

BLUE SAND SECURITIES

TERMS & CONDITIONS

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Registration to this Web Site is limited to persons who qualify as "accredited investors" within the meaning of Rule 501 (a) promulgated under the U.S. Securities Act of 1933, as amended.

The Registered User is a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000.

The Registered User is a natural person who had an individual income in excess of \$200,000 in each of the last two calendar years, or joint income with that person's spouse, in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in this calendar year.

The Registered User is an entity with total assets in excess of \$5,000,000 which was not formed for the purpose of investing in any of the Funds and which is one of the following:

- a corporation; or
- a partnership; or
- a limited liability company; or
- a business trust; or
- a tax-exempt organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended (the "Code").

The Registered User is a personal (non-business) trust with total assets in excess of \$5,000,000 which was not formed for the purpose of investing in any of the Funds and whose decisions to invest in the Funds will be directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of an investment in the Funds. The Registered User is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (including an Individual Retirement Plan) which satisfies at least one of the following conditions:

- it has total assets in excess of \$5,000,000; or
- the investment decision is made by a plan fiduciary which is a bank, savings and loan association, insurance company or registered investment adviser; or
- it is a self-directed plan (i.e., a tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to his or her account) and the decision to invest is made by those participants investing, and each such participant qualifies as an accredited investor under the criteria listed in Question 2.

The Registered User is an employee benefit plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, which has total assets in excess of

\$5,000,000.

The Registered User is licensed, or subject to supervision, by U.S. Federal or state examining authorities as a "bank," "savings and loan association," "insurance company," or "small business investment company" (as such terms are used and defined in 17 CFR §230.501 (a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity and over which such fiduciary exercises investment discretion.

The Registered User is registered with the United States Securities and Exchange Commission as a broker or dealer or an investment company; or has elected to be treated or qualifies as a "business development company" (within the meaning of Section 2(a) (48) of the Investment Company Act of 1940 or Section 202(a) (22) of the Investment Advisers Act of 1940).

The Registered User is an entity in which all of the equity owners are qualified under one or more of the criteria listed above.

Registered User to the web site will also be accepted from persons who qualify as "qualified purchasers" within the meaning of Sections 3 (c) (7) of the Investment Company Act of 1940, as amended.

The Registered User is a natural person who owns at least \$5 million in Investments, including Investments (i) held in an IRA or similar account, the investments of which are directed by and held for the benefit of such person, (ii) held jointly with a spouse or (iii) in which such person shares a community property or similar shared ownership interest with a spouse. Spouses who subscribe jointly may combine their investments for purposes of meeting the \$5 million threshold, whether or not the investments are held jointly or individually.

The Registered User is an entity directly or indirectly owned entirely by two or more closely related natural persons, their estates or foundations, charities or trusts formed by or for their benefit (a "Family Company") that owns at least \$5 million in Investments.

The Registered User is an entity (including self-directed retirement plans) the interests of which are beneficially owned by "qualified purchasers."

The Registered User is a trust not formed for the specific purpose of investing in any of the Funds, so long as both the persons with decision making power for the trust and each of the contributors to the trust is a "qualified purchaser."

The Registered User is any other person acting for such person's own account of the accounts of other "qualified purchasers" that in the aggregate owns and invests on a discretionary basis at least \$25 million in Investments, excluding (i) private investment funds in existence on April 30, 1996, unless each beneficial owner of such fund on April 30, 1996 that is currently a beneficial owner has consented to such fund's status as a "qualified purchaser" permitted to invest in a category of investment pools that would include the Funds, (ii) entities formed for the purpose of investing in any of the Funds, unless each beneficial owner in the entity is a "qualified purchaser" and (iii) pension and other employee benefit plans that allow the beneficiaries to direct the investments of the plans.

Definition of "Investments" in Section 11 (g) (1) - (5):

"Investments" Include:

Securities (as defined in Section 2 (1) of the Act) other than the securities of an issuer that controls, is controlled by, or is under common control with, the person that owns such securities, unless the issuer is: (a) a private investment company or a commodity pool; or (b) a public company that complies with reporting obligations under U.S. Securities laws or that has a class of securities listed on a securities exchange outside the U.S.; or (c) a company with shareholders' equity of \$50 million or more (as reflected on financial statements

determined in accordance with U.S. GAAP that are prepared within 16 months of the date the subscription to the Web Site is commenced).

Real Estate held for investment purposes. Real estate is not considered to be held for investment purposes if it is used as a place of business or in connection with the conduct of a trade or business of such person or a Related Person of the owner, or if it is used for personal or residential purposes unless deductible under Section 280A of the Code. "Related Person" means a person who is related to another person as a sibling, spouse, or former spouse, or is direct lineal descendant or ancestor by birth or adoption of such person, or is a spouse of such descendant, provided that in the case of a Family Company, a Related Person includes any owner of the Family Company and any person who is a Related Person of such owner.

Commodity Interests, Physical Commodities, and Financial Contracts held for investment purposes (e.g., as futures, forwards and options thereon, physical gold, silver, etc. and swap agreements).

Cash and Cash Equivalents (including foreign currencies) held for investment purposes, (such as bank deposits, certificates of deposit, bankers' acceptances and the net cash surrender value of an insurance policy).

Assets Excluded from the Definition of "Investments":

Specifically excluded from the definition of "Investments" are other assets which may be held for investment purposes, such as jewelry, artwork, antiques or other collectibles.

How to Value Investments:

Investments may be valued at their fair market value on the most recent practicable date or at their cost. In either case, the value of "Investments" is reduced by the amounts specified below in (a) and (b).

- (a) Deductions: General. The value of a person's investments must be reduced by the amount of any outstanding indebtedness incurred to acquire the investments.
- (b) Deductions: Family Companies. There shall also be deducted from the value of a Family Company's investments any outstanding indebtedness incurred by an owner of the Family Company to acquire such investments.

Special Valuation Considerations

Corporate Investments. For purposes of determining the amount of investments owned by a corporation ("Corporation"), there may be included investments owned by majority-owned subsidiaries ("Subsidiaries") of the Corporation and investments owned by a company ("Parent Company") of which the Corporation is a majority-owned subsidiary, or by a majority-owned subsidiaries of the Parent Company.

Commodity Interests. The value of commodity interests shall be the value of the initial margin or option premium deposited in connection with each commodity interest.

Private Investment Companies and Commodity Pools. Amounts of unfunded capital commitments to these entities are included in such entities' investments.