

# Limited Partnership Agreement

ValiantTelosCapsuleFundUSA-LPA



VALIANT TELOS CAPSULE FUND USA, LP

*Delaware Limited Partnership*

VALIANT TELOS INC

*General Partner & Fund Manager*

IN COMPLIANCE WITH SEC RULE 506(C), VALIANT TELOS CAPSULE FUND USA, LP IS NOT REQUIRED TO REGISTER ITS OFFERING OF SECURITIES WITH THE SEC, BUT HAS FILED "FORM D" WITH THE SEC. THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FLORIDA OFFICE OF FINANCIAL REGULATION. THIS PRIVATE OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

## DISCLAIMER

THE LIMITED PARTNERSHIP INTERESTS OF VALIANT TELOS CAPSULE FUND USA, LP (THE "FUND") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THE FUND IS NOT REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 OR THE SECURITIES LAWS OF ANY STATE. (See ValiantTelosCapsuleFundUSA-PPM "Exemptions" § 9.1 & § 9.2)

THE FUND OPERATES PURSUANT TO SEC RULE 506(c) OF REGULATION D WHICH PROVIDES EXEMPTIVE RELIEF TO BROADLY SOLICIT AND GENERALLY ADVERTISE THE OFFERING BUT STILL BE DEEMED TO BE UNDERTAKING A PRIVATE OFFERING. (See ValiantTelosCapsuleFundUSA-PPM "Exemptions" § 9.3)

THE GENERAL PARTNER IS EXEMPT FROM REGISTRATION WITH THE COMMODITIES FUTURES TRADING COMMISSION ("CFTC") AS A COMMODITY POOL OPERATOR ("CPO") PURSUANT TO AN EXEMPTION AVAILABLE UNDER RULE 4.13(2)(ii) UNDER THE COMMODITIES EXCHANGE ACT (THE "CEA"). THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF ANY INFORMATION DISCLOSED TO PROSPECTIVE PARTICIPANTS IN SUCH A POOL. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED ANY DOCUMENTS OR INFORMATION RELATED TO THIS OFFERING. (See ValiantTelosCapsuleFundUSA-PPM "Exemptions" § 9.5)

AS A CPO THE "GENERALLY SOLICIT AND BROADLY ADVERTISE" EXEMPTIVE RELIEF IS AVAILABLE UNDER RULE 4.7(B) OF THE CEA. (See ValiantTelosCapsuleFundUSA-PPM "Exemptions" § 9.4)

THESE SECURITIES MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTION THEREFROM, AND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE LIMITED PARTNERSHIP AGREEMENT. (See ValiantTelosCapsuleFundUSA-PPM "Assignment" § 8.1)

AN INVESTMENT IN THE FUND INVOLVES A SIGNIFICANT RISK OF LOSS.

(See ValiantTelosCapsuleFundUSA-PPM "Certain Risk Factors" Article 2)

THE DELIVERY OF OFFERING DOCUMENTS SHALL NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, INTERESTS IN THE FUND IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON WHO HAS NOT EXECUTED AND RETURNED A SUBSCRIPTION AGREEMENT IN FORM AND SUBSTANCE SATISFACTORY TO THE GENERAL PARTNER, AND WHOSE PURCHASER REPRESENTATIVE, IF ANY, HAS NOT COMPLETED AND RETURNED A PURCHASER REPRESENTATIVE QUESTIONNAIRE IN FORM AND SUBSTANCE SATISFACTORY TO THE GENERAL PARTNER. THIS OFFERING IS MADE ONLY TO A LIMITED NUMBER OF ACCREDITED INVESTORS, AS THAT TERM IS DEFINED IN REGULATION D UNDER THE ACT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), COMMODITY FUTURES TRADING COMMISSION'S ("CFTC"), NATIONAL FUTURES ASSOCIATION ("NFA") NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE MERITS OF PARTICIPATING IN THE FUND, NOR HAS ANY COMMISSION PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX OR LEGAL ADVICE. THIS MEMORANDUM AND THE OTHER DOCUMENTS DELIVERED IN CONNECTION HEREWITH SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR OR SUCH INVESTOR'S PURCHASER REPRESENTATIVE, IF ANY, AND SUCH INVESTOR'S FINANCIAL, TAX OR LEGAL COUNSEL.

THE INFORMATION CONTAINED HEREIN IS ACCURATE ONLY AS OF THE DATE OF THIS MEMORANDUM. THE INFORMATION IS SUBJECT TO CHANGE AT ANY TIME.

ADDITIONAL INFORMATION IS AVAILABLE FROM VALIANT TELOS INC, WHOSE ADDRESS AND TELEPHONE NUMBER IS SET FORTH IN THE DIRECTORY.

THE OFFERING IS MADE BY DELIVERY OF A COPY OF THIS MEMORANDUM TO THE PERSON WHOSE NAME APPEARS HEREON AND MEETS THE SUITABILITY INVESTOR

QUALIFICATION STANDARDS (ValiantTelosCapsuleFundUSA-PPM, §3.1) SET FORTH IN THIS MEMORANDUM.

ACCORDINGLY, IF YOU PURCHASE AN INTEREST, YOU WILL BE REQUIRED TO - REPRESENT AND WARRANT THAT YOU HAVE READ THIS MEMORANDUM AND ARE AWARE OF AND CAN AFFORD THE RISKS OF AN INVESTMENT IN THE FUND. YOU WILL ALSO BE REQUIRED TO REPRESENT THAT YOU ARE ACQUIRING THE INTEREST FOR YOUR OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY, AND NOT WITH ANY INTENTION TO RESELL OR TRANSFER ALL OR ANY PART OF THE INTEREST. THIS INVESTMENT IS SUITABLE FOR YOU ONLY IF YOU HAVE ADEQUATE MEANS OF PROVIDING FOR YOUR CURRENT AND FUTURE NEEDS AND CAN AFFORD TO LOSE THE ENTIRE AMOUNT OF YOUR INVESTMENT.

ALTHOUGH THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN TERMS OF CERTAIN DOCUMENTS, YOU SHOULD REFER TO THE ACTUAL DOCUMENTS (COPIES OF WHICH ARE ATTACHED HERETO OR ARE AVAILABLE FROM THE GENERAL PARTNER) FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO. ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE TERMS OF THE ACTUAL DOCUMENTS. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR FURNISH ANY INFORMATION WITH RESPECT TO THE FUND OR THE INTERESTS, OTHER THAN THE REPRESENTATIONS AND INFORMATION SET FORTH IN THIS MEMORANDUM OR OTHER DOCUMENTS OR INFORMATION FURNISHED BY THE GENERAL PARTNER UPON REQUEST, AS DESCRIBED ABOVE.

NO RULINGS HAVE BEEN SOUGHT FROM THE INTERNAL REVENUE SERVICE ("IRS") WITH RESPECT TO ANY TAX MATTERS DISCUSSED IN THIS MEMORANDUM. YOU ARE CAUTIONED THAT THE VIEWS CONTAINED HEREIN ARE SUBJECT TO MATERIAL QUALIFICATIONS AND SUBJECT TO POSSIBLE CHANGES IN REGULATIONS BY THE IRS OR BY CONGRESS IN EXISTING TAX STATUTES OR IN THE INTERPRETATION OF EXISTING STATUTES AND REGULATIONS.

EXCEPT WHERE OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THE MEMORANDUM NOR ANY SALE OF THE SECURITIES DESCRIBED HEREIN SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND OR THE GENERAL PARTNER SINCE THE DATE HEREOF.

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## Article 1 Organization and Purpose

### 1.1 Formation of Limited Partnership

The Fund was formed upon the filing of its certificate of limited partnership (the "Certificate of Limited Partnership") with the Delaware Secretary of State on OCTOBER 02, 2024. The Partners (§ 1.3) agree to continue the Fund (§ 2.1) as a limited partnership subject to the Delaware Limited Partnership Act (the "Act"). The General Partner (§ 3.1) is the general partner of the Fund. The Limited Partners (§ 4.1) shall be those persons that have agreed or hereafter agree to become Limited Partners of the Fund by accepting the terms of the private placement memorandum between the Fund and such person (a "Private Placement Memorandum"), by executing a subscription agreement (a "Subscription Agreement"), under which the person requests, and the General Partner in its sole discretion approves, the person's admission to the Fund as a Limited Partner, until such time, if ever, as such a person ceases to be a Limited Partner as provided herein.

### 1.2 Name

This Delaware Limited Partnership operates under the name of "Valiant Telos Capsule Fund USA, LP" (also called the "Fund").

### 1.3 Partners

The Partners of the Fund are Valiant Telos Inc, the General Partner (§ 3.1) and the Limited Partner(s) (§ 4.1).

### 1.4 Principal Place of Business

The principal place of business of the Fund shall be 60 Broad Street, FL24, Suite 1513, NY 10004, or such other place or places as may be approved by the General Partner (§ 3.1). The General Partner shall be responsible for maintaining at the

Fund's principal place of business those records required by the Act to be maintained thereat.

## 1.5 Registered Agent and Office

The registered agent and the address of the registered office of the Fund in the State of Delaware shall be:

Resident Agents Inc.

8 The Green STE R

KENT COUNTY

Dover, DE, 19901, United States

## 1.6 Documents

The General Partner (§ 3.1), or anyone designated by the General Partner, is hereby authorized to execute any amendment to the Certificate of Limited Partnership in accordance with the Act and to cause it to be filed with the Delaware Secretary of State in accordance with the Act. The Fund shall promptly execute and duly file, with the proper offices in each state in which the Fund may conduct its activities, one or more certificates or similar documents as required by the laws of each such state, and shall take any other action necessary so that the Fund may lawfully conduct its authorized activities in each such state.

## 1.7 Fiscal Year

The Fiscal Year for Valiant Telos Capsule Fund USA, LP begins on January 1st and ends December 31st of each calendar year.

## 1.8 Purpose of the Fund

The Valiant Telos Capsule Fund USA, LP is a private offering organized for the purpose of passing through to the Limited Partners (§ 4.1) the gains, losses, Taxes (§ 7.0) and Fees (§ 3.3) of trading the Fund's Methodology (§ 5.1).

## 1.9 SEC Rule 506(c)

The Valiant Telos Capsule Fund USA, LP operates under SEC Rule 506(c). The United States Securities Exchange Commission rule 506 of Regulation D is considered a "safe harbor" for the private offering exemption of Section 4(a)(2) of the Securities Act. Under Rule 506(c), a company can broadly solicit and generally advertise the offering, but still be deemed to be undertaking a private offering within Section 4(a)(2) if:

- The investors in the offering are all Accredited Investors (§ 4.2); and
- The Fund has taken reasonable steps to verify that its investors are accredited investors, which could include reviewing documentation, such as W-2s, tax returns, bank and brokerage statements, credit reports and the like.

## 1.10 Commodity Pool Operator

The Valiant Telos Capsule Fund USA, LP is exempt from registrations as a Commodity Pool Operator (CPO) with the Commodity Futures Trading Commission (CFTC) and National Futures Association (NFA). CFTC Regulation 4.13(a)(3) exempts the Fund from registering as CPO while the Assets Under Management (§ 6.8) (AUM) is below \$400,000 and has no more than 15 Accredited Investors (§ 4.2). Once the AUM is above \$400,000 or more than 15 accredited investors are participating in the Fund, Valiant Telos Capsule Fund USA, LP will registered as a CPO with the CFTC and NFA.

## **Article 2: The Fund**

### **2.1 The Fund**

The Fund (LPA, § 2.1) is a Delaware Limited Partnership operating under the name of “Valiant Telos Capsule Fund USA, LP.” The Fund is a pass-through vehicle so all taxes are pass-through (§ 7.1) to the Partners (§ 1.3).

### **2.2 Non-Interest-Bearing Account**

Before being invested in the next Main Trade (§ 5.6), funds of the Fund shall be deposited in a non-interest-bearing account in banks and/or brokerage firms selected by the General Partner (§ 3.1) and designated to Valiant Telos Capsule Fund USA, LP. Withdrawals from such accounts shall be made only by the General Partner or such other parties as may be approved by the General Partner.

### **2.3 Capital Contributions**

Upon admission to the Fund, each Partner shall make a cash contribution (a "Capital Contribution") to the Fund in the amount specified as the "Initial Capital Contribution" in the Partner's Subscription Agreement (the Partner's "Initial Capital Contribution"). The minimum Initial Capital Contribution of a Limited Partner (§ 4.1) shall be \$50,000, and the minimum additional Capital Contribution of a Limited Partner shall be \$10,000, subject in each case to the discretion of the General Partner (§ 3.1) to establish a higher or lower minimum for any or all Limited Partners. Unless otherwise agreed by a Partner and the General Partner, no Partner shall have any obligation to make any additional Capital Contribution at any time. Any Capital Contribution from a Partner that is not to be invested in the Main Trade (§ 5.6) on the date on which it is received by the Fund (or on the next business day) shall be placed by the General Partner in a non-interest-bearing holding account for the benefit of the contributing Partner until the date on which such Capital

Contribution is to be invested in the next Main Trade, and on such date the Capital Contribution shall be invested in the Main Trade and credited to the contributing Partner's Capital Account (as that term is defined in Section 3.4(a) below). Unless otherwise agreed between the contributing Partner and the General Partner in connection with such a Capital Contribution, the contributing Partner shall have no right to the return of any portion of such Capital Contribution after it has been received by the Fund and prior to its investment in the Main Trade.

## 2.4 Ownership Percentages

The Capital Accounts (§ 6.4) of each Limited Partner (§ 4.1) represents their equity in the Fund. The Ownership Percentage of a Limited Partner is the summation of all Capital Accounts of the Limited Partner (§ 6.11) divided by the Net Asset Value (NAV) of the Fund (§ 6.9). Upon the termination of the Fund, all assets of the Fund will be applied and distributed in proportion to the respective Capital Accounts (§ 6.4) of the Partners.

The defacto Term of the Fund is 10(TEN) years. The Fund shall be terminated before 10 years as rapidly as business circumstances will permit. At the direction of the General Partner (§ 3.1) (the "Terminating Partner"), a full accounting of the assets and liabilities of the Fund shall be taken, and a statement of the Fund Assets and a statement of each Partner's Capital Account shall be furnished to all Partners as soon as reasonably practicable. The Terminating Partner shall take such action as is necessary so that the Fund's business shall be terminated, its liabilities discharged, and its assets distributed as hereinafter described. The Terminating Partner may sell all of the Fund Assets or distribute the Fund Assets in kind; provided, however, that the Terminating Partner shall ascertain the fair market value by appraisal or other reasonable means of all Fund Assets remaining unsold and each Partner's Capital Account shall be charged or credited, as the case may be, as if such Fund Assets had been sold at such fair market value and the income, gains, losses, deductions and credits realized thereby had been allocated to the Partners in accordance with Article 6 "Accounting". A reasonable period shall be allowed for the orderly termination of the Fund to minimize the normal losses of a liquidation process. In the event that the Fund is terminated on a date other than

the last day of the month, the date of such termination shall be deemed to be the last day of the month for purposes of adjusting the Capital Accounts of the Partners pursuant to Section § 6.4.

After the payment of all expenses of liquidation and of all debts and liabilities of the Fund in such order or priority as is required by law (including any debts or liabilities to Partners, who shall be treated as secured or unsecured creditors, as the case may be, to the extent permitted by law, for sums loaned to the Fund, if any, as distinguished from Capital Contributions (§ 2.3) and after all resulting items of Fund income, gain, credit, loss, or deduction are credited or debited to the Capital Accounts of the Partners, all remaining Fund Assets shall then be distributed among the Partners in accordance with the positive balances of their respective Capital Accounts. Upon termination, a Partner may not demand and receive cash in return for such Partner's Capital Contributions and no Partner shall have any obligation to restore any deficit that may then exist in that Partner's Capital Account. Distribution on termination may be made by the distribution to each Partner of an undivided interest in any asset of the Fund that has not been sold at the time of termination of the Fund.

## **Article 3: GENERAL PARTNER, INVESTMENT MANAGER**

### **3.1 General Partner**

The General Partner of the Fund is a Delaware Limited Liability Company operating under the name of “Valiant Telos Inc.” As a General Partner, Valiant Telos Inc is responsible for the management of the Fund and is liable for the partnership obligations.

### **3.2 Affiliates of General Partner**

Affiliates of General Partner (§ 3.1) is defined any members, managers, partners, directors, officers, employees, agents or owners of the General Partner (§ 3.1).

### 3.3 Activity of the General Partner.

The General Partner (§ 3.1) shall be required to devote such time as it reasonably deems necessary for the proper conduct of the Fund's affairs. Neither the General Partner nor Affiliates of the General Partner (§ 3.2) shall be obligated to perform any act in connection with the business of the Fund not expressly set forth herein. Nothing contained in this shall preclude the General Partner or any of its Affiliates from, directly or indirectly, engaging in any other business or from purchasing, selling, holding or otherwise dealing with any Securities for, or from exercising any other investment responsibility over or providing investment advice to, an account of such person, a family member of such person, or any other person or entity. No Limited Partner (§ 4.1) shall, by reason of being a Partner, have any right to participate in any manner in any profits or income earned by the General Partner or any of its Affiliates from the conduct of any business other than the Fund business, or from any transaction in Securities effected by the General Partner or any of its Affiliates for any account other than a Fund account.

### 3.4 Liability of the General Partner

The General Partner (§ 3.1) nor any Affiliates of the General Partner (§ 3.2) shall be personally liable for the return of the Capital Contributions (§ 2.3) of any Partner, and such return shall be made solely from available Fund Assets, if any, and each Limited Partner (§ 4.1) hereby waives any and all claims it may have against any General Partner or any such Affiliate in such regard.

### 3.5 General Partner Investments

The General Partner (§ 3.1) may make investments alongside the Limited Partners (§ 4.1) in the Fund in such amounts as it may determine; provided that the General Partner will not be charged a Management Fee (§ 3.11) or a Performance Allocation (§ 3.12) with respect to any of its Capital Account.

## 3.6 Investment Manager

The Investment Manager is Valiant Telos Inc, the General Partner (§ 3.1) of the Fund.

## 3.7 Investment Adviser

Maya Suresh Kannan Balabisegan is the Investment Advisor selected by the Investment Manager (§ 3.6) to act as the Investment Advisor of Valiant Telos Capsule Fund USA, LP. The Investment Adviser shall be duly registered under federal or state law during all periods when such registration is required.

The Investment Adviser solely advises the Valiant Telos Capsule Fund USA, LP and is exempt from federal and state registration. The Investment Adviser is exempt from federal registration under Section 203(m) of the Investment Advisers Act of 1940 which directs the Securities and Exchange Commission to exempt the registration for all investment advisers solely advising private funds with an aggregate value of assets which are less than \$150 million. The state Investment Advisory registration is determined by each state's investment adviser statute.

## 3.8 Authority over the Fund

### 3.8.1 General.

The management of the Fund shall be vested exclusively in General Partner (including its duly appointed agents), which shall have the power by itself (or through such agents) and shall be authorized and empowered on behalf and in the name of the Fund to carry out any and all of the objects and purposes of the Fund and to perform all acts (including the payment of Fund obligations) and enter into and perform all contracts and other undertakings, in every case consistent with the provisions of this Agreement, that it may in its discretion deem necessary or advisable. General Partner owes the Fund and the Limited Partners fiduciary duties in the management of the Fund.



The General Partner shall act on behalf of and in the name of the Valiant Telos Capsule Fund USA, LP and without notice to the Limited Partners,

- a. open, maintain and close accounts with brokers, which power shall include the authority to issue all instructions and authorizations to brokers regarding securities and money therein and to pay, or authorize the payment and reimbursement of, brokerage commissions;
- b. open, maintain and close bank accounts and authorize the drawing of checks or other orders for the payment of monies;
- c. bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the Valiant Telos Capsule Fund USA, LP;
- d. deposit, withdraw, invest, pay, retain and distribute the Valiant Telos Capsule Fund USA, LP's funds in a manner consistent with the provisions of this Agreement;
- e. engage one or more custodians, attorneys, independent accountants, consultants and any other persons that the Investment Manager deems necessary or advisable;
- f. accept or refuse new Subscriptions and/or Additions of capital to the Fund;
- g. terminate the Fund and return its capital to the Limited Partner(s).

### **3.8.2 Key Individuals.**

During the Investment Period, General Partner shall exercise its discretion to cause the Key Individuals to devote such Person's business time as is reasonably necessary for management of the affairs of the Fund. In the event that all Key Individuals are Incapacitated, the Fund shall automatically enter Limited Operations Mode.

### **3.8.3 Investment Adviser**

Provided that the General Partner (§ 3.1), Valiant Telos Inc, has selected the Investment Advisor (§ 3.7), Maya Suresh Kannan Balabisegan, in good faith, the General Partner shall in no event be responsible to the Fund, any Limited Partner (§ 4.1) or any other person for any act or omission of the Investment Adviser in carrying out its advisory duties to the Fund.

### 3.8.4 Transaction Limit

The Investment Adviser is solely responsible for any investing decisions of the Fund and shall act on behalf of and in the name of the Valiant Telos Capsule Fund USA, LP and without notice to the Limited Partners, as long as a single transaction (acquisition or disposal) is more than 25% of the AUM,

- a. act as Investment Advisor of the Fund and direct the formulation of investment and trading policies and strategies for the Fund;
- b. return capital to the Limited Partner(s) in order to rebalance the Assets Under Management of the Fund.

### 3.9 High Water Mark

The High Water Mark is the highest Net Asset Value (§ 6.9) obtained at the end of a previous Fiscal Year (§ 1.7), which becomes the beginning balance of the following year, after any Additions and Subscriptions (§ 6.13) and Withdrawals and Redemptions (§ 6.14). Specifically, the High Water Mark is the highest beginning balance among previous fiscal years. The High Water Mark is used to determine Performance (§ 6.12) and ensures that the Investment Manager (§ 3.6) only charges fees on actual profits. Any losses experienced in one or more prior years must be recouped before any additional Performance Allocation (§ 3.12) (aka. American Waterfall) are charged.

### 3.10 Graduated Hurdle Rate

The Graduated 8% Hurdle Rate is a variable scale the Fund (ValiantTelosCapsuleFundUSA-LPA, § 2.1) uses to determine the amount of Management Fee (ValiantTelosCapsuleFundUSA-LPA, § 3.11) and Performance Allocation (ValiantTelosCapsuleFundUSA-LPA, § 3.12) to charge to the Limited

Partners (ValiantTelosCapsuleFundUSA-LPA, § 4.1) based on the Fund's Performance (ValiantTelosCapsuleFundUSA-LPA, § 6.12).

The Graduate 8% Hurdle Rate is only applicable when the Fund's annualized performance is between 0% and 8%. When the annualized performance is below 0%, the Fund does not charge Management Fee or Performance Allocation. When the annualized performance is above 8% and up to 12, the Fund charges the full 4% as Performance Fee. From 13 to 24%, the return is split into 80:20 between LP: GP. From 25 to 40%, the return is split into 70:30 between LP and GP. Beyond 41%, the return is split 60:40 between the LP and GP.

### 3.11 Management Fee

No Management Fee for this Fund. ie Zero Management Fee.

### 3.12 Performance Allocation (American Waterfall)

Valiant Telos Inc will share the profits of the Fund through a Performance Allocation at the end of the Fiscal Year (ValiantTelosCapsuleFundUSA-LPA, § 1.7) or upon a Withdrawal (ValiantTelosCapsuleFundUSA-LPA, § 4.4) or Redemption (ValiantTelosCapsuleFundUSA-LPA, § 4.3). The Performance Allocation is determined by the performance (ValiantTelosCapsuleFundUSA-LPA, § 6.12) attributed to the Limited Partner (ValiantTelosCapsuleFundUSA-LPA, § 4.1) minus High Water Mark (ValiantTelosCapsuleFundUSA-LPA, § 3.9). On the last day of the Fiscal Year (ValiantTelosCapsuleFundUSA-LPA, § 1.7), or on a Withdrawal or Redemption, the Graduated 8% Hurdle Rate (ValiantTelosCapsuleFundUSA-LPA, § 3.10) is applied to the annualized Performance of the Limited Partner (ValiantTelosCapsuleFundUSA-LPA, § 6.13) minus the High Water Mark. The first HWM is 8%, beyond that and until the next HWM of 12%, the GP will take the entire earning difference as its performance fee ie  $12\% - 8\% = 4\%$ . From 13 to 24%, the next HWM, the return is split into 80:20 between LP: GP. From 25 to 40%, the next HWM,

the return is split into 70:30 between LP and GP. Beyond 41%, the return is split 60%:40% between the LP and GP.

### 3.13 General Partner and Investment Manager Liability and Indemnification

3.13.1 None of General Partner or its Affiliates, or their respective officers, members, directors, shareholders, employees, personnel or partners, nor the Partnership Representative (each, an “**Indemnitee**”) shall be liable to the Fund or to any Partner for any losses sustained or liabilities incurred as a result of any act or omission taken or suffered by General Partner or any such other Person if (i) the act or failure to act of General Partner or such other Person was in good faith, and (ii) the conduct of General Partner or such other Person did not constitute Malfeasance.

3.13.2 The Fund shall indemnify and hold harmless each Indemnitee to the fullest extent permitted by law from and against any and all losses, claims, demands, costs, damages, liabilities, expenses of any nature (including attorneys’ fees and disbursements), judgments, fines, settlements and other amounts, of any nature whatever, known or unknown, liquid or illiquid, arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative (collectively, “**Actions**”), in which the Indemnitee may be involved, or threatened to be involved as a party or otherwise, relating to the performance or nonperformance of any act concerning the activities of the Fund, if (i) the Indemnitee acted in good faith and in the best interests of the Fund, and (ii) the Indemnitee’s conduct did not constitute Malfeasance. Expenses incurred by an Indemnitee in defending any Action subject to this section shall be advanced by the Fund prior to the final disposition of such Action. General Partner is hereby authorized on behalf of the Fund to indemnify, hold harmless and release any agents and/or advisors of the Fund, General Partner and General Partners’ Affiliates, to the same extent provided with respect to the Indemnites in this Article. The Fund shall advance all expenses incurred by an Indemnitee in connection with any Actions within 30 days after the receipt by the Fund of a statement requesting such advancement. The Fund may condition such

advancement to the receipt of a written undertaking by Indemnatee to repay any amounts advanced if it shall ultimately be determined that Indemnatee is not entitled to such indemnification. Notwithstanding the foregoing, during Limited Operations Mode, in cases where there is alleged Malfeasance by the General Partner or any of its Affiliates, the Fund shall not have any obligation to advance indemnification expenses to such Indemnitees accused of Malfeasance

3.13.3 In the absence of willful misfeasance, bad faith or gross negligence on the part of the Investment Manager (§ 3.6), or reckless disregard of its obligations and duties hereunder, the Investment Manager shall not be subject to any liability to the Fund or to any member of the Fund, for any act or omission in the course of, or connected with, rendering services hereunder.

3.13.4 The Fund shall, to the fullest extent permitted by law, indemnify and save harmless the Investment Manager, its affiliates and any of their respective partners, members, directors, officers, employees or shareholders (the “Indemnitees”) from and against any and all claims, liabilities, damages, losses, costs and expenses, that are incurred by any Indemnatee and that arise out of or in connection with the performance or nonperformance of or by the Indemnatee of any of the Investment Manager’s responsibilities hereunder. An Indemnatee shall be entitled to indemnification hereunder only if the Indemnatee acted in good faith and in a manner the Indemnatee reasonably believed to be in or not opposed to the best interests of the Fund.

### 3.14 Expenses

3.14.1 The “Partnership Expenses” is capped at 2% of AUM with the allowable floor of \$200,000. ie All the annual expenses - Organizational, Operational and Other are Capped at 2% of AUM or \$200,000 per annum whichever is higher and shall be paid by the “Fund”.

Such expenses shall be

- A) Organizational Expenses—relate to establishing and organizing the fund and its infrastructure.

- 1) Organizational expenses include expenses in forming the fund, the general partner, the management company and any fund-related vehicles.
  - 2) These include printing, travel and accounting, legal and other expenses.
- B) Operational Expenses—relate to the operation of the fund. Include:— expenses relating to the management company’s management of the fund;— acquisition, holding, and disposition of investments expenses; and— fees and expenses of service providers (i.e., fees of attorneys, consultants, custodians, administrators, and accountants).

Operational Expenses include:

- 1) Acquisition and disposition expenses.
  - 2) Holding expenses.
  - 3) Fees and expenses of service providers.
  - 4) The Fees, Costs and expenses that are directly related to the Purchase and Sale of Securities.
  - 5) All costs of the Partnership’s administration, including preparation of its financial statements and reports to Limited Partners (§ 4.1
- C) Extraordinary Expenses—include litigation and indemnification costs and expenses.
- 1) Expenses of Custodians, Counsel and Accountants.
  - 2) Any insurance, indemnity or litigation expenses.
  - 3) Costs of holding any meetings of Partners, and any taxes, fