

USA Compression Partners, LP
Form S-3D
April 28, 2014
[Table of Contents](#)

As filed with the Securities and Exchange Commission on April 28, 2014

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-3

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

USA COMPRESSION PARTNERS, LP

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

75-2771546

(I.R.S. Employer Identification Number)

100 Congress Avenue, Suite 450

Edgar Filing: USA Compression Partners, LP - Form S-3D

Austin, Texas 78701

(512) 473-2662

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

100 Congress Avenue, Suite 450

Austin, Texas 78701

(512) 473-2662

J. Gregory Holloway

Vice President, General Counsel and Secretary and

Lauren E. Dean

Assistant General Counsel and Assistant Secretary

100 Congress Avenue, Suite 450

Austin, Texas 78701

(512) 473-2662

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

E. Ramey Layne

Vinson & Elkins L.L.P.

1001 Fannin Street, Suite 2500

Houston, Texas 77002

(713) 758-2222

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: x

Edgar Filing: USA Compression Partners, LP - Form S-3D

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Units representing limited partner interests	6,100,000	\$ 27.12	\$ 165,432,000	\$ 21,307.64(3)

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, or the Securities Act, the common units being registered hereunder include such indeterminate number of common units as may be issuable with respect to the common units being registered hereunder as a result of unit splits, unit dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act. The proposed maximum offering price per unit is calculated based on the average of the high and low sales prices per unit of the registrant's common units on April 24, 2014, as reported on the New York Stock Exchange, or NYSE.

(3) We previously paid a filing fee of \$9,858 in connection with the registration of 4,150,000 common units in a Registration Statement on Form S-1 (Registration No. 333-180551 initially filed on April 3, 2012) (the "Prior Registration Statement"). As of the date of this Registration Statement, 2,597,251 common units remained unsold under the Prior Registration Statement. The registrant is applying \$6,169.57 of the registration fee previously paid in connection with the Prior Registration Statement and associated with such unsold common units toward the payment of this registration fee in respect of the common units registered hereunder pursuant to Rule 457(p) under the Securities Act.

Table of Contents

PROSPECTUS

USA COMPRESSION PARTNERS, LP

Distribution Reinvestment Plan

6,100,000 Common Units Representing Limited Partner Interests

With this prospectus, we are offering participation in our Distribution Reinvestment Plan (the Plan) to owners of our common and subordinated units. We have appointed Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A., as the administrator of the Plan. The Plan provides a simple and convenient means of investing in our common units.

Plan Highlights:

- You may participate in the Plan if you currently are a unitholder of record of our common or subordinated units or if you own our common units through your broker (by having your broker participate on your behalf).
- Through the Plan, you may purchase additional common units by reinvesting all or a portion of the cash distributions paid on your common or subordinated units.
- We have the sole discretion to determine whether common units purchased under the Plan will come from our newly issued common units or from common units purchased on the open market.
- The purchase price for newly issued common units will be the average of the high and low trading prices of the common units on the New York Stock Exchange for the five trading days immediately preceding the investment date. The purchase price for common units purchased on the open market will be the weighted average price of all common units purchased for the Plan for the respective investment date. We will set

Edgar Filing: USA Compression Partners, LP - Form S-3D

a discount ranging from 0% to 5% (currently set at 0%) for units purchased pursuant to the Plan.

- A unitholder already enrolled in the Plan will remain a participant in the Plan (on the terms set forth in this prospectus) automatically without further action.

Your participation in the Plan is voluntary, and you may terminate your account at any time.

You should read carefully this prospectus before deciding to participate in the Plan. You should read the documents we have referred you to in the "Where You Can Find More Information" section of this prospectus for information on us and for our financial statements.

Our common units are listed on the NYSE under the symbol USAC.

Investing in our common units involves a high degree of risk. You should carefully consider the risks relating to investing in our common units and each of the other risk factors described under "Risk Factors" on page 2 of this prospectus before enrolling in the Plan.

We are an emerging growth company within the meaning of the federal securities laws and are eligible for reduced reporting requirements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

THE DATE OF THIS PROSPECTUS IS APRIL 28, 2014

Table of Contents

TABLE OF CONTENTS

<u>Where You Can Find More Information</u>	ii
<u>Information We Incorporate by Reference</u>	ii
<u>Forward-Looking Statements</u>	iii
<u>Who We Are</u>	1
<u>Risk Factors</u>	2
<u>The Plan</u>	3
<u>Commonly Asked Questions</u>	3
<u>Use of Proceeds</u>	10
<u>Description of the Common Units</u>	11
<u>How We Make Cash Distributions</u>	13
<u>The Partnership Agreement</u>	24
<u>Conflicts of Interest and Fiduciary Duties</u>	36
<u>Material U.S. Federal Income Tax Consequences</u>	43
<u>Investment in USA Compression Partners, LP by Employee Benefit Plans</u>	55
<u>Plan of Distribution</u>	56
<u>Legal Matters</u>	57
<u>Experts</u>	57

