital of all invested capital; ii. a Priority Return of x% on such invested capital; iii. 100% to the General Partner as a "catch-up" until the General Partner has received 20% of distributed profits; and thereafter iv. 80% to the partners and 20% to the General Partner.
Clawback	Yes
Management Fee	During the Commitment Period, x.0% per annum of total capital commitments. Thereafter, x.0% per annum on funded commitments.
Reimbursement of Management Fee	Any sales commissions, property management fees, leasing commissions received in connection with a fund investment shall be credited 100% against the Management Fee, net of un-reimbursed expenses, but not below zero.
Offering and Organizational Expenses	The Partnership will bear up to \$xxx,xxx of organizational expenses, excluding placement fees, if any, which will be borne by the General Partner

III. INVESTMENT STRATEGY

Overview

Provide a brief overview of what the Fund's objectives are. For example:

The Partnership has been organized to invest in diversified portfolio of real estate properties primarily located in secondary and tertiary markets. The General Partner has successfully employed this strategy since 19xx. The General Partner believes that the opportunities in secondary and tertiary markets provide better risk-adjusted returns than more competitive primary markets.

Overview of the Investment Strategy

Provide an overview of the investment strategy of the fund – what and how the Fund will go about achieving its objectives.

The investment strategy of the Fund includes:

1. Identify undervalued real estate investment opportunities located in secondary and tertiary markets across several property types including...;
2. Aggressively manage each asset acquired by...; and,
3. Execute a well-defined exit strategy for each investment made.

Elements of Strategy

This section provides your prospective investors with some insight into the principles of how you think about your investment strategy. Below is some sample language.

- Risk Control - The Fund will control the risk in its investments by various means, including structuring transactions to protect value in downside scenarios, and developing multiple exit strategies. The Fund will try to avoid situations where uncontrollable factors or adverse market conditions might result in total loss of the investment.
- Consistency of Returns - The Fund has a strong preference for a portfolio that has a larger percentage of successful investments as opposed to a scenario where a few highly successful investments make up for a large number of poor performers. The Fund's investment strategy is designed to yield a high "batting average" rather than a few "home runs".
- Focus on Smaller Transactions - The Fund will focus on transactions on the smaller end of the market by focusing on transaction sizes of less than \$xx million, and where the total equity investment will be \$x million to \$ x million.
- Avoidance of Volatility - As part of its strategy to limit risk and produce consistent returns, the Fund will avoid exposure to risks and situations that tend to produce highly variable

- *Underwriting Discipline* – the Manager follows a tightly controlled and managed process to examine all elements of a potential investment, including, its location, income-producing capacity, prospects for long-range appreciation, income tax considerations and multiple exit scenarios. Only those real estate assets meeting the investment criteria will be accepted for inclusion into the portfolio.

- *Conditions to Closing Acquisitions*- the Manager will perform a due diligence review on each property that to be acquired. As part of this review, an appraisal prepared by an appraiser approved by the Investment Committee will be obtained. The investment policy provides that the purchase price of each property will not exceed its appraised value at the time of the acquisition of the property. Appraisals, however, are estimates of value and will not be relied upon as measures of true worth or realizable value. The Manager will also generally seek to condition the Fund's obligation to close the purchase of any investment on the delivery of certain documents from the seller or developer. Such documents include, without limitation:

- Appraisals;
- Environmental audits;
- Plans and specifications;
- Surveys;
- Evidence of marketable title, subject to such liens and encumbrances as are acceptable to the Manager;
- Title insurance policies; and
- Financial statements covering recent operations of properties having operating histories.

The due diligence process is managed by investment professionals of the Manager. Typically, a comprehensive transaction summary will be prepared, including third-party analysis and/or valuation opinions. The transaction is then reviewed with the Investment Committee of the Manager to obtain approval of deal structure and to ensure compliance with concentration, sector, and other investment guidelines and Partnership restrictions (see below).

