

Subscription Control Number: \_\_\_\_\_

THE SECURITIES OFFERED HEREBY MUST BE ACQUIRED FOR INVESTMENT FOR THE SUBSCRIBER'S OWN ACCOUNT AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH ANY DISTRIBUTION OF THE SECURITIES. THE SECURITIES WILL NOT BE REGISTERED OR QUALIFIED, AS APPLICABLE, UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR UNDER ANY APPLICABLE STATE SECURITIES LAWS ("BLUE SKY LAWS"). AN OFFER TO SELL, TRANSFER, PLEDGE OR HYPOTHECATE, OR THE SALE, TRANSFER, PLEDGE OR HYPOTHECATION OF THESE SECURITIES, IS UNLAWFUL UNLESS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR PERMIT, AS APPLICABLE, UNDER THE SECURITIES ACT OR APPLICABLE BLUE SKY LAWS, OR UNLESS AN EXEMPTION FROM REGISTRATION AND/OR QUALIFICATION UNDER THE SECURITIES ACT AND APPLICABLE BLUE SKY LAWS IS AVAILABLE AND AN OPINION OF COUNSEL OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE ISSUER (BOTH AS TO SUCH OPINION AND SUCH COUNSEL) IS PROVIDED TO THE ISSUER TO THE EFFECT THAT SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED UNDER THE SECURITIES ACT AND APPLICABLE BLUE SKY LAWS. THE LIMITED PARTNERSHIP AGREEMENT OF THE ISSUER CONTAINS ADDITIONAL RESTRICTIONS ON THE TRANSFER OF THE SECURITIES.

**SUBSCRIPTION AGREEMENT  
OF  
RMS FOREST GROWTH III, L.P.**

(A Delaware Limited Partnership)

RMS Forest Growth III, L.P.  
Attn: Resource Management Service, LLC  
As General Partner  
31 Inverness Center Parkway  
Suite 360  
Birmingham, Alabama 35242

Dear Sir:

1. Subscription. The undersigned person(s) or legal entity (hereafter "I", "me" or "subscriber") hereby subscribes for and agrees to acquire limited partnership interests ("Interest" or "Interests") in RMS Forest Growth III, L.P., a Delaware limited partnership (the "Partnership"), and to make a commitment ("Capital Commitment") of \$ \_\_\_\_\_ (an amount not less than \$5,000,000 unless Resource Management Service, LLC, an Alabama limited liability company and the general partner of the Partnership (the "General Partner"), in its discretion accepts a lesser amount) to the capital of the Partnership, all in accordance with the terms and conditions of the Limited Partnership Agreement of the Partnership, as amended by the First Amendment to Limited Partnership Agreement and Second Amendment to Limited Partnership Agreement (as so amended, the "Partnership Agreement") and that certain Confidential Private Offering Memorandum dated May 1, 2010, including any supplements or amendments thereto (the "Offering Memorandum"; terms used herein but not defined shall have the meanings given in the Offering Memorandum) provided to me by the Partnership. I understand that the General Partner may, at its discretion, accept or reject this subscription agreement ("Subscription Agreement") in whole or in part.

2. Adoption of Partnership Agreement. I hereby adopt, accept and agree to be bound by all the terms and provisions of this Subscription Agreement and the Partnership Agreement and to perform all obligations herein and therein imposed upon a Limited Partner by such agreements. Without limitation of the foregoing, I understand and acknowledge that I may be obligated to make full payment of the Capital Commitment, as called for by the General Partner, in accordance with the terms and conditions of the Partnership Agreement.

3. Admission of Limited Partner to the Partnership. Upon acceptance of this Subscription Agreement by the General Partner on behalf of the Partnership, and my execution and delivery of a signature page to this Subscription Agreement as a Limited Partner, I will become a Limited Partner for all purposes of the Partnership Agreement.