You should rely only on the information contained in, or incorporated by reference in, this prospectus. We have not authorized anyone else to provide you with any information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information incorporated by reference or provided in this prospectus is accurate as of any date other than its respective date.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports and other information with the SEC. You may read and copy any materials we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on their Public Reference Room. Our SEC filings are also available at the SEC's website at <http://www.sec.gov> which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You can also obtain information about us at the offices of the NYSE, 20 Broad Street, New York, New York 10005, or on our website at <http://www.usacpartners.com>. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus unless specifically so designated and filed with the SEC.

INFORMATION WE INCORPORATE BY REFERENCE

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we may disclose important information to you without actually including the specific information in this prospectus by referring you to those documents. The information incorporated by reference is an important part of this prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus and information previously filed with the SEC.

The documents listed below and any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K), including all such documents we may file with the SEC after the date on which the registration statement that includes this prospectus was initially filed with the SEC, are incorporated by reference in this prospectus until the termination of all offerings under this registration statement:

- our Annual Report on Form 10-K for the year ended December 31, 2013, filed on February 20, 2014;
- the description of our common units contained in the Registration Statement on Form 8-A, filed on January 10, 2013; and
- our Current Reports on Form 8-K filed on September 5, 2013, December 11, 2013 and April 14, 2014, and Current Report on Form 8-K/A Amendment No. 1 filed on November 7, 2013.

You may request a copy of any document incorporated by reference in this prospectus, at no cost, by writing or calling us at the following address:

USA Compression Partners, LP
100 Congress Avenue, Suite 450

Edgar Filing: USA Compression Partners, LP - Form S-3D

Austin, Texas 78701
(512) 473-2662

You should rely only on the information contained in, or incorporated by reference in, this prospectus. We have not authorized anyone else to provide you with any information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information incorporated by reference or provided in this prospectus is accurate as of any date other than its respective date.

Table of Contents

FORWARD-LOOKING STATEMENTS

All statements included or incorporated by reference in this prospectus, other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our plans, strategies, prospects and expectations concerning our business, results of operations and financial condition. You can identify many of these statements by looking for words such as believe, expect, intend, project, anticipate, estimate, continue or similar words or the negative thereof.

Known material factors that could cause our actual results to differ from those in these forward-looking statements are described below and in Risk Factors in this prospectus or the documents we incorporate by reference herein. Important factors that could cause our actual results to differ materially from the expectations reflected in these forward-looking statements include, among other things:

- changes in general economic conditions;
- competitive conditions in our industry;
- changes in the long-term supply of and demand for crude oil and natural gas;
- our ability to realize the anticipated benefits of acquisitions and to integrate the acquired assets with our existing fleet;
- actions taken by our customers, competitors and third-party operators;
- changes in the availability and cost of capital;
- operating hazards, natural disasters, weather-related delays, casualty losses and other matters beyond our control;
- the effects of existing and future laws and governmental regulations;
- the effects of future litigation; and

- other factors discussed in this prospectus.

If one or more of these risks or uncertainties materialize or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus or incorporated by reference herein, including those described in the Risk Factors section of our most recent Annual Report on Form 10-K and, to the extent applicable, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The risk factors and other factors included in this prospectus or incorporated by reference herein could cause our actual results to differ materially from those contained in any forward-looking statement.

All forward-looking statements included in this prospectus and the documents we incorporate by reference herein are expressly qualified in their entirety by these cautionary statements. Forward-looking statements speak only as of the date of this prospectus or, in the case of forward-looking statements contained in any document incorporated by reference, the date of such document, and we expressly disclaim any obligation or undertaking to update these statements to reflect any change in our expectations or beliefs or any change in events, conditions or circumstances on which any forward-looking statement is based.

Table of Contents

WHO WE ARE

In this prospectus, unless the context indicates otherwise, references to USA Compression, we, our, us, the Partnership or like terms refer to USA Compression Partners, LP and its wholly owned subsidiaries, including USA Compression Partners, LLC (USAC Operating) and USAC OpCo 2, LLC (together with USAC Operating, the Operating Subsidiaries). References to USA Compression Holdings refer to USA Compression Holdings, LLC, the owner of USA Compression GP, LLC, our general partner.

We are a Delaware limited partnership engaged in providing compression services to producers, processors, gatherers and transporters of natural gas and crude oil.

