



TIME EQUITIES SECURITIES LLC

1000 SOUTH MICHIGAN PREFERRED LLC

INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

Please read carefully the Confidential Private Placement Memorandum of Membership Units in 1000 South Michigan Preferred LLC, dated November 1, 2019, and all Exhibits and supplements thereto (the “Memorandum”) before deciding to subscribe.

You should examine the suitability of this type of investment in the context of your own needs, investment objectives, and financial capabilities and should make your own independent investigation and decision as to suitability and as to the risk and potential gain involved. Also, you are encouraged to consult with your own attorney, accountant, financial consultant or other business or tax advisor regarding the risks and merits of the proposed investment.

This Offering of Units (the “Offering”) is limited to investors who certify that they meet all of the qualifications set forth in the Memorandum. If you meet these qualifications and desire to purchase Units, then please complete, execute and deliver the Subscription Agreement along with your check or wire in the amount of the Subscription Price.

SEND THE EXECUTED SUBSCRIPTION AGREEMENT AND CHECK TO:

**1000 South Michigan Preferred LLC
55 Fifth Avenue, 15th Floor
New York, New York 10003
Attention: Claire Harris**

MAKE CHECKS PAYABLE TO: 1000 South Michigan Preferred LLC

INVESTOR FUNDS CAN ALSO BE WIRED TO THE FOLLOWING:

Bank: M&T Bank, 350 Park Avenue, New York, NY 10022
ABA Routing Number: 022 000 046
GL Account Number: 9874492847
Swift Code: MANTUS33
Account Name: 1000 South Michigan Preferred LLC
(55 Fifth Avenue, New York, NY 10003)

Upon receipt of the signed Subscription Agreement, verification of your investment qualifications, and acceptance of your subscription by the Company (in the Manager’s sole discretion), the Company will execute the Subscription Agreement and notify you of the receipt and acceptance of your subscription. The Company may accept or reject any subscription in whole or in part for a period of 30 days after receipt of the Subscription Agreement, payment in full and any other subscription documents requested by the Company. Any subscription not accepted within 30 days of receipt will be deemed rejected.

SPECIAL INSTRUCTIONS: In all cases, the person or entity actually making the investment decision to purchase Units should complete and sign the Subscription Agreement. For example, if the investor purchasing Units is a retirement plan for which investments are directed or made by a third party trustee, then that third party trustee must complete the Subscription Agreement rather than the beneficiaries under the retirement plan. This also applies to trusts, custodial accounts and similar arrangements. You must list your principal place of residence rather than your office or other address on the signature page to the Subscription Agreement so that the Company can confirm compliance with appropriate securities laws. If you wish for correspondence sent to an address other than your principal residence, please provide a mailing address where indicated in “**Item C. Investor Information**”.



SUBSCRIPTION AGREEMENT 1000 South Michigan Preferred LLC

This is the offer and agreement (the “**Subscription Agreement**”) of the undersigned to purchase units of membership interest (“**Units**”) to be issued by 1000 South Michigan Preferred LLC (the “**Company**”), for the total Subscription Price set forth below, subject to the terms, conditions, acknowledgments, representations and warranties stated herein and in the Confidential Private Placement Memorandum dated November 1, 2019 relating to the offer of Preferred Equity for the construction project located at 1000 South Michigan Avenue, Chicago, Illinois (the “**Memorandum**”). Simultaneously with the execution and delivery hereof, I am transmitting a check **payable to the order of “1000 South Michigan Preferred LLC”** in the amount of the Subscription Price set forth below for the Units I am purchasing or alternatively, I am wiring funds representing the Subscription Price in accordance with the wiring instructions on the front page of this Subscription Agreement. All terms used herein shall have the meanings set forth in the Memorandum.

In order to induce the Company to accept this Subscription Agreement and as further consideration for such acceptance, I hereby make the following acknowledgments, representations and warranties with the full knowledge that the Company will expressly rely on the following acknowledgments, representations and warranties in making a decision to accept or reject this Subscription Agreement:

1. I hereby adopt, confirm and agree to all of the covenants, representations and warranties set forth in this Subscription Agreement.
2. I am agreeing to subscribe to purchase a membership interest in the Company based on the total purchase price of \$ _____ in cash (the “**Subscription Price**”). I acknowledge that my membership interest in the Company shall be based on my prorata percentage of the total subscriptions funded by all of the members of the Company. My membership interest in the Company, based on my Subscription Price, is hereinafter referred to the “**Units**”.
3. My primary state of residence is: _____.
4. My date of birth is: ____/____/____; ____/____/____.
5. **Subscriptions from Accredited Investors**

Subscriptions shall be accepted from those Investors who qualify as an Accredited Investor (as defined below) Please check the box below that applies which shows your qualification as an Accredited Investor.

