
Community Bank Investments in

SOLAR TAX EQUITY

Virginia Banks Financing Renewable Energy Projects
for Low to Moderate Income Residents



KeyState[®]
RENEWABLES

ABOUT US

KeyState

- Manage tax-advantaged investment and insurance structures for community and regional banks since 1991
- Work with over 140 banks across the country
- Over \$14 billion in fixed income portfolios under management
- KeyState's Bank Captive Program is currently endorsed by 28 state banking associations

SOLCAP

- KeyState Renewables and Corner Power launched SOLCAP in 2019
- 7 SOLCAP funds to date, raising and deploying over \$220 million in tax equity for community banks
- By the end of 2023, 53 solar projects totaling more than 200 MWdc of power will be in operation across seven states
- Established, multi-year project fundings with 3 national solar developers

SOLCAP LEADERSHIP



JOSH MILLER

CEO of The KeyState Companies

Josh Miller joined KeyState in 1998 and has served as the CEO since 2011. During his tenure, KeyState has remained focused on

helping community banks manage complex planning structures that large US banks have utilized for many decades. KeyState supports community banks in the implementation and management of tax advantaged investment and insurance structures that enhance their annual earnings. Josh received his bachelor's degree in economics and foreign affairs from the University of Virginia and holds board and leadership roles with various industry groups and non-profit organizations.



STEVE HIBBARD

Director of Finance

Steve Hibbard joined KeyState Renewables as Director of Finance in 2021 and brings a wealth of solar project finance experience from

the perspective of the solar developer and the tax-equity investor. In previous roles, he closed numerous tax equity financing transactions, investing more than \$400 million of tax equity across 500MW+ of utility-scale, distributed generation and residential projects. With KeyState, Steve leads developer relationship management and outreach, all aspects of underwriting and deal negotiation, and solar project asset management. He earned his undergraduate degree in economics from Williams College, followed by an MBA from the Wharton School at the University of Pennsylvania and an MA in Japanese.

COMMUNITY BANKS NOW HAVE AN OPPORTUNITY TO INVEST IN SOLAR INVESTMENT TAX CREDITS

Solar tax equity investments have a notably better return profile than other types of tax credit investments commonly made by banks.

WHAT IS SOLAR TAX EQUITY?

Fair Market Value of Solar Project x 30/40/50% rate = Investment Tax Credit (ITC)

Solar tax equity investor typically funds 40-50% of a solar project cost while the solar developer/project owner contributes 10-15% and obtains a loan for the balance

Solar tax equity investment

Total ITC amount x \$1.15 (price per credit)

3 sources of return for solar tax equity investor

99% of ITC generated by a project (year 1)

49-99% of bonus or accelerated bonus from project

Cash – preferred return years 2-5, put/call proceeds year 6

Front-loaded return in year 1

IRR over 100%

ROI of 11-13% over 5.5 year holding period

AN OPPORTUNITY FOR COMMUNITY BANKS

Significant Growth of Middle Market Solar Energy Projects

There is a growing desire for clean, reliable energy by municipal and corporate electric power users. Solar is an ideal renewable energy source for distributed generation and provides attractive tax attributes for investors. Power users enter into long-term power purchase agreements, saving significantly on electric power. In order to conserve capital, the power users identify investors to own and operate the solar projects.

Larger Tax Equity Investors Focused on Larger Projects

Large US energy users and US banks have been the dominant tax equity investors since 2012. With the reduction of the US corporate tax rate to 21%, as a result of tax reform in 2018, these large investors have less of an appetite for tax equity investments and have focused their investments on much larger industrial-size solar projects. Additional tax equity investors are sought to meet the high demand for middle market solar projects.

TAX EQUITY: TRADITIONAL INVESTORS

TAX EQUITY PROVIDER	ATTRIBUTES
US Bank (investor and syndicator)	Current dominant provider of tax equity. High cost, low flexibility
Wells Fargo (investor)	Early provider for tax equity. Focus on large-scale projects
Piper Sandler (investment banker)	New entrant in tax equity. They pair single projects with tax equity investors
Citibank (investor)	Large project deal terms less attractive for solar developers
Google (investor)	Private corporate focused on large-scale projects

KEY ASPECTS: INFLATION REDUCTION ACT (IRA)

- 30% investment tax credit (ITC) rate extended until at least 2032
- Expands ITCs to battery storage (paired with solar or standalone)
- Higher tax credit rate possible for certain low-to-moderate-income (LMI) census tract sited projects or projects using domestically produced panels and components
- ITCs can be carried back 3 years and carried forward 22 years
- Credit transferability provision will allow developers to sell ITCs directly rather than requiring more complex tax equity structures