Our principal executive offices are located at 100 Congress Avenue, Suite 450, Austin, TX 78701, and our telephone number is (512) 473-2662. Our website is <http://www.usacpartners.com>. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

For additional information as to our business, properties and financial condition, please refer to the documents cited in Information We Incorporate by Reference.

Table of Contents

RISK FACTORS

An investment in our common units involves a significant degree of risk. You should carefully consider the following risk factors, relating to our Distribution Reinvestment Plan, or the Plan, together with all of the other information included in this prospectus before deciding to participate in the Plan. The risks relating to the Plan are not the only risks associated with an investment in our common units. For key current (i) risks inherent in our business that may have a material impact on our results of operations and financial condition, (ii) risks inherent in an investment in us related to our common units as a result of our limited partnership structure and (iii) tax risks to common unitholders, please read Item 1A Risk Factors in Part I of our most recent Annual Report on Form 10-K, Item 1A Risk Factors in Part II of our Quarterly Reports on Form 10-Q filed for quarterly periods ending after our most recent annual report and our future annual, quarterly and other reports that are incorporated by reference into this prospectus, as such information may be amended or supplemented by any future filings with the SEC.

This prospectus also contains or incorporates by reference forward-looking statements that involve risks and uncertainties. Please read Forward-Looking Statements. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including risks described in the above documents and in this prospectus. If the events or possibilities described in any of these risks occur, our business, financial position, results of operations or cash flows could be adversely affected. In that case, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Relating to the Plan

You will not know the price of the common units you are purchasing under the Plan at the time you authorize the investment or elect to have your distributions reinvested. The price of our common units may fluctuate between the time you decide to purchase common units under the Plan and the time of actual purchase. As a result, you may purchase common units at a price higher than the price you anticipated.

If you instruct the administrator to sell common units under the Plan, you will not be able to direct the time or price at which your common units are sold. The price of our common units may decline between the time you decide to sell common units and the time of actual sale.

If you decide to withdraw from the Plan, the market price of our common units may decline between the time you decide to withdraw and the time the book-entry transfer registers your withdrawal.

Table of Contents

THE PLAN

Plan Overview

The Plan offers a simple and convenient way for owners of our common and subordinated units to invest all or a portion of their cash distributions in our common units. The Plan is designed for long-term investors who wish to invest and build their common unit ownership over time. Unlike an individual brokerage account, the timing of purchases is subject to the provisions of the Plan. The principal terms and conditions of the Plan are summarized in this prospectus under **Commonly Asked Questions** below.

We have appointed Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A., or the Administrator, to administer the Plan, and certain administrative support will be provided to the Administrator by its designated affiliates. Together, the Administrator and its affiliates will purchase and hold common units for Plan participants, keep records, send statements and perform other duties required by the Plan.

Only registered holders of our common or subordinated units can participate directly in the Plan. If you are a beneficial owner of common units in a brokerage account and wish to reinvest your distributions, you can make arrangements with your broker or nominee to participate in the Plan on your behalf, or you can request that your common units become registered in your name.

Please read this entire prospectus for a more detailed description of the Plan. If you are a registered holder of our common or subordinated units and would like to participate in the Plan, you can enroll online by following the enrollment procedures specified on the Administrator's website at shareowneronline.com or by completing and signing an authorization form and returning it to the Administrator. Authorization forms may be obtained at any time by written request, by contacting the Administrator at the address and telephone number provided in Question 6, or via the Internet at the Administrator's website at shareowneronline.com.

COMMONLY ASKED QUESTIONS

1. *How can I participate in the Plan?*

If you are a current holder of record, or registered holder, of our common or subordinated units, you may participate directly in the Plan. If you own common units that are registered in someone else's name (for example, a bank, broker or trustee), the Plan allows you to participate through such person, should they elect to participate, without having to withdraw your common units from such bank, broker or trustee. If your broker or bank elects not to participate in the Plan on your behalf, you can participate by withdrawing your common units from such bank or broker and registering your common units in your name.

2. *How do I get started?*

If you are a registered holder of our common or subordinated units, once you have read this prospectus, you can get started by enrolling in the Plan online by following the enrollment procedures specified on the Administrator's website at shareowneronline.com or by completing and signing an authorization form (see Question 6) and returning it to the Administrator. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation continues automatically, as long as you wish. If you own common units that are registered in someone else's name (for example a bank, broker or trustee), then you should contact such person to arrange for them to participate in the Plan on your behalf.