(a) If a natural person or a trust whose beneficiaries are individuals, please complete this Item 5(a). If not, please skip to Item 5(b).

I hereby represent and warrant (**check as appropriate**):

- (i) _____ I have an individual net worth, or joint net worth with my spouse, **excluding the value of my primary residence**, of more than \$1,000,000; or
- (ii) _____ I that I have individual income in excess of \$200,000, or joint income with my spouse in excess of \$300,000, in each of the two most recent years and I have a reasonable expectation of reaching the same income level in the current year; and
- (iii) _____ I have not borrowed against my primary residence within the 60 days prior to the execution of this Subscription Agreement. [**ACCREDITED INVESTORS MUST CHECK THIS BOX**]

(b) If other than a natural person, please complete this Item 5(b).

Such entity represents and warrants that it is an “**accredited investor**” as defined in Regulation D promulgated under the Securities Act of 1933, as amended (**check if appropriate**):

- (i) _____ A corporation, an organization described in Section 501(c)(3) of the Internal Revenue Code, a Massachusetts or similar business trust, not formed for the specific purpose of acquiring Units, with total assets in excess of \$5,000,000;
- (ii) _____ A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring Units, whose purchase is directed by a person, who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in Units;

- (iii) _____ A broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended;
- (iv) _____ An investment company registered under the Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) of that Act (the “**Investment Company Act**”);
- (v) _____ An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 (“**ERISA**”), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors;
- (vi) _____ A private business development company (as defined in section 202(a)(22) of the Investment Advisers Act of 1940, as amended);
- (vii) _____ A bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
- (xi) _____ An entity in which all of the equity owners are Accredited Investors under any of the subparagraphs in Item 5(a) or (b);
- (xii) _____ A director, executive officer, or general manager of the issuer of the securities being offered or sold, or any director, executive office, or general manager of a general manager of that issuer.

In addition, the SEC has issued certain no-action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of paragraph 5(a) above. However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

6. **Ownership of Units:**

I (we) wish to own my (our) Units as follows (**check one**):

- (a) Separate or individual property.
- (b) Husband and wife as community property. (**Community property states only. Husband and wife should sign all required documents.**)
- (c) Joint Tenants with right of survivorship. (**Both parties must sign all required documents.**)
- (d) Tenants in common. (**Both parties must sign all required documents.**)
- (e) Trust. (**Attach evidence of authority for person who executes required documents.**)

Name of trust, trustee and date trust was formed

- (f) Partnership (**Include evidence of authority for person who executes required documents.**)
- (g) LLC (**Include evidence of authority for person who executes required documents.**)
- (h) Corporation (**Include evidence of authority for person who executes required documents.**)
- (i) Other, including IRA, 401(k), profit sharing plan, etc.:

Indicate type

7. I represent and warrant, in addition to the other representations and warranties contained herein, that I qualify under the following categories (**check all applicable categories**):

- (a) I have the capacity to protect my interests in connection with the purchase of the Units and such an investment is not disproportionate to my income or available liquid funds.
- (b) I have a preexisting personal or business relationship with the Company, the Manager, or any of their officers or directors, of a nature and duration as would allow me to be aware of the character, business acumen, general business and financial circumstances of the Manager or of the person with whom such relationship exists.
- (c) I certify that I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Units.
- (d) I am an Affiliate of the Manager.

8. I certify that I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Units.

9. I hereby further make in favor of the Company the additional representations, warranties and covenants contained in the attached “**Representations, Warranties and Covenants of an Investor**”

REGISTRATION INFORMATION

(Please print the **exact name (registration)** you desire on the account.)

Registration Name: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Social Security or Federal Tax ID Number for Invested Entity: _____

DISTRIBUTIONS

You have the option to receive distributions in the form of a paper check (Option 1) to be mailed to an address specified by you; to receive distributions in the form of a direct deposit (Option 2) into an account designated by you; or to have your distributions sent to a custodial account (Option 3). A voided check is required for direct deposit. Any subscription submitted without a voided check will receive distributions via paper check. **(Please check one.)**

OPTION 1 (PAPER CHECK)

Payee: _____

Mailing Address (unless the same as above): _____

City: _____ State: _____ Zip Code: _____

OPTION 2 (DIRECT DEPOSIT) -PLEASE ATTACH A COPY OF A VOIDED CHECK.