Decision Making Process

Discuss the approval process utilized by the Manager to get transactions approved. Sample language:

The decision making process begins with the initial deal screening and culminates with the closing of a specific transaction. Once screened, qualified opportunities are logged into the Manager's deal tracking system by the responsible deal team and reviewed throughout the investment cycle at the Manager's weekly staff meetings. Transactions proceed from the proposal stage through due diligence to the Investment Committee stage only with continuous and satisfactory review of each opportunity by the General Partner's investment professionals. Since detailed analysis and pricing negotiations are conducted by each deal team, receiving and responding to feedback at the staff meetings, or at ad hoc meeting of the Principals, is critical to bringing a specific transaction to a satisfactory conclusion. Deals may be turned down at any point in the process and deal sources are kept informed of the Manager's progress on a regular

basis. There is an acute focus on valuation during this entire process to assure that investments are made at prudent and conservative price levels given market conditions at the time of the investment. This discipline approach provides solid downside protection while positioning the transaction for attractive return potential. Prospective investment proceed as long as the pricing, terms and conditions of the investment, as well as the due diligence, indicate an acceptable risk/return opportunity for the Manager. Final approval for investment by the Manager requires support by at least two of the three Principals.

Management of Portfolio

Discuss your portfolio management process:

- Do you outsource the property management and what is the selection criterion.
- Do you have in-house leasing capabilities and what are its limitations?
- How are portfolio managers assigned – by property type, investment type or geographic area?
- Is there a feedback loop back to the investment team?

Exit Strategy

In this section discuss how you think about the timing of an exit. It may be more general as the language below suggests, or more specific where you seek to exit upon achieving a specific IRR.

The time horizon for Partnership real estate investments will typically be **give range of years**. The General Partner expects to exit a particular investment sooner if it becomes clear that value enhancement opportunities have been maximized or if the market value of the property increases rapidly. The decision to exit an investment is based on a variety of factors, including the property's progress in achieving its potential, the General Partner's view of the market's dynamics, the appearance of a willing and able buyer, and the general state of the market.

Areas of Investment Interest in the Current Market

As applicable, discuss any investment opportunities that coincide with current market conditions that you want to take advantage of. For example, your skill set may be conducive to providing sale-leaseback financing for distressed companies given a recessionary economic environment. Or you may see opportunities to buy and hold residential building lots at a deep discount from a trouble lender or financially squeezed developer.

Mortgage Financing

If the Fund intends to utilize leverage to make investments, rather than all equity deals, here is sample language:

The Fund intends to use mortgage financing to complete its acquisition of investment properties. There is no limitation on the amount that the Fund may borrow for the purchase of any single property. The Fund intends to limit its borrowings to **xx%** of the cost of all acquisitions. Careful use of debt will help the fund achieve its goals by extending the amount of funds available for

investment. However, high levels of debt could cause the Fund to incur higher interest charges and higher debt service payments, which would decrease the amount of cash available for distribution to investors. The use of leverage also increases the risk of property-level default to the extent that the property has insufficient cash flow to service its debt obligations when due.

advisory fees, leasing commissions, property management commissions, or other fees. Management Fee reductions will be carried forward if necessary.

Organizational Expenses

The Partnership shall be liable for 100% of the Partnership's organizational expense and start-up expenses, including legal, accounting, filing, capital raising and other expenses ("Organizational Expenses") which shall not exceed \$xxx,xxx. The General Partner will be responsible for 100% of placement fees, if any.

Partnership Expenses

The Partnership will pay all liabilities and expenses related to its operations, including:

- Expenses related to the purchase or sale of investments including third-party expenses incurred in connection with unconsummated transactions (to the extent not reimbursed by a portfolio company);
- Fees and expenses of custodians, outside council and independent accountants;
- Costs of reporting to Partners including preparation of financial statements, tax returns and K-1s;
- Expenses of the Advisory Board and annual meetings of Limited Partners;
- Any insurance or litigation expense; and
- Any taxes, fees or other governmental charges levied against the Partnership.

Co-Investment Policy

The General Partner may, but will be under no obligation to, provide co-investment opportunities to one or more Limited Partners. However, if any such co-investments are provided, they will be side-by-side with the Partnership at substantially the same time and on substantially the same terms and conditions as the Partnership.

Advisory Board

The General Partner will establish an advisory board (the "Advisory Board") composed of not less than five (5) and not more than seven (7) Limited Partner representatives and other persons unaffiliated with the General Partner. The Advisory Board will provide advice and counsel as is requested by the General Partner in connection with the Partnership investments, actual or potential conflicts of interest, and other matters of the Partnership. Decisions by the Advisory Board will generally be advisory in nature, and except as expressly specified in the Partnership Agreement, will not be binding on the Partnership and the Partners. The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including, but not limited to, investment decisions.