3. *How are distributions reinvested?*

By enrolling in the Plan, you direct the Administrator to apply distributions to the purchase of additional common units in accordance with the terms and conditions of the Plan. You may elect to reinvest all or a percentage of your distributions in additional common units. The Administrator will invest distributions in whole units and fractional interests in common units on the quarterly distribution payment date (the investment date). No interest will be paid on funds held by the Administrator pending investment.

Full distribution reinvestment All cash distributions payable on common units held in the Plan, along with any common units held in physical certificate form or through book-entry Direct Registration Shares (DRS), will be used to purchase additional common units. The participant will not receive cash distributions from USA Compressions common units; instead, all distributions will be reinvested. Whole and fractional shares will be allocated to the Plan account and participants will hold their interests including fractional interests, through the Plan.

Table of Contents

Partial distribution reinvestment by percentage A participant may elect to reinvest a portion of the distribution and receive the remainder in cash. The percentage elected will be applied to the total shares held in the Plan, along with any common units held in physical certificate form or held through book-entry Direct Registration Shares (DRS). A participant may elect percentages from 10%-90%, in increments of 10%. The cash portion of distributions will be sent by check unless the participant has elected to have those distributions deposited directly to a designated bank account.

An example of partial reinvestment by percentage: A participant has a total of 150 common units; 120 common units are held in the Plan, 15 in physical certificate form and 15 common units in book entry Direct Registration Shares (DRS). The participant chooses to have 50% of the total distribution reinvested. This will equate to 75 common units having distributions reinvested and 75 common units having distributions paid in cash.

If the Administrator receives your authorization form on or before the record date for the payment of the next distribution, the amount of the distribution that you elect to be reinvested will be invested in additional common units for your Plan account. If the authorization form is received after any distribution record date, that distribution will be paid in cash and your initial distribution reinvestment will commence with the following distribution.

You may change your distribution reinvestment election at any time online via shareowneronline.com, by telephone or by notifying the Administrator in writing. To be effective with respect to a particular distribution, any such change must be received by the Administrator on or before the record date for that distribution.

4. *When are distributions reinvested?*

The investment date will be the distribution payment date for each quarter (generally, on or around the 15th calendar day of February, May, August and November). The record date for eligibility to receive distributions generally will be approximately one week before the date upon which distributions are paid. In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days of the distribution payment date, the Administrator will distribute the funds to you by check or by automatic deposit to a bank account that you designate. No interest will be paid on funds held by the Administrator pending investment.

5. *What is the source and price of common units purchased under the Plan?*

We have the sole discretion to determine whether common units purchased under the Plan will come from new common units issued by us or from common units purchased on the open market by the Administrator. We currently intend to satisfy reinvestments under the Plan by issuing new common units.

The price for new common units purchased with reinvested distributions will be the average of the high and low trading prices of the common units on the New York Stock Exchange Composite Transactions for the five trading days immediately preceding the investment date, less a

Edgar Filing: USA Compression Partners, LP - Form S-3D

discount ranging from 0% to 5%. The discount is initially set at 0%; therefore, the initial purchase price for authorized but unissued common units purchased with reinvested distributions will be 100% of such average trading price. (Note: If you participate in the Plan through your broker, you should consult with your broker to determine if your broker will charge you a service fee.)

The purchase price for common units purchased with reinvested distributions on the open market will be the weighted average price of all common units purchased for the Plan for the respective investment date, less a discount ranging from 0% to 5%. (Note: If you participate in the Plan through your broker, you should consult with your broker to determine if your broker will charge you a service fee.)

We will provide notice to you of any changes in the discount rate at least 30 days prior to the following record date.

Table of Contents

6. *Who is the Administrator of the Plan?*

Wells Fargo Shareowner Services, a division of Wells Fargo Bank, N.A., is the Administrator of the Plan. Certain administrative support will be provided to the Administrator by its designated affiliates.

Contact Information

Internet

shareowneronline.com

Available 24 hours a day, 7 days a week for access to account information and answers to many common questions and general inquiries.

To enroll in the Plan:

If you are an existing registered shareholder:

1. Go to **shareowneronline.com**
2. Select **Sign Up Now!**
3. Enter your Authentication ID* and Account Number

* If you do not have your Authentication ID, select **I do not have my Authentication ID**. For security, this number is required for first time sign on.

Email

Go to shareowneronline.com and select **Contact Us**.

Telephone

1-800-468-9716 Toll-Free

651-450-4064 outside the United States

Shareowner Relations Specialists are available Monday through Friday, from 7:00 a.m. to 7:00 p.m. Central Time.

You may also access your account information 24 hours a day, 7 days a week using our automated voice response system.