Banking Institution: _____

Type of Account (Check One): Checking Savings Brokerage Money Market

Exact Name on Bank Account: _____

Account Number: _____

Routing Number: _____

OPTION 3 (CUSTODIAL ACCOUNT) Qualified account Non-qualified account

Custodian Name: _____

Custodial Account Number: _____

Checks Payable to: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

INVESTOR INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Citizen of: United States Other: _____

Principal Country of Residence: United States Other: _____

Birthdate: _____ / _____ / _____

Phone: Business: (_____) _____ Phone: Mobile: (_____) _____

Home: (_____) _____ Fax: (_____) _____

Email: _____

Social Security or Federal Tax ID Number: _____

SIGNATURES

THE UNDERSIGNED HAS THE AUTHORITY TO ENTER INTO THIS SUBSCRIPTION AGREEMENT ON BEHALF OF THE PERSON(S) OR ENTITY REGISTERED IN ITEM A ABOVE.

Executed this _____ day of _____, _____.

X _____
Signature (Investor, or authorized signatory)

X _____
Signature (Investor, or authorized signatory)

COMPANY ACCEPTANCE

The Company hereby accepts this Subscription Agreement

Dated: _____, 20_____.

1000 SOUTH MICHIGAN PREFERRED LLC,
an Illinois limited liability company

By: Time Equities, Inc., a New York corporation, its general manager

By: _____
Robert Kantor, Manager or Philip Brody, Authorized Signatory

DocuSign[®]

REPRESENTATIONS, WARRANTIES AND COVENANTS OF AN INVESTOR

1. I acknowledge that I have received, read and fully understand the Memorandum and all Exhibits, supplements and attachments thereto. I acknowledge that I am basing my decision to invest in the Units on the Memorandum and all Exhibits and attachments thereto and I have relied only on the information contained in said materials and have not relied upon any representations made by any other person. I understand that an investment is speculative and involves substantial risks and I am fully cognizant of and understand all of the risk factors relating to a purchase of the Units, including, but not limited to, those risks set forth under “**Risk Factors**” in the Memorandum.
2. My overall commitment to investments that are not readily marketable is not disproportionate to my individual net worth, and my investment will not cause such overall commitment to become excessive. I have adequate means of providing for my financial requirements, both current and anticipated, and have no need for liquidity in this investment. I can bear and am willing to accept the economic risk of losing my entire investment in the Units.
3. I acknowledge that the sale of the Units to me has not been accompanied by the publication of any advertisement or by any general solicitation.
4. All information that I have provided to the Company herein concerning my suitability to invest in the Units is complete, accurate and correct as of the date of my signature on the last page of this Subscription Agreement. I hereby agree to notify the Company immediately of any material change in any such information occurring prior to the acceptance of this Subscription Agreement, including any information about changes concerning my net worth and financial position.
5. I have had the opportunity to ask questions of, and receive answers from, the Company and the officers and employees of the Manager concerning the Company, the creation or operation of the Company, or the terms and conditions of the offering of the Units, and to obtain any additional information deemed necessary. I have been provided with all materials and information requested by either me or others representing me, including any information requested to verify any information furnished to me.
6. I am purchasing the Units for my own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Units. I understand that, due to the restrictions referred to in Section 8, and the lack of any market existing or to exist for the Units, my investment in the Company will be highly illiquid and may have to be held indefinitely.
7. I understand that: (i) legends will be placed on any certificates evidencing the Units with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Units imposed by federal and state securities laws, (ii) the Units have not been registered with the Securities and Exchange Commission and are being offered and sold in reliance on an exemption from registration, which reliance is based in part upon my representations set forth herein, and (iii) the Units have not been registered under state securities laws and are being offered and sold pursuant to exemptions specified in said laws, and unless registered, the Units may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.
8. I hereby adopt the 1000 South Michigan Preferred LLC Limited Liability Company Agreement as a Member of the Company.
9. This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of New York, except as to the type of registration of ownership of Units, which shall be construed in accordance with the state of principal residence of the subscribing investor.
10. **Notice to Residents of All States:** The Units offered hereby have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of said act and such laws. The Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Units or passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.
11. I hereby covenant and agree that any dispute, controversy or other claim arising under, out of or relating to this Subscription Agreement or any of the transactions contemplated hereby, or any amendment thereof, or

the breach or interpretation hereof or thereof, shall be determined and settled in binding arbitration in the City of New York, State of New York, in accordance with the rules and procedures of the American Arbitration Association. The prevailing party shall be entitled to an award of its reasonable costs and expenses including, but not limited to, attorneys' fees, in addition to any other available remedies. Any award rendered therein shall be final and binding on each and all of the parties thereto and their personal representatives, and judgment may be entered thereon in any court of competent jurisdiction.