4. Representations and Warranties. In consideration of the sale of the Interest, the undersigned hereby represents and warrants to the Partnership that:

(a) Subscriber is either: (i) an individual over the age of 21 (or the age of majority in the subscriber's jurisdiction) and a resident at the address set forth on the signature page to this Subscription Agreement, and has no present intent of changing such residency or (ii) an entity not formed for the specific purpose of acquiring or holding the Interest, with its principal place of business at the address set forth on the signature page to this Agreement. Subscriber covenants and agrees to promptly notify the Partnership of any change in address of its principal place of business;

(b) The Interests subscribed for are being acquired by me for investment purposes only, for my own account and not with the view to any resale or distribution thereof, and I am not participating, directly or indirectly, in an underwriting of such Interest, and will not take, or cause to be taken, any action that would cause me to be deemed an "underwriter" of such Interest as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act");

(c) I acknowledge that I have been offered an opportunity to ask questions of, and receive answers from, the General Partner of the Partnership, concurrently with this offering, concerning the Partnership and its proposed investments, and that the Partnership has fully complied with any request for such information;

(d) I have been furnished with a copy of the Offering Memorandum and all exhibits attached thereto, have carefully read such documents and understand the risks associated with a purchase of the Interest, including the risks set forth in the Offering Memorandum under "Certain Investment Considerations; Potential Conflicts of Interest" and the considerations described under "Regulatory and Tax Matters". All documents, records and books pertaining to the Partnership have been made available to me for inspection;

(e) Subscriber is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act and that its or his commitments to all speculative investments is reasonable in relation to its or his net worth;

(f) I have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Interest, and I am able to

bear such risks, and have obtained, in my judgment, sufficient information from the General Partner to evaluate the merits and risks of an investment in the Interest. I have evaluated the risks of investing in the Partnership and have determined that the Interest is a suitable investment for me;

(g) I have reviewed my financial condition and commitments, alone and together with my advisers (if any). Based on such review, I am satisfied I have adequate means of providing for my financial needs and possible contingencies, and those of my dependents, and that I do not have any need for liquidity of the funds being utilized in the purchase of the Interest. I have assets or sources of income which, taken together, are more than sufficient so that I can bear the risk of loss of my entire investment in the Partnership;

(h) Any information I have furnished to the General Partner with respect to my financial position and business experience, including the information included in the investor questionnaire attached hereto as Annex I (the “Investor Questionnaire”), is correct and complete as of the date of this Subscription Agreement, and if there should be any material change in such information prior to my admission to the Partnership as a Limited Partner, I will immediately furnish such revised or corrected information to the Partnership (through its General Partner);

(i) If I am signing this Subscription Agreement on behalf of an entity, I am authorized and otherwise duly qualified to make an investment decision for such entity to invest in the Partnership;

(j) Neither the Partnership nor any person acting on the Partnership’s behalf has offered, offered to sell, offered for sale or sold the Interest to me by means of any form of general solicitation or general advertising and, without limitation of the foregoing, at no time was I presented with or solicited by any leaflet, promotional meeting, newspaper, magazine, radio or television program, article or advertisement;

(k) I hereby reconfirm as representations and warranties, as though fully set forth herein, each of my statements and answers set forth in my Investor Questionnaire;

(l) The execution, delivery and performance of this Subscription Agreement by me are within my powers, have been duly authorized and will not constitute or result in a breach or default under or conflict with any order, ruling or regulation of any court or other tribunal or of any governmental commission or agency, or any agreement or other undertaking, to which I am a party or by which I am bound, and, if the subscriber is not an individual, will not violate any provisions of the incorporation papers, bylaws, indenture of trust or partnership agreement, as may be applicable of the subscriber. The signature on this Subscription Agreement is genuine, and the signatory, if the subscriber is an individual, has legal competence and capacity to execute the same, and this Subscription Agreement constitutes a legal, valid and binding obligation of the subscriber, enforceable in accordance with its terms;

(m) In making my decision to acquire an Interest in the Partnership, I have relied solely upon independent investigations made by me. I am not relying on the Partnership or the General Partner with respect to tax and other economic considerations involved in this investment;