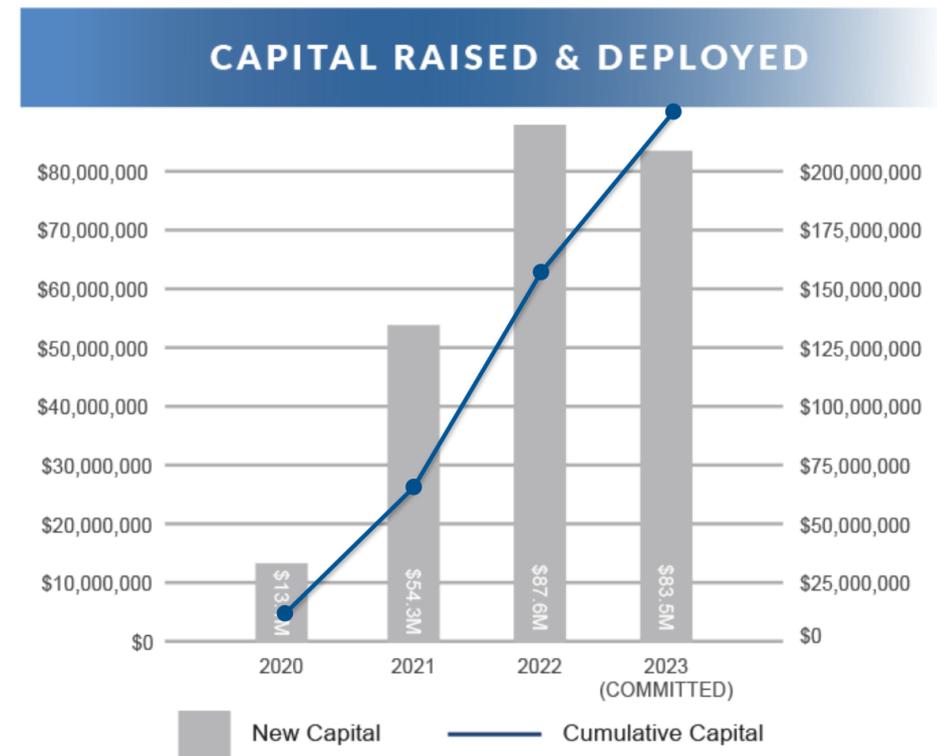
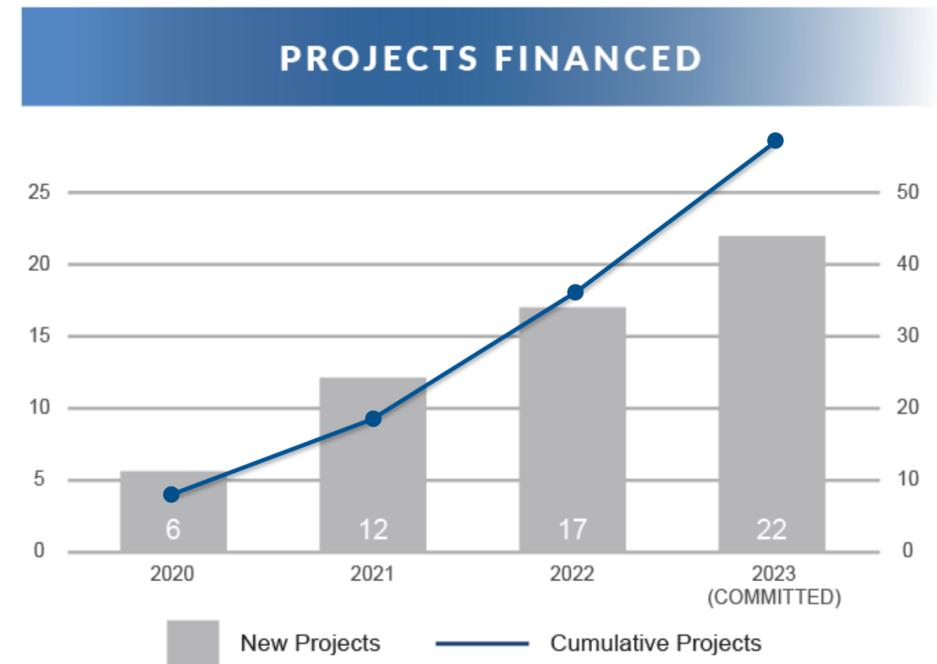
THE INFLATION
REDUCTION ACT
PRESENTS A
TREMENDOUS
OPPORTUNITY

COMMUNITY BANKS' INVESTMENT IN RENEWABLES

Community Banks are a Growing Source of Tax Equity

KeyState Renewables launched its SOLCAP solar tax equity platform for community banks in 2019.

The tremendous growth of SOLCAP is representative of community banks' growing interest in solar tax equity investments over the past 3-4 years.