Future

Unless consented to by the Board of Advisors, neither the General

Partnerships	Partner nor any person that is then an active member, officer or employee of the General Partner will actively market, other than to the Limited Partners and their affiliates, or commence the operation of another pooled investment partnership with primary objectives substantially similar to those of the Partnership until the earlier of: (i) the end of the Commitment Period; or (ii) such time as at least two-thirds of the aggregate commitments have been invested, committed or allocated for investment, used for Partnership expenses or organizational expenses, or reserved for follow-on investments or reasonably anticipated expenses of the Partnership.
Reports	The Partnership will furnish the Limited Partners: (i) Annual tax information necessary for each Partner's tax returns; (ii) Tax basis financial statement and a capital account reconciliation annually; and, (iii) Unaudited summary financial and descriptive investment information for each portfolio company quarterly and annually.
Limited Partner Meetings	The Partnership will hold annual meetings of Limited Partners to review and discuss the Partnership's investment activities until the cost basis of the Partnership's Portfolio Investments are less than 20% of the Partnership's Commitments.
Borrowing and Guarantees	The Fund shall have the right, at its option at any time through the termination of the Fund, to cause to incur or assume indebtedness from any person for any Partnership purpose including, without limitation, to cover Partnership Expenses, make Investments (including follow-on investments), provide permanent financing or provide interim financing to the extent necessary to consummate the purchase of Investments prior to completion of the permanent debt financing thereof or prior to the receipt by the Fund of Capital Contributions, or for any other purpose whatsoever. The Fund shall have the right to cause the Limited Partners to make Capital Contributions in order to repay any borrowing, or fund any guarantee at any time for up to four (4) years after the Expiration Date, and to the extent related to a payment of the Fund Management Fee or Partnership Expense, at any time through the termination of the Fund. The Fund may pledge assets of the Fund as collateral for any such borrowing and withhold from any distributions amounts necessary to repay such borrowings. Each of the General Partner and The Fund shall have the right at its option to pledge the obligations of the Limited Partners to make Capital Contributions. Each Limited Partner shall upon the written request from the General Partner, for the benefit of one or more lenders or other person extending credit to the Fund, execute an investor acknowledgement in a form customarily required by

If your Fund will purchase or originate senior, mezzanine or convertible debt securities as part of its investment strategy, this risk consideration should be included. If your Fund will not invest in real estate debt obligations, then this risk language can be deleted.

The Partnership may purchase or originate mortgage loans that are structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid. Illiquidity may result from the absence of an established market for the investments, as well as from legal or contractual restrictions on their resale by the Partnership. The possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

Competition.

The real estate industry is intensely competitive. The Partnership will compete with both traditional real estate companies and private individuals attempting to pursue the similar investment business strategies. While the Partnership believes that it has certain competitive advantages over its competition, there is no guarantee that the Partnership can maintain its competitive position. Moreover, there are no significant barriers to entry that would prevent additional competition from entering into certain markets targeted by the Partnership. Accordingly, there is no assurance that the Partnership will be able to invest its capital on favorable terms.

Delays In Identifying Investment Opportunities.

Delays in locating suitable properties for investment could adversely affect returns from this investment.

Leverage.

Note – this risk is different than the Risk “Mortgage Indebtedness May Increase...” described above. This discussion of Leverage has to do with borrowings that the Partnership itself may take on over and above any financing the Partnership uses to finance its real estate acquisitions. To the extent that your Partnership will not allow debt at the partnership level, you can delete this Risk.

The Partnership Agreement permits the Manager to incur debt, above and beyond any debt incurred to purchase the properties and, in connection with the obtainment of any such debt, to encumber the Partnership’s interest in portfolio properties. As funds are borrowed, such financing will increase the risk of your investment because debt service increases the expense of operation. An increase in the Partnership’s debt will also increase the amount of the Management Fee payable by the Partnership to the Manager. In addition, lenders may require restrictions on future borrowing, distributions and operating policies. The Partnership’s ability to meet its debt obligations will depend upon its future performance and will be subject to financial, business and other factors affecting business and operations, including general economic conditions. There can be no assurance that the Partnership will be able to meet its debt obligations.

Except as described in the following paragraph, a tax-exempt Limited Partner's distributive share of the Partnership's income should consist principally of income from dividends, interest and capital gain – types of income which (subject to the discussion of debt-financing below) is expressly excluded from “unrelated business taxable income” within the meaning of Section 512 of the Code (“UBTI”).

However, the Partnership may make investments that will generate UBTI (“UBTI Investments”). Each tax-exempt Limited Partner generally would be subject to U.S. federal income tax on its share of any UBTI earned by the Partnership (and the receipt of UBTI could give rise to additional tax liability for certain limited categories of tax-exempt investors).