(n) Except as set forth in the Partnership Agreement or this Subscription Agreement, no representations or warranties have been made to me by the Partnership or the General Partner, or any officer, employee, agent or affiliate of any of them;

(o) Subscriber recognizes that, prior to this offer, there has been no public market for the Interests and that, after this offering, there will be no public market for the Interests. In addition, subscriber understands that the transferability of the Interests is subject to the restrictions set forth in the Partnership Agreement and subscriber cannot expect to be able to liquidate its investment in case of an emergency;

(p) Subscriber understands and agrees that this Subscription Agreement will not be binding upon the Partnership until it is accepted by the Partnership in writing, that acceptance of any or all subscriptions is within the sole discretion of the Partnership and that the Partnership may choose to accept or reject any or all subscriptions, in whole or in part, including this Subscription Agreement, for any reason or no reason, in its sole discretion;

(q) I represent that (i) except as described in a letter to the General Partner delivered in conjunction with this Subscription Agreement, no part of the funds used by me to acquire an Interest constitutes assets of any “employee benefit plan” within the meaning of section 3(3) of, and subject to, ERISA, either directly or indirectly through one or more entities whose underlying assets include plan assets by reason of a plan's investment in me (including insurance company separate accounts, insurance company general accounts or bank collective investment funds, in which any such employee benefit plan (or its related trust) has any interest) or (ii) if any Interest is being acquired by or on behalf of any such plan subject to ERISA (any such purchaser being referred to herein as an “ERISA Subscriber”), (A) such acquisition has been duly authorized in accordance with the governing documents of such plan and (B) such acquisition and the subsequent holding of the Interest do not and will not constitute a “non-exempt prohibited transaction” within the meaning of section 406 of ERISA or section 4975 of the Internal Revenue Code of 1986, as amended (i.e., a transaction that is not subject to an exemption contained in ERISA or in the rules and regulations adopted by the U.S. Department of Labor (the “DOL”) thereunder). The foregoing representation shall be based on a list of the other subscribers to be provided by the General Partner to each ERISA Subscriber prior to the closing. You acknowledge that the General Partner is not registered as an “investment adviser” under the Investment Advisers Act;

(r) Subscriber represents that the amounts invested by it in the Partnership were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, the programs administered by OFAC (the “OFAC Programs”) prohibit dealing with individuals<sup>1</sup> or

---

<sup>1</sup> These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists;

(s) To the best of the subscriber's knowledge, and except as described in a letter to the General Partner delivered in conjunction with this Subscription Agreement, none of: (1) the subscriber; (2) any person controlling or controlled by the subscriber; (3) if the subscriber is a privately-held entity, any person having a beneficial interest in the subscriber; or (4) any person for whom the subscriber is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Partnership may not accept any amounts from a subscriber if such subscriber cannot make the representation set forth in the preceding paragraph. The subscriber agrees to promptly notify the Partnership should the subscriber become aware of any change in the information set forth in these representations. The subscriber understands and acknowledges that, by law, the Partnership may be obligated to "freeze the account" of the subscriber, either by prohibiting additional subscriptions from the subscriber, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and the General Partner may also be required to report such action and to disclose the subscriber's identity to OFAC. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs;

(t) To the best of the subscriber's knowledge, none of: (1) the subscriber; (2) any person controlling or controlled by the subscriber; (3) if the subscriber is a privately-held entity, any person having a beneficial interest in the subscriber; or (4) any person for whom the subscriber is acting as agent or nominee in connection with this investment is a senior foreign political figure<sup>2</sup>, or any immediate family<sup>3</sup> member or close associate<sup>4</sup> of a senior foreign political figure, as such terms are defined in the footnotes below; and

(u) If the subscriber is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the subscriber receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the subscriber represents and warrants to the Partnership that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking

---

<sup>2</sup> A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

<sup>3</sup> "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

<sup>4</sup> A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

5. Restrictions on Transferability. I realize that the Partnership has not and does not intend to file periodic reports with the Securities and Exchange Commission pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. I also understand that the Partnership has not agreed to register the Interests for distribution in accordance with the provisions of the Securities Act or any applicable state securities laws, and that the Partnership has not agreed to comply with any exemption under the Securities Act or any such laws for the resale of the Interests. Hence, I understand that by virtue of the provisions of certain rules relating to “restricted securities” promulgated under the Securities Act, the Interest which I have subscribed for hereby must be held indefinitely, unless and until subsequently registered under the Securities Act and/or applicable state securities laws or unless an exemption from registration is available, in which case I may still be limited with respect to the extent to which such Interest may be transferred. As a consequence, I understand that I must bear the economic risks of the investment in the Interest for an indefinite period of time. I understand that I will have no right to withdraw from the Partnership except by transferring my Interest subject to the limitations of the Partnership Agreement.

6. Investor Awareness. I acknowledge, represent, agree and am aware that:

(a) no federal or state agency has passed upon the Interests or made any findings or determination as to the fairness of this investment; and (b) the representations, warranties, agreements and acknowledgments I make herein are made with the intent that they be relied upon by the Partnership and the General Partner in determining my suitability as an investor, and will survive my admission as a Limited Partner of the Partnership. In addition, I undertake to notify the Partnership immediately of any change in any representation, warranty or other information I set forth herein.

7. Payment of Capital Commitment. I will provide, promptly when and as called by the General Partner in accordance with the Partnership Agreement from time to time, by wire transfer to an account designated by the General Partner, all or any portion of the Capital Commitment for which I have subscribed in Section 1 of this Subscription Agreement.

8. Indemnity. Subscriber hereby agrees to indemnify and hold harmless the Partnership, the General Partner and the directors, managers, members, officers, employees and agents of the Partnership and the General Partner from any and all loss, damage, liability, expenses or costs (including attorneys' fees) due to, or arising out of: (a) any breach of any representation, warranty or agreement of subscriber contained in this Subscription Agreement or the Investor Questionnaire; (b) any disposition or attempted disposition of the Interest contrary to any such representations or warranties or to the express terms of this Subscription Agreement and the Partnership Agreement; or (c) any action, suit or proceeding based on any of the foregoing.

9. Revocability. I understand and agree that I may not cancel, terminate, or revoke this Subscription Agreement (except as otherwise specifically permitted under applicable state securities laws), and that this Subscription Agreement shall survive the death or dissolution of subscriber and shall be binding upon subscriber's heirs, executors, administrators and successors.

10. Notice. The address of record for subscriber maintained by the Partnership for all purposes of this Subscription Agreement and the Interest shall be that address set forth beneath subscriber's signature on this Subscription Agreement. Subscriber may change its address of record only by notifying the Partnership in the manner prescribed in the Partnership Agreement.

11. Successors and Assigns. This Subscription Agreement will be binding upon and will inure to the benefit of the parties hereto and to the successors and assigns of the Partnership and to the personal and legal representatives, heirs, guardians and successors of the subscriber.

12. Modification. Neither this Subscription Agreement nor any provision hereof will be modified, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

13. Entire Agreement. This Subscription Agreement (and Annex I attached hereto), together with the Partnership Agreement, contains the entire agreement of the parties, and there are no representations, covenants or other agreements except as stated or referred to herein and therein. The terms of this Subscription Agreement and the Partnership Agreement supersede all previous discussions and agreements, if any, of the parties hereto with respect to the subject matter set forth in the Offering Memorandum (including, but not limited to, all matters set forth in term sheets or business plans related to the Partnership), and no party shall be liable for or bound in any other manner by any representations, warranties, covenants or agreements except as specifically set forth in this Subscription Agreement and the Partnership Agreement.