12. I hereby agree to indemnify, defend and hold harmless the Company, the Manager, and all of its shareholders, officers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of my failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company, the Manager, or any of its shareholders, members, partners, managers, officers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents I have furnished to any of the foregoing in connection with this transaction.
13. **Verification of Financial Status as an Accredited Investor for Direct Investors:** **The following shall apply only to any direct investors who are not clients of a broker dealer (other than Time Equities Securities LLC) and a registered investment advisor (herein after such Investor is referred to as a "Direct Investor"). The undersigned acknowledges that this offering of membership interests in the Company is being made pursuant to 506(c) of Reg D under the Securities Act of 1933, as amended and as a result my subscription may only be accepted by the Company, if the undersigned (if they are a Direct Investor) can verify to the Company that the undersigned is an accredited investor. The definition for which constitutes an accredited investor is set forth in the attached qualification statement. In order to provide such verification to the Company, the undersigned (if they are a Direct Investor) hereby acknowledges and agrees, that before my subscription can be accepted by the General Manager of the Company, the undersigned hereby agrees to provide such verification of my financial status as an accredited investor by one of the following means?**
 - (i) a letter from the undersigned's accountant, lawyer and/or broker (whose firm is either a registered broker dealer and/or investment advisor), which confirms to the Company that the undersigned is an accredited investor; or
 - (ii) a current net worth statement, balance sheet and/or tax return which confirms that the undersigned qualifies as an accredited investor.
14. **Miscellaneous:** (a) I may not transfer or assign this Subscription Agreement, or any interest herein except in conformance with the provisions of the Operating Agreement of the Company, and any purported transfer shall be void; (b) I hereby acknowledge and agree that I am not entitled to cancel, terminate or revoke this Subscription Agreement and that this Subscription Agreement will be binding on my heirs, successors and personal representatives; provided, however, that if the Company rejects this Subscription Agreement, this Subscription Agreement shall be automatically canceled, terminated and revoked; (c) This Subscription Agreement and the Operating Agreement, together with all attachments and exhibits thereto, constitute the entire agreement among the parties hereto with respect to the sale of the Units and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to rejection of this Subscription Agreement by the Company); (d) Within five days after receipt of a written request from the Company, the undersigned agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Company is subject; and (e) The representations and warranties of the undersigned set forth herein shall survive the sale of the Units pursuant to this Subscription Agreement.

CONSENT OF SPOUSE (if applicable)

**(For purchasers in community property states, which are currently
Alaska, Arizona, California, Idaho, Louisiana, Nevada,
New Mexico, Texas, Washington and Wisconsin)**

I, _____, spouse of
[print name]

[print name]

have read and hereby approve of the Instructions to Investors and Subscription Agreement of 1000 South Michigan Preferred LLC for Units in the Company (the “**Subscription Agreement**”), which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Units and agree to be bound by the provisions of the Subscription Agreement, the Confidential Private Placement Memorandum of Membership Units in 1000 South Michigan Preferred LLC dated November 1, 2019, and all Exhibits thereto (“**Memorandum**”), and any other documents related to the purchase of any such Units (collectively, the “**Purchase Documents**”) insofar as I may have any rights in said Purchase Documents or any property or interest subject thereto under the community property laws of the State of _____ or similar laws relating to marital property in effect in the state of our residence as of the date of signing of the Subscription Agreement and/or the Purchase Documents.

Dated: _____, 20_____

X _____
Signature (Spouse, or authorized signatory)

IF YOU LIVE IN A COMMUNITY PROPERTY STATE AND ARE NOT MARRIED, PLEASE

INITIAL HERE: _____

BROKER DEALER/RIA REPRESENTATIONS AND WARRANTIES

(To be completed by third party soliciting Broker/Dealer or RIA)

Investor suitability requirements have been established by the Company and are in the Memorandum under “**Who May Invest**”. Before recommending the purchase of Units, we have reasonable grounds to believe, on the basis of information supplied by the subscriber concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the subscriber is an “**accredited investor**” as defined in Section 501(a) of Regulation D of the Securities Act of 1933; (ii) the subscriber meets the investor suitability requirements established by the Company; (iii) the subscriber has a net worth and income sufficient to sustain the risks inherent in the Units, including loss of investment and lack of liquidity; (iv) the Units are otherwise a suitable investment for the subscriber; and (v) we have established a pre-existing relationship with the subscriber prior to the Company contemplating or initiating the offering of Units. We will maintain in our files documents disclosing the basis upon which the suitability of this subscriber was determined as well as documents establishing a pre-existing relationship with the subscriber.

We verify that the above subscription either does not involve a discretionary account or, if so, that the subscriber’s prior written approval was obtained relating to the liquidity and marketability of the Units during the term of the investment.

Name of Investor: _____

Broker Dealer/RIA Firm Name: _____

RIA Purchase (**Check One**): YES NO

Name of Financial Representative: _____

Financial Representative’s BRANCH ADDRESS: _____

City: _____ State: _____ Zip Code: _____

E-mail address: _____

Branch Phone Number: (_____) _____

I hereby certify that the Broker Dealer is registered in the State of sale.

X

Signature of Financial Representative

X

Broker Dealer/RIA Principal Signature

Dated: _____ 20_____

Dated: _____ 20_____



OPERATING AGREEMENT – SIGNATURE PAGE

This is the signature page for the Limited Liability Company Agreement for the 1000 South Michigan Preferred LLC (the “**Company**”), a complete copy of which is included in the Private Placement Memorandum for the Fund.

Executed this _____ day of _____, _____.

MEMBER(s):

X
Print Name (Investor or authorized signatory)

X
Signature (Investor or authorized signatory)

X
Print Name (Investor or authorized signatory)

X
Signature (Investor or authorized signatory)

1000 South Michigan Preferred LLC
c/o Time Equities, Inc.
55 Fifth Avenue, 15th Floor
New York, NY 10003
Attention: Robert Kantor

Re: Verification of Status as an Accredited Investor

Gentlepersons:

This is to confirm to 1000 South Michigan Preferred LLC (the “**Company**”) that the undersigned is an accredited investor, as defined in the Subscription Agreement for my purchase of a membership interest in the Company and I am hereby submitting the attached **[insert net worth statement, balance sheet and/or tax return as selected by the undersigned]** (the “**Verification Document**”) which verifies that the undersigned qualifies as an accredited investor, based on the definition for same, as set forth in the attached Schedule A. This is to further confirm to the Company that there has been no material adverse change in my financial status and/or condition since the date of the attached Verification Document which would result in my no longer qualifying as an accredited investor. The Company may rely on the contents of this letter in accepting my Subscription Agreement for my purchase of a membership interest in the Company.

Sincerely yours,

X

Signature

SCHEDULE A
DEFINITION OF ACCREDITED INVESTOR

The term “**Accredited Investor**” is defined as any of the following:

(i) a natural person with an individual net worth, or joint net worth with his or her spouse, **excluding the value of my primary residence**, exceeding \$1,000,000; I have not borrowed against my primary residence within 60 days prior to the execution of this Subscription Agreement;

(ii) a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with his or her spouse in excess of \$300,000 in each of the two most recent years and who reasonably expects reaching the same income level in the current year; I have not borrowed against my primary residence within 60 days prior to the execution of this Subscription Agreement;

(iii) a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

(iv) a director, executive officer, or general manager of the issuer of the securities being offered or sold, or any director, executive officer, or general manager of a general manager of that issuer;

(v) a trust, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment; or

(vi) an entity in which all of the equity owners are “**accredited investors**” under any one or more of the categories specified in paragraphs 1 through 5 above.

1000 South Michigan Preferred LLC
c/o Time Equities, Inc.
55 Fifth Avenue, 15th Floor
New York, NY 10003
Attention: Robert Kantor

Re: Accredited Investor Status of _____

Gentlepersons:

This is to confirm to 1000 South Michigan Preferred LLC, that **[insert as applicable as a registered broker dealer, registered investment advisor, accountant or lawyer]** for _____ (the “Investor”), I am familiar with the financial status and/or condition of the Investor and the Investor, as of the date hereof, qualifies as an accredited investor based on the definition for same, as set forth in the attached Schedule A. Also, I understand that the Company will rely on this statement from the undersigned in order to verify the financial status of the Investor.

Sincerely yours,

X

Signature

SCHEDULE A
DEFINITION OF ACCREDITED INVESTOR

The term “**Accredited Investor**” is defined as any of the following:

(i) a natural person with an individual net worth, or joint net worth with his or her spouse, **excluding the value of my primary residence**, exceeding \$1,000,000; I have not borrowed against my primary residence within 60 days prior to the execution of this Subscription Agreement;

(ii) a natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with his or her spouse in excess of \$300,000 in each of the two most recent years and who reasonably expects reaching the same income level in the current year; I have not borrowed against my primary residence within 60 days prior to the execution of this Subscription Agreement;

(iii) a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

(iv) a director, executive officer, or general manager of the issuer of the securities being offered or sold, or any director, executive officer, or general manager of a general manager of that issuer;

(v) a trust, with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment; or

(vi) an entity in which all of the equity owners are “**accredited investors**” under any one or more of the categories specified in paragraphs 1 through 5 above.