SOLAR INVESTMENT TAX CREDITS VS. OTHER TAX CREDITS

- Many banks already invest in New Market, Low Income Housing, and Historic Tax Credits
- OCC Rule 12 C.F.R. §7.1025 (April 2021) authorizes solar tax equity finance transactions by national banks and Federal savings associations
- Community banks usually still have capacity for more tax credit investments
- Most public banks prefer to make solar ITC investments annually
- Solar tax credit investments can be one component of an ESG strategy

UNTAPPED EARNINGS POTENTIAL

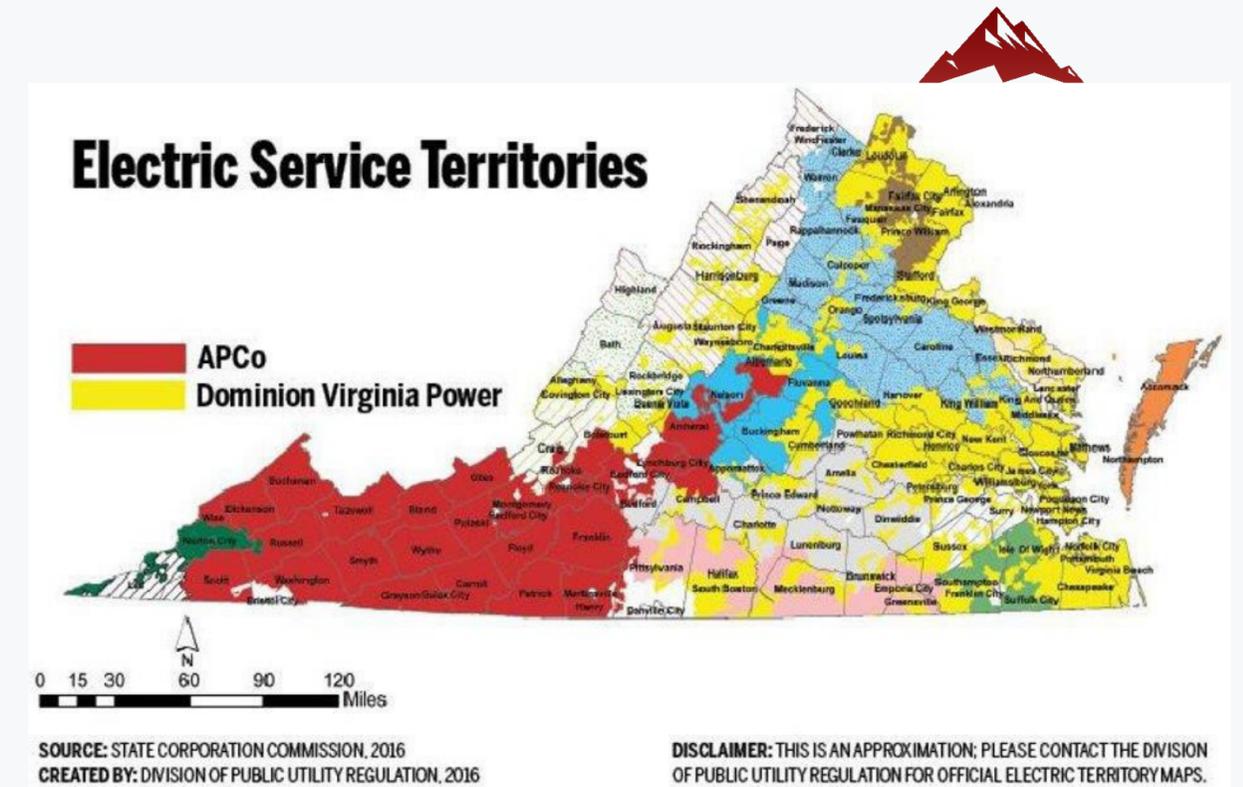
- ❑ Credits can be applied to 75% of annual tax liability
- ❑ Solar tax equity investment x 11% estimates Year 1 earnings benefit

VBA/SOLCAP LMI SOLAR TAX CREDIT FUND

- **Raise \$150-\$200 million** in tax equity commitments by 6/30/23 for FUND 1
- KeyState Renewables will raise initial \$40-\$50 million total from 2-3 prospective lead investors
- Deploy the investment **WITHIN VIRGINIA** across a portfolio of 20+ LMI solar projects developed by Summit Ridge Energy, a national solar developer based in Virginia
- **CRA credits** (as applicable) can be directed/pointed to fund investors
- Investors will recognize approx. 75% of solar ITCs in 2024 (balance in late 2023 and early 2025)
- SOLCAP will identify portfolios of renewable energy projects in development stage for future VBA/SOLCAP funds (2025 and beyond)
- FUND 1 - VBA/MSI revenue share of 7-10% estimate: \$600,000 - \$1,100,000 (depending on total raised)