14. Beneficial Ownership. If I am acting as trustee, agent, representative or nominee for a subscriber ("Beneficial Owner"), I understand and acknowledge that the representations, warranties and agreements made herein are made by me (a) with respect to me, and (b) with respect to the Beneficial Owner of the subscriber subscribed for hereby. I further represent and warrant that I have all requisite power and authority from said Beneficial Owner to execute and perform the obligations under this Subscription Agreement. I also agree to indemnify the Partnership, its General Partners, and each of their officers and agents for any and all costs, fees and expenses (including legal fees and disbursements) in connection with any damages resulting from my or the Beneficial Owner's misrepresentation or misstatement contained herein, or the assertion of my lack of proper authorization from the Beneficial Owner of the subscriber

subscribed for hereby to enter into this Subscription Agreement or perform the obligations hereof.

15. Assignability. This Subscription Agreement is not transferable or assignable by the subscriber.

16. Applicable Law. This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflict of law.

17. Counterparts. This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Facsimile copies and photocopies of signatures, in electronic or hardcopy form, shall be deemed originals.

18. Residency. I have received and accepted the offer to purchase the Interest in the state identified below as my state of residence. The residence address following my signature is the address where I am a resident and a domiciliary (not a temporary or transient resident).

19. Miscellaneous. Within five days after the receipt of a written request from the General Partner, subscriber agrees to provide such information and to execute and deliver such documents as reasonably may be required to comply with any and all laws and regulations to which the Partnership is subject. The representations and warranties of subscriber set forth herein shall survive the sale of an Interest to subscriber pursuant to this Subscription Agreement. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders.

20. Omnibus Signature Page. This Subscription Agreement is intended to be read and construed in conjunction with the Partnership Agreement pertaining to the issuance by the Partnership of an Interest to the subscriber. Accordingly, pursuant to the terms and conditions of this Subscription Agreement and the Partnership Agreement it is hereby agreed that the execution by the subscriber of this Subscription Agreement, in the place set forth herein, shall constitute an agreement to be bound by the terms and conditions hereof and the terms and conditions of the Partnership Agreement, with the same effect as if each of such separate but related agreements were separately signed.

*[signatures appear on the following page.]*



I have duly executed this Agreement this \_\_\_ day of \_\_\_\_\_, 2011.

**Signature for Corporate, Partnership  
or other Entity Investor:**

**Signature for Individual Investor:**

\_\_\_\_\_  
(Print Full Legal Name of Entity)

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Residence Address)

\_\_\_\_\_  
(Title.)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Entity Address)

\_\_\_\_\_  
(Social Security No.)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Tax Identification No.)

ACCEPTANCE PAGE

The forgoing Subscription Agreement of [\_\_\_\_\_] for an Interest with a Capital Commitment of [\$\_\_\_\_\_] in RMS Forest Growth III, L.P. is hereby accepted by the undersigned as of [\_\_\_\_\_, \_\_\_\_].

**ACCEPTED:**

RMS Forest Growth III, L.P., a Delaware Limited Partnership

By: Resource Management Service, LLC  
Its: General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## INVESTOR QUESTIONNAIRE

\*\*\* ALL INFORMATION WILL BE TREATED CONFIDENTIALLY \*\*\*

**INSTRUCTIONS:** This Investor Questionnaire is being requested of the subscriber named on the signature page hereof (the “subscriber”) in connection with the subscriber’s proposed purchase of limited partnership interests (“Interest” or “Interests”) in RMS Forest Growth III, L.P., a Delaware limited partnership (the “Partnership”). The purpose of this Investors Questionnaire is to provide certain information to the Partnership regarding the subscriber’s status and residency. The subscriber understands and agrees that the Partnership and other persons and entities will rely upon the information the subscriber provides herein in order to establish exemptions from the registration requirements of the federal and state securities laws.

The subscriber’s answers will be kept confidential. However, by signing this Investor Questionnaire, the subscriber agrees that this Investor Questionnaire may be presented to such parties as may be necessary or desirable to establish the availability under the federal and state securities laws of an exemption from registration.

Note: Each subscriber must complete questions 1 and 2.

1. Exact Legal Name of subscriber: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Street Address of Residence, if the Investor is a natural person, or of principal office, if the Investor is an entity:

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code or Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

If the subscriber is an Individual, check here \_\_\_\_\_

If an Individual, Social Security Number: \_\_\_\_\_

If the subscriber is an Entity, Type of Organization (check one):

Corporation \_\_\_\_\_ Pension or Profit Sharing Plan \_\_\_\_\_

General Partnership \_\_\_\_\_ (Indicate type of Plan) \_\_\_\_\_

Limited Partnership \_\_\_\_\_ Trust (Indicate type of Trust) \_\_\_\_\_

Limited Liability Company \_\_\_\_\_ Other (specify) \_\_\_\_\_

If an Entity, Federal Taxpayer I.D. No.: \_\_\_\_\_

If an Entity, Nature of Business: \_\_\_\_\_

If an Entity, Date of Organization: \_\_\_\_\_

If an Entity, Country of Organization: \_\_\_\_\_

If an Entity, State or Other Jurisdiction of Organization: \_\_\_\_\_

If Entity is a Company, Name(s) of General Partner(s): \_\_\_\_\_

2. The subscriber certifies that the subscriber is an accredited investor as defined by Regulation D under the Securities Act of 1933 (the "Securities Act") because the subscriber is (please initial where appropriate):

(a) \_\_\_\_\_ A bank as defined in Section 3(a)(2) of the Securities Act or a 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;

\_\_\_\_\_ A broker dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 (the "Exchange Act");

\_\_\_\_\_ An insurance company as defined in Section 2(13) of the Securities Act;

\_\_\_\_\_ An investment company registered under the Investment Company Act of 1940 (the "Investment Act") or a business development company as defined in Section 2(a)(48) of the Investment Act;

\_\_\_\_\_ A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

\_\_\_\_\_ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;

\_\_\_\_\_ 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 advisor,

\_\_\_\_\_ the employee benefit plan has total assets in excess of \$5,000,000,  
or

\_\_\_\_\_ the plan is a self-directed plan, with investment decisions made solely by persons that are accredited investors;

- (b) \_\_\_\_\_ A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
  - (c) \_\_\_\_\_ An organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, Massachusetts or similar business trust, or a partnership, in each case, (1) not formed for the specific purpose of acquiring the securities offered, and (2) with total assets in excess of \$5,000,000;
  - (d) \_\_\_\_\_ A director, executive officer, or General Partner of the Partnership or of the Partnership's General Partner;
  - (e) \_\_\_\_\_ A natural person whose individual net worth, or joint net worth with such person's spouse, exceeds \$1,000,000;
  - (f) \_\_\_\_\_ 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 such individual's spouse in excess of \$300,000 in each of those years, and who has a reasonable expectation of reaching the same income level in the current year;
  - (g) \_\_\_\_\_ A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Securities, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and the risks of an investment in the Securities; or
  - (h) \_\_\_\_\_ An entity (other than an irrevocable trust) in which all of the equity owners are accredited investors.
3. Please indicate whether or not the subscriber is, or is acting on behalf of, (i) an employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) an entity which is deemed to hold the assets of any such employee benefit plan pursuant to 29 C.F.R. 2510.3-101. For example, a plan which is maintained by a foreign corporation, governmental entity or church, a Keogh plan covering non common-law employees and an individual retirement account are employee benefit plans with the meaning of Section 3(3) of ERISA but generally are not subject to ERISA (collectively, "Non-ERISA Plans"). In general, a foreign or U.S. entity which is not an operating company and which is not publicly traded or registered as an investment company under the Investment Company Act and in which 25% or more of the value of any class of equity interests is held by employee pension or welfare plans (including an entity which is deemed to hold the assets of any such plan), would be deemed to hold the assets of one or more employee benefit plans pursuant to 29 C.F.R. 2510.3-101. However, if only Non-ERISA Plans were invested in such an entity, the entity generally would not be subject to ERISA. For purposes of determining whether this 25% threshold has been met or exceeded, the value of any equity interests held by a person (other than such a plan or entity) who has discretionary authority or control with respect to the assets of the entity, or any person

who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliates of such person, is disregarded.

\_\_\_\_\_ Yes \_\_\_\_\_ No

4. The subscriber is, or is acting on behalf of, an employee benefit plan within the meaning of Section 3(3) of ERISA that is subject to ERISA or a plan described in Section 4975(e)(i) of the Code, or is an entity deemed to hold the assets of any such plan or plans (i.e., the Investor is subject to ERISA).

\_\_\_\_\_ Yes \_\_\_\_\_ No

5. Disclosure of Foreign Ownership.

- (a) You are an entity organized under the laws of a jurisdiction other than those of the United States or any state, territory or possession of the United States (a “Foreign Entity”).

\_\_\_\_\_ Yes \_\_\_\_\_ No

- (b) You are a government other than the government of the United States or of any state, territory or possession of the United States (a “Foreign Government”).

\_\_\_\_\_ Yes \_\_\_\_\_ No

- (c) You are a corporation of which, in the aggregate, more than one-fourth of the capital stock is owned of record or voted by Foreign Citizens, Foreign Entities, Foreign Corporations (as defined below) or Foreign Partnerships (as defined below) (a “Foreign Corporation”).

\_\_\_\_\_ Yes \_\_\_\_\_ No

- (d) You are a general or limited partnership of which any general or limited partner is a Foreign Citizen, Foreign Entity, Foreign Government, Foreign Corporation or Foreign Partnership (as defined below) (a “Foreign Partnership”).

\_\_\_\_\_ Yes \_\_\_\_\_ No

- (e) You are a representative of, or entity controlled by, any of the entities listed in items 1 through 4 above.

\_\_\_\_\_ Yes \_\_\_\_\_ No

What is the percentage of:

your aggregate capital commitment that will be contributed directly or indirectly by any person or entity listed in items

(a) through (e) above? \_\_\_\_\_%

for a pension fund, your non-U.S. beneficiaries? \_\_\_\_\_%

for a corporation, your direct and indirect foreign ownership \_\_\_\_\_%

for a trust, your foreign beneficial interest? \_\_\_\_\_%

for a partnership or limited liability company,  
your direct and indirect foreign ownership? \_\_\_\_\_%

Note: Question 6 must be completed by each individual completing this Investor Questionnaire on behalf of a subscriber which is an entity.

6. Name: \_\_\_\_\_

Position with Organization: \_\_\_\_\_

Address (if different from address above): \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Was the organization formed for the specific purpose of acquiring an investment in the Partnership?

\_\_\_\_\_ Yes \_\_\_\_\_ No

If the answer to the foregoing question is "Yes," the beneficial owners of the organization will be considered to be the purchasers, and you should provide a completed Investor Questionnaire for each such beneficial owner.

**Note: Questions 7 through 13 should be completed by each proposed subscriber who is a natural person and each individual that is completing this Investor Questionnaire (and making the investment decision) on behalf of a subscriber which is an entity.**

7. I consider myself to be an experienced and sophisticated investor.

\_\_\_\_\_ Yes \_\_\_\_\_ No

If so, on what basis? (Education, Business Experience, Net Worth, etc.)

---

---

8. I understand the nature of the investment and the risks involved with making an investment in the Partnership.

\_\_\_\_\_ Yes \_\_\_\_\_ No

9. I have been afforded an opportunity, and, if I am signing below on behalf of a subscriber which is an entity, the subscriber has been afforded an opportunity, to ask questions of the Partnership regarding an investment in the Partnership, and the terms and conditions of purchasing the Interest.

\_\_\_\_\_ Yes \_\_\_\_\_ No

10. Subscriber has sufficient knowledge of financial and business matters to evaluate the risks associated with an investment in the Partnership.

\_\_\_\_\_ Yes \_\_\_\_\_ No

11. I understand, and if I am signing below on behalf of a subscriber which is an entity, the subscriber understands, that the Interest have not been registered under the Securities Act, or any state securities laws, and cannot be sold unless they are registered under the Securities Act and any applicable state securities laws, or are exempt from such registrations; and, in the case of an exemption, unless the Partnership has received an opinion of counsel satisfactory to the Partnership that such transaction does not require registration of the Interest.

\_\_\_\_\_ Yes \_\_\_\_\_ No

12. The subscriber understands the nature and risk of an investment in the Securities.

\_\_\_\_\_ Yes \_\_\_\_\_ No

13. The subscriber understands that this Investor Questionnaire is merely a request for information and is not an offer to sell or a solicitation of an offer to buy or a sale of the Interest. The subscriber understands that the subscriber may be required to furnish additional information.

\_\_\_\_\_ Yes \_\_\_\_\_ No

*Signature Appears on the Following Page*



**THE SUBSCRIBER IS AWARE AND UNDERSTANDS THAT THE INFORMATION PROVIDED HEREIN WILL BE RELIED UPON BY THE FUND AND ITS REPRESENTATIVES IN DETERMINING THE SUBSCRIBER'S STATUS AS AN ACCREDITED INVESTOR AND WHETHER THE SUBSCRIBER OTHERWISE MEETS THE SUITABILITY REQUIREMENTS NECESSARY FOR THE PURCHASE AND OWNERSHIP OF THE STOCK, AND THE SUBSCRIBER THEREFORE REPRESENTS AND WARRANTS THAT, TO THE BEST OF THE SUBSCRIBER'S INFORMATION AND BELIEF, THE ABOVE INFORMATION SUPPLIED BY THE SUBSCRIBER IS TRUE AND CORRECT IN ALL RESPECTS AS OF THE DATE HEREOF, AND THE SUBSCRIBER UNDERTAKES THE OBLIGATION TO NOTIFY THE FUND OF ANY MATERIAL CHANGE IN THE INFORMATION PRESENTED HEREIN THAT OCCURS WITHIN ONE YEAR FOLLOWING THE EXECUTION OF THIS INVESTOR QUESTIONNAIRE.**

**Signature for Corporate, Partnership  
or other Entity Investor:**

**Signature for Individual Investor:**

\_\_\_\_\_  
(Print Full Legal Name of Entity)

\_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Residence Address)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Entity Address)

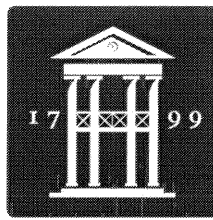
\_\_\_\_\_  
(Social Security No.)

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Tax Identification No.)

**ADMINISTRATION**

**Russell B. Truell**  
Assistant City Administrator, CFO  
Finance



**Dr. Ken Moore**  
Mayor

**Eric S. Stuckey**  
City Administrator

---

H I S T O R I C  
F R A N K L I N  
T E N N E S S E E

February 8, 2011

TO: Board of Mayor & Aldermen

FROM: Eric Stuckey, City Administrator  
Russ Truell, Assistant City Administrator

SUBJECT: Consideration of Agreement with RMS Timber

**Purpose**

The purpose of this item is to consider a subscription agreement with RMS Forest Growth III, LP, as an addition to our City of Franklin pension investments.

**Background**

The Pension Committee, in consultation with our independent investment advisor, has defined the asset allocation of the City's pension funds. One portion of that allocation is for investment in timber partnerships. As funding has been increased in the pension plan, and adjustments made to other categories (such as large cap stocks, fixed income, international stocks, etc.), the allocation to timber has slipped from 5% to 2%. In November, the Committee voted unanimously to add RMS Timber as a new timber manager with an investment of \$1.4 million.

**Financial Impact**

There is no additional financial impact to the City, other than the normal pension contribution determined by actuarial calculation. Funds for this investment will be transferred from the fixed income account or cash holdings.

**Recommendation**

Staff recommends approval of the agreement, subject to modifications recommended by the City Attorney and the counsel to the Pension Plan.