Written correspondence and deposit of certificated common units*:

Wells Fargo Shareowner Services
P.O. Box 64856
St. Paul, MN 55164-0856

Certified and overnight delivery

Wells Fargo Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120-4100

* If sending in a certificate for deposit, see Terms and Conditions for Certificate Deposit and Withdrawal information.

Please include a reference to USA Compression Partners, LP and this Plan in all correspondence.

Table of Contents

7. What are the transaction costs of participating in the Plan?

Participants do not pay purchase commissions for common units purchased by the Plan, regardless of whether the units are purchased from us or are purchased on the open market.

If a participant requests to sell units through the Plan, the participant will pay any related administrative fees, brokerage commissions, and applicable taxes.

At the present time there is no service charge for participating in the Plan. However, we can change the fee structure for the Plan at any time. We will notify participants of any fee changes prior to the changes becoming effective.

We will pay many of the administrative costs of the Plan. The participant pays the following fees indicated below:

Certificate Issuance	Company paid
Certificate Deposit	Company paid
Investment Fees	
Distribution reinvestment service fee	Company paid
Purchase commission	Company paid
Sales Fees	
Batch Order service fee	\$15 per transaction
Market Order service fee	\$25 per transaction
Limit Order per transaction (Day/GTD/GTC) service fee	\$30 per transaction
Stop Order service fee	\$30 per transaction
Fee for Returned Checks or Rejected Automatic Bank Withdrawals	\$35 per item
Prior Year Duplicate Statements	\$25 per year

8. How many common units will be purchased for my account?

If you are a registered holder of our common or subordinated units and are directly participating in the Plan, the number of common units, including fractional common units, purchased under the Plan will depend on the amount of your cash distribution you elect to reinvest and the price of the common units determined as provided above. Common units purchased under the Plan, including fractional interests in common units, will be credited to your account. Only whole and fractional interests in common units will be purchased. Fractional interests in common units will be computed to three decimal places.

If you are a beneficial owner and are participating in the Plan through your broker, you should contact your broker for the details of how the number of common units you purchase will be determined.

We cannot assure you that there will be sufficient units subject to the Plan for all distributions you elect to have reinvested in the Plan. Any distributions received by the Administrator but not invested in our common units under the Plan will be paid to participants without interest.

9. *What are the tax consequences of purchasing common units under the Plan?*

For tax purposes, you will be treated as if you first received the full cash distribution on your common and subordinated units that participate in the Plan and then purchased additional common units with the portion of such cash distributions that is subject to the Plan. As a result, your adjusted basis for tax purposes in your common and subordinated units will be reduced by the full amount of the deemed cash distribution and then increased by the amount of the distributions reinvested in additional common units pursuant to the Plan. We intend to take the position that participants in the Plan do not recognize income upon the purchase of common units at a discounted purchase price under the Plan. There is a risk that the IRS could assert that you must recognize income in the amount of the discount if you purchase common units at a discounted purchase price under the Plan, or that we will determine in the future that it is necessary to allocate income to you in the amount of the discount in order to preserve the uniformity of our units.

Purchasing common units pursuant to the Plan will not affect the tax obligations associated with the common units you currently own. Participation in the Plan will reduce the amount of cash distributions available to you to satisfy any tax obligations associated with owning common or subordinated units. Please read *Material Federal Income Tax Consequences* for information relevant to holders of common units generally.

Table of Contents

10. How can I withdraw from the Plan?

If you are a registered holder of our common or subordinated units, you may discontinue the reinvestment of your distributions at any time by providing notice to the Administrator. In addition, you may change your distribution election online under the Administrator's account management service, as described above. To be effective for a particular distribution payment, the Administrator must receive notice three days prior to the record date for that distribution to be paid out in cash. In addition, you may request that all or part of your common units be sold. When your common units are sold through the Administrator, you will receive the proceeds less a service fee, currently \$15.00 per transaction, and any brokerage trading fees, currently \$0.12 per unit.

If you are a beneficial owner of our common units and you are participating in the Plan through your broker, you should direct your broker to discontinue participation in the Plan on your behalf.

Generally, an owner of common or subordinated units may again become a participant in the Plan. However, we reserve the right to reject the enrollment of a previous participant in the Plan on grounds of excessive joining and termination. This reservation is intended to minimize administrative expense and to encourage use of the Plan as a long-term investment service.

11. How will my common units be held under the Plan?

If you are a registered holder of our common or subordinated units and you are directly participating in the Plan, the common units that you acquire under the Plan will be maintained in your Plan account in non-certificated form for safekeeping. Safekeeping protects your common units against physical loss, theft or accidental destruction and also provides a convenient way for you to keep track of your common units. Only common units held in safekeeping may be sold through the