Virginia Community Solar Market

- ▶ Virginia Clean Economy Act (April 2020) established a Community Solar market in VA administered by the SCC
- ▶ 150-MW_{ac} program size with an extra 50- MW_{ac} allocation should 30% of the first 150-MW_{ac} of projects secure Low-Income offtake
- ▶ Maximum project size of 5- MW_{ac}
- ▶ VA has a 100% RPS goal by 2045
- ▶ 25-year community solar program term
- ▶ SRE is targeting a projected pipeline of 100 MW_{DC} with majority of projects coming through acquisitions
- ▶ SRE's target portfolio size would represent ~2% of the addressable customer base in the state



Utility	# of Customers
Dominion Energy	2,200,000

Virginia LMI Offtake Strategy



▶ The State of Virginia has approximately 2.2 million residential customers in the Dominion Energy service territory

- ▶ SRE will target 100% LMI offtake which will serve the following goals:
1. Maximize potential ITC adders under the Inflation Reduction Act
 2. Maintain program qualification as each project is required to have a minimum of 30% LMI customers to qualify for program capacity
 3. Avoid the \$75 Minimum Bill requirement (more on this below), which economically prohibits market-rate residential customer participation

Projected Offtake Breakdown			
Type	Share	Size (MWdc)	# Customers
LMI	100%	100	~14,290

- ▶ The monetary Bill Credit Value will be based on the average kWh rate, per Customer Rate Class, as published in Dominion’s Annual FERC Form 1 filing. This rate is determined by dividing the total annual revenues by the total sales, resulting in a \$ / kwh rate. The FERC Form 1 rate includes Supply, Generation, and Transmission
- ▶ The program structure has a \$75 Minimum Bill requirement for each residential customer subscribed to a community solar facility. This results in the first \$75 of the charges on their Utility Bill not being offsetable by community solar credits, meaning a customer receiving bills of \$100/ month could only receive \$25/ month of credits. LMI customers, however, are exempt for the Minimum Bill requirement
- ▶ SRE plans to subscribe its projects via Arcadia or via bilateral agreements with housing authorities. Arcadia has experience subscribing LMI customers and has extensive experience across other markets throughout the U.S.

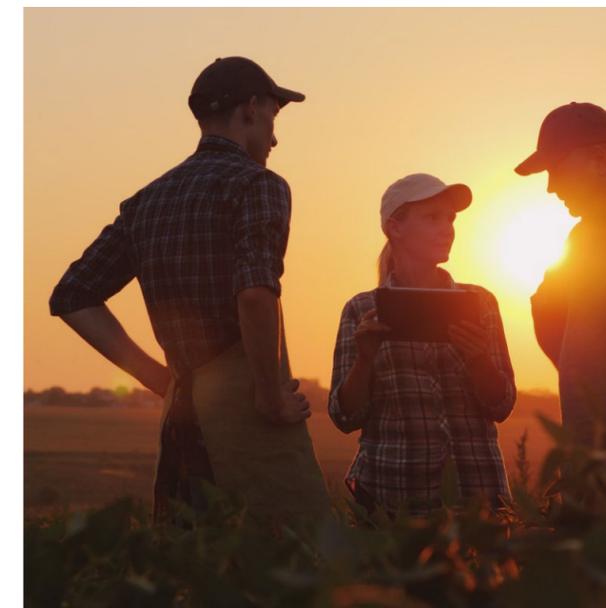
Summit Ridge Energy Overview

SRE is the nation's leading owner-operator of community solar assets with over 100 operating solar projects across markets.

Based in Arlington, VA, the company is an experienced community solar developer managed by industry veterans. Since its founding in 2017, SRE has become the fastest growing community solar developed in the U.S. SRE will have more than 400 MW PV and 100 MWh of battery storage online by 2023 serving over 200,000 residential and commercial customers.

Through its extensive network of institutional investors, SRE has deployed over \$1 billion of capital to finance its community solar and energy storage portfolios in targeted U.S. markets.

SRE has more than 80 full-time employees covering management, sales, development, construction management, and finance. SRE has fully operational internal controls, development protocols, and proprietary operational systems in place.



SRE Track Record



SRE is the fastest growing company in the community solar industry. SRE has successfully financed over \$250M of ITC with multiple tax equity providers alongside sponsor equity capital from its JV partners, Hannon Armstrong and Osaka Gas USA.

Capital Partnerships

\$1B

Sponsor Equity, Tax Equity, and Debt Deployed

HANNON ARMSTRONG INVESTING IN THE FUTURE OF ENERGYSM

OSAKA GAS

Fundamental RENEWABLES

LiveOakBank.

Source Bank

FOSS & COMPANY TAX CREDIT SPECIALISTS Since 1983

20th National Trust Community Investment Corporation anniversary logo

Customer Partnerships

20,000+

Households and small businesses receiving solar energy from projects developed by SRE

igsenergy

Arcadia

AMPION RENEWABLE ENERGY

EPC Partnerships

200+ MW

Community solar projects completed or under construction

BORREGO SOLAR

Hanwha

SRE Market Leadership



SRE is the market leader in each of its core markets

	Illinois	Maryland	Maine
Market Position	#1	#1	#1
SRE MW _{DC}	126	102	212
Market share	42%	37%	28%

SOLAR TAX EQUITY RETURN PROFILE

Three Sources of Return

1

Investment Tax Credit (“ITC”)

- Dollar-for-dollar credit against federal income tax expense
- The credit is currently calculated as 30% of a renewable energy facility’s “Fair Market Value”
- Recognized once solar project is “Placed in Service” (year 1)

2

Bonus or Accelerated Depreciation

- For tax purposes, projects can be depreciated at an accelerated rate called “100% Expensing”

3

Cash Proceeds

- **Annual Cumulative Preferred Return** – generally 2-2.5% for the holding period
- **Call/Put Proceeds** – generally 6-7% paid out at exit

GAAP PROFILE & CAPITAL IMPACT

DEFERRAL METHOD

- **Income Statement** – Assuming \$10mm investment, \$1.3mm benefit in NI over holding period (\$1.1mm Year 1)
- **Balance Sheet** – Less than 10% of invested capital is carried on the balance sheet after ITC recognized in Year 1

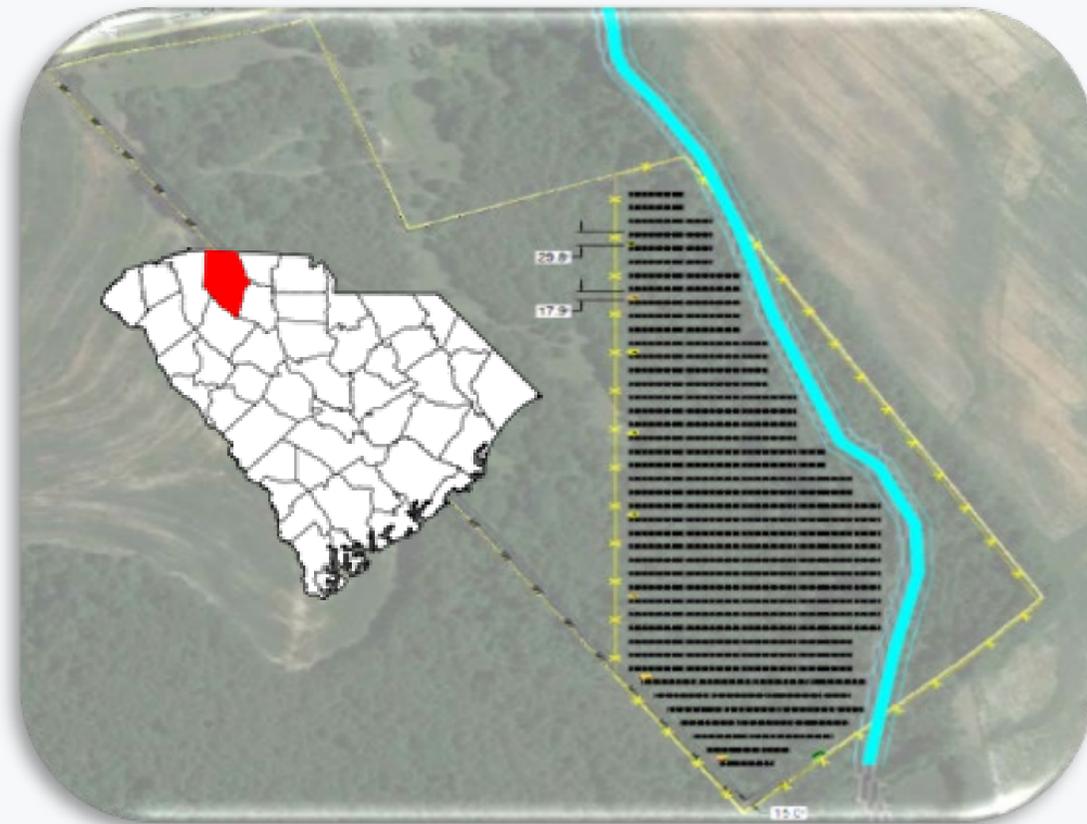
TYPICAL RETURNS:

IRR over 100%

ROI over 1.12x

SAMPLE PROJECT

SC Spartan One



SUMMARY	
Size MW _{DC} / MW _{AC} (est.)	6.5 MWDC Single Axis Tracking
Location	Spartanburg County, SC
Notice to Proceed (NTP)	Q2 2023
Commercial Operation Date	Q3 2023 (est.)
Power Purchase Agreement Off-taker	Duke Energy Carolinas; rated Baa1 by Moody's
Interconnecting Utility	Duke Energy Carolinas, rated Baa1 by Moody's
STATUS OF KEY DEV DELIVERABLES	
Site Control	Purchase option signed
Zoning	Complete
Power Purchase Agreement and Interconnection	PPA awarded / IX study due back Q1 2023
Construction Status	Pre-NTP; EPC and O&M provider determined

SOURCES & USES

PROJECT CO 1 (Size: 15.40 MWdc*)							
SOURCES				USES			
	<u>\$\$</u>	<u>\$/w</u>	<u>%</u>		<u>\$\$</u>	<u>\$/w</u>	<u>%</u>
Perm Debt	\$9,583,333	\$0.62	46%	EPC	\$15,615,728	\$1.01	75%
Tax Equity	\$10,000,000	\$0.65	48%	Dev Costs / Dev Fee	\$1,249,258	\$0.08	6%
Sponsor Equity	\$1,250,000	\$0.08	6%	Interconnection	\$1,249,258	\$0.08	6%
				Perm Loan Fees	\$156,157	\$0.01	1%
				Closing Costs	\$936,944	\$0.06	4%
				Reserves	\$1,249,258	\$0.08	6%
				Const. Final	\$376,729	\$0.02	2%
TOTAL SOURCES	\$20,833,333	\$1.35	100%	TOTAL USES	\$20,833,333	\$1.35	100%

*Grossed up for illustration purposes. This information is based on data available at the date of this presentation that is believed to be reliable and accurate. There can be no assurance that the estimates are accurate or that such performance will be attained. Known and unknown risks, uncertainties, and other factors may cause the actual performance, terms of financing, operations of the project, and other results to differ materially from those set forth above.

TAX EQUITY BENEFIT SCHEDULE

Annual After-Tax Internal Rate of Return (IRR)	>50%
Target Return on Investment	>1.12x

Year	Capital Contributions	Tax Credits	Cash Distributions	Cash Proceeds from Call Option	Cash Distributions and Credits	Income (Losses)	Syndication Costs	Gain/(loss) on Sale of Interest	50(d) Income	Tax Savings (Costs) from Income (Losses) and Tax Credits	Annual Net Benefits	Cumulative Net Benefits
2022	\$ 10,000,000	8,695,652	\$ 31,076	\$ -	\$ 8,726,728	\$ (9,418,421)	\$ -	\$ -	\$ 869,565	\$ 10,490,912	\$ 521,988	\$ 521,988
2023	-	-	249,779	-	249,779	115,889	-	-	869,565	(206,945)	42,834	564,822
2024	-	-	238,716	-	238,716	217,325	-	-	869,565	(228,247)	10,469	575,291
2025	-	-	238,735	-	238,735	221,996	-	-	869,565	(229,228)	9,507	584,798
2026	-	-	238,882	-	238,882	228,700	-	-	869,565	(230,636)	8,246	593,044
2027	-	-	233,165	607,609	840,774	576,437	(97,826)	(6,137)	-	(119,763)	721,011	1,314,055
	<u>\$ 10,000,000</u>	<u>\$ 8,695,652</u>	<u>\$ 1,230,353</u>	<u>\$ 607,609</u>	<u>\$ 10,533,614</u>	<u>\$ (8,058,074)</u>	<u>\$ (97,826)</u>	<u>\$ (6,137)</u>	<u>\$ 4,347,826</u>	<u>\$ 9,476,093</u>	<u>\$ 1,314,055</u>	

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GAAP ACCOUNTING SUMMARY

(Deferral Method)

INVESTOR GAAP INVESTMENT BALANCE DETAIL	2022	2023	2024	2025	2026	2027
Cumulative Contributions	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Contra Contributions - Startup/syndication and Acquisition	(652,174)	(652,174)	(652,174)	(652,174)	(652,174)	(652,174)
Cumulative Distributions - Operations	(31,076)	(280,856)	(519,572)	(758,306)	(997,188)	(1,230,353)
Cumulative Distributions - Priority Return	-	-	-	-	-	-
Distribution - Call Option	-	-	-	-	-	(607,609)
Cumulative Investment Tax Credit	(8,695,652)	(8,695,652)	(8,695,652)	(8,695,652)	(8,695,652)	(8,695,652)
Cumulative HLBV Adjustment	-	-	-	-	-	-
Loss on exit	-	-	-	-	-	1,185,788
Impairment Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Ending Investment Balance	621,098	371,318	132,602	(106,132)	(345,014)	-

INVESTOR CONSOLIDATED INCOME STATEMENT	2022	2023	2024	2025	2026	2027
Gain/Loss on Exit	-	-	-	-	-	1,185,788
Syndication Expense and Amortization	(256,522)	(91,304)	(91,304)	(91,304)	(91,304)	(30,435)
Investment Income (Loss) - HLBV Adjustment/Impairment	-	-	-	-	-	-
Pretax Earnings	(256,522)	(91,304)	(91,304)	(91,304)	(91,304)	1,155,353
Income Tax Provision						
Federal Current Tax Benefit (Expense) - ITC	-	-	-	-	-	-
Federal Current Tax Benefit (Expense)	1,795,260	(206,945)	(228,247)	(229,228)	(230,636)	(119,763)
Federal Deferred Tax Benefit (Expense)	21,432	18,734	44,525	45,440	46,767	(176,898)
Total Tax Benefits (Expenses) - "Below the Line"	1,816,692	(188,212)	(183,722)	(183,787)	(183,868)	(296,661)
Net Income (Losses)	1,560,171	(279,516)	(275,027)	(275,092)	(275,173)	858,692

UNDERWRITING SOLAR PROJECTS

SAMPLE UNDERWRITING CRITERIA	
Project	<ul style="list-style-type: none"> ▪ Project Pre-Tax Unlevered IRR > 6.50% for 35-year project life ▪ PPA contracted term >= 10 years ▪ Gross Margin (EBITDA) >= 75% ▪ DSCR 1.25x average over debt term ▪ Insurance: G&L, Property, Business Interruption
Power Purchase Agreement (PPA) Off-Taker	<ul style="list-style-type: none"> ▪ Single project: investment grade thru a NRSRO* or similar shadow rating ▪ Pre-investment credit underwriting of PPA off-taker ▪ Ongoing, annual credit review over 6 year holding period
Equipment	<ul style="list-style-type: none"> ▪ Tier 1 modules and inverters from a pre-defined list of suppliers ▪ Equipment warranties on all products for life of the asset ▪ Major maintenance reserve of 3 months estimated O&M
Engineering Procurement Construction (EPC)	<ul style="list-style-type: none"> ▪ Bonded and insured ▪ Track record of successfully installed projects ▪ Minimum 1 year workmanship guarantee
Operations & Maintenance (O&M)	<ul style="list-style-type: none"> ▪ Bonded and insured ▪ Track record of successfully installed projects ▪ Liquidated damages for availability losses
Tax Equity Investor Return (estimated)	<ul style="list-style-type: none"> ▪ ROI: Ranges from 1.08x to 1.15x (5.5 year holding period) ▪ IRR: Over 50%

*NRSRO, nationally recognized statistical rating organization. Moody's, S&P, and Fitch

TAX EQUITY INVESTMENTS

RISKS & MITIGANTS

RISK	MITIGANT
Project Performance Risk	<ul style="list-style-type: none"> ▪ Consider diversifying your risk across numerous, varied separate projects ▪ Ensure each project carries property insurance for full replacement value and include business interruption insurance ▪ Ensure the solar developer takes the first loss on any project cash flow before any tax equity investor would experience a reduction in cash flow
Power Purchaser Risk	<ul style="list-style-type: none"> ▪ Complete a full credit review of the entity that enters into the power purchase agreement with the solar project (utility, municipality, company) ▪ Lender for the project will also perform credit review of the power purchaser
Recapture Risk (first 5 years)	<ul style="list-style-type: none"> ▪ Investors should work with experienced team of solar developers and solar finance professionals ▪ A system going offline temporarily does not disturb the tax equity credits at all ▪ The bankruptcy or financial difficulties of an off-taker does NOT trigger recapture ▪ Ensure projects are fully insured ▪ Investors can purchase ITC recapture insurance ▪ Require lender enter into a forbearance agreement/SNDA for initial 5 years
Accounting Treatment	<ul style="list-style-type: none"> ▪ Model each investment with national tax and accounting experts ▪ Select deferral method or flowthrough method ▪ Based on FASB rule (July 2022), proportional amortization may now be used for certain solar tax equity structures

MAKING A SOLAR TAX EQUITY INVESTMENT

STEPS	DETAILS
Identify Potential Size of Investment	<ul style="list-style-type: none"> ▪ Target 75% of federal tax liability ▪ Consider larger investment to carry back ITCs for up to 3 years ▪ Year 1 GAAP impact is approximately 11-13% of total investment
Identify Investment(s)	<ul style="list-style-type: none"> ▪ Individual project with syndicator or direct with solar developer ▪ Fund structure with diverse group of projects ▪ Identifying specific projects in your region may prove difficult
Consider Tax & GAAP Impact	<ul style="list-style-type: none"> ▪ Review models with tax and audit firm ▪ Ensure fund or developer work with experienced modeling firm
Perform Initial Diligence & Sign Term Sheet	<ul style="list-style-type: none"> ▪ Preliminary diligence performed on developer, project off-taker, and overall project ▪ Sign non-binding term sheet
Notify Regulator	<ul style="list-style-type: none"> ▪ Ensure investment complies with OCC Rule 12 C.F.R. § 7.1025 ▪ Regulator has 30 days to object or request additional information
Board Approval	<ul style="list-style-type: none"> ▪ Board approval of expansion of bank investment policy to allow for solar tax equity investments ▪ Board approval of specific solar tax equity investments not recommended
Establish Project Level Underwriting Process	<ul style="list-style-type: none"> ▪ Underwriting package prepared by Fund manager or developer (possibly supplemented by bank) ▪ Utilize a current committee (credit, ALCO, or investment committee)
Initial Closing on Investment	<ul style="list-style-type: none"> ▪ Enter into “tax equity” documents with fund or developer ▪ Fund the investment at certain construction milestones
Review & Approve Project Underwriting Packages	<ul style="list-style-type: none"> ▪ Per OCC Rule 12 C.F.R. § 7.1025 ▪ Packages reviewed by pre-identified bank committee

SELECT INVESTOR REFERENCES

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CONSULTANTS



TAX & AUDIT



TAX COUNSEL



PROJECT COUNSEL



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THE INFORMATION SET FORTH IN THIS PRESENTATION DOES NOT PURPORT TO BE COMPLETE AND NO OBLIGATION TO UPDATE OR OTHERWISE REVISE SUCH INFORMATION IS BEING ASSUMED. THE VIEWS EXPRESSED HEREIN ARE AS OF MAY 2020 AND NOT OF ANY LATER DATE. AN INVESTOR SHOULD CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND ASSESSMENT OF AN INVESTMENT IN THE INVESTMENT AND MAKE SUCH ADDITIONAL INQUIRIES AS IT DEEMS NECESSARY OR APPROPRIATE AND SHOULD NOT RELY SOLELY ON THE INFORMATION CONTAINED IN THIS PRESENTATION. NO REPRESENTATION OR ASSURANCE IS BEING MADE THAT THE INVESTMENT WILL BE ABLE TO ACHIEVE ITS TARGETED RETURNS OR RESULTS, OR THAT THE INVESTMENT WILL BE ABLE TO IMPLEMENT ITS INVESTMENT STRATEGY OR ACHIEVE ITS INVESTMENT OBJECTIVES. A PROSPECTIVE INVESTOR MUST RELY SOLELY ON THE TERMS OF, AND DISCLOSURE OF INFORMATION IN, THE INVESTMENT'S GOVERNING DOCUMENTS; THE ONLY BASIS ON WHICH SUBSCRIPTIONS MAY BE MADE.

CERTAIN STATEMENTS IN THIS PRESENTATION CONSTITUTE FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS, INCLUDING THE INTENDED ACTIONS AND PERFORMANCE OBJECTIVES OF KEYSTATE, INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS OF CORNER TO DIFFER MATERIALLY FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ADDITIONALLY, THIS PRESENTATION MAY CONTAIN STATEMENTS ABOUT THE PAST PERFORMANCE OF INVESTMENTS. ANY PRIOR INVESTMENT RESULTS ARE APPROXIMATIONS AND HAVE BEEN INTERNALLY PREPARED IN GOOD FAITH BY THE PARTY TO WHICH IT RELATES AND ARE NOT AUDITED OR REVIEWED BY THE INVESTMENT'S ACCOUNTANTS. SUCH PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE OR RESULTS OF THE INVESTMENT.

THERE WILL BE NO PUBLIC MARKET FOR INTERESTS IN THE INVESTMENT AND INTERESTS IN THE INVESTMENT WILL BE SUBJECT TO STRICT LIMITATIONS ON TRANSFER. INVESTORS SHOULD REGARD THEIR INTERESTS AS ILLIQUID AND INVESTORS SHOULD NOT INVEST IN THE INVESTMENT UNLESS THEY ARE PREPARED TO LOSE ALL OR A SUBSTANTIAL PORTION OF THEIR INVESTMENT.

TRANSACTIONS DESCRIBED IN THIS PRESENTATION ARE SPECULATIVE AND INVOLVE A SIGNIFICANT DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT SUCH RISKS AND THE LACK OF LIQUIDITY THAT IS CHARACTERISTIC OF THE INVESTMENTS DESCRIBED. INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS PRESENTATION AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. INVESTORS MUST MAKE THEIR OWN INQUIRIES AND SHOULD CONSULT THEIR OWN ADVISORS AS TO THE APPROPRIATENESS AND DESIRABILITY OF INVESTING IN THE INVESTMENT AND AS TO LEGAL, TAX AND RELATED MATTERS CONCERNING SUCH INVESTMENT.

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