If a tax-exempt Limited Partner borrows any amount to fund its capital commitment, some or all of its distributive share of income from the Partnership could be UBTI, which could be taxable to such tax-exempt Limited Partners (and which could give rise to additional tax liability for certain limited categories of tax-exempt Limited Partner). Moreover, debt incurred by the Partnership to acquire an investment would constitute a UBTI investment for tax-exempt Limited Partners.

Any break-up fees, closing fees, property management fees, construction management fees, leasing fees or other similar fees from portfolio investments (collectively, “Portfolio Investment Fees”) will be paid directly to the General Partner or an affiliate, which will then, subject to the terms of the Partnership Agreement, reduce future Management Fees otherwise payable by the Partnership. A tax-exempt investor should not be deemed to have received any portion of such Portfolio Investment Fees. There is, however, a risk that the IRS might take the position that a tax-exempt investor should be treated as having received a portion of such fees and, if such fees were regularly received by the Partnership, the tax-exempt investor's share of such fees could be treated as UBTI.

Special Considerations for Foreign Investors

Investments in real estate conducted in a partnership or another “flow-through” entity may result in the Partnership and a foreign Limited Partner being deemed engaged in a U.S. trade or business. If a foreign Limited Partner is deemed to be engaged in a U.S. trade or business, such foreign Limited Partner would have to file U.S. tax returns and income or gain which is effectively connected to such trade or business would be subject to United States Federal income tax on a net basis. The Partnership may utilize a Special Purpose Vehicle or an Alternative Investment Vehicle to hold any such investment on behalf of foreign investors and to pay any U.S. taxes thereon; however, no assurance can be given that such structures will eliminate all adverse U.S. income tax consequences for foreign investors, including the requirement to file U.S. income tax returns.

In general, a foreign Limited Partner of a partnership which does not conduct a U.S. trade or business is nonetheless subject to a withholding tax of thirty percent (30%) on the gross amount of certain U.S. source income which is not effectively connected with a U.S. trade or business. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends and certain interest income. Such withholding tax may be reduced or

eliminated with respect to certain types of such income under any applicable income tax treaty between the United States and the foreign Limited Partner's country of residence.

Any gain or loss of a foreign person that is realized in connection with the (actual or constructive) disposition of a "United States real property interest" (as defined below) (a "USRPI") generally would be treated as gain or loss effectively connected with a trade or business engaged in by the taxpayer in the United States and would be subject to Federal net income tax. Any gain or loss allocable to a foreign Limited Partner arising from a disposition by the Partnership of a USRPI would be so taxable. The Partnership may utilize a Special Purpose Vehicle or an Alternative Investment Vehicle to hold U.S. real property investments on behalf of foreign investors.

In addition, to the extent attributable to USRPIs owned by the Partnership, the amount realized on a sale or exchange by a foreign Limited Partner of its interest in the Partnership would be treated as received in exchange for a USRPI. Gain or loss to the extent so attributable therefore would be subject to Federal net income tax and the gross proceeds from such sale or exchange may become subject to a ten percent (10%) withholding tax.

"United States real property interest" generally means an ownership interest in real property located in the United States or the Virgin Islands and any equity interest in certain domestic corporations or partnerships that hold real property interests, but would not include a mortgage loan unless it provided for contingent interest payments based upon the income from or value of the real property securing such loan.

Other Important Tax Disclosures

No assurance can be given that the IRS will concur with the foregoing opinion or the tax consequences set forth above. No ruling has been or will be requested by the Partnership from the IRS as to such matters.

THIS MEMORANDUM DOES NOT ADDRESS, AND SHOULD NOT BE CONSIDERED TO DESCRIBE FULLY, ALL OF THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THE PARTNERS OF AN INVESTMENT IN THE PARTNERSHIP, AND DOES NOT ADDRESS ANY OF THE STATE OR LOCAL TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY PARTNER, OR ALL OF THE UNITED STATES OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT TO ANY PARTNER THAT IS NOT A UNITED STATES PERSON OR ENTITY. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX COUNSEL AS TO THE FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP AND AS TO APPLICABLE STATE, LOCAL AND FOREIGN TAXES. SPECIAL CONSIDERATIONS MAY APPLY TO PROSPECTIVE INVESTORS WHO ARE NOT UNITED STATES PERSONS OR ENTITIES, AND SUCH INVESTORS ARE ADVISED TO CONSULT THEIR TAX ADVISORS WITH REGARDS TO THE UNITED STATES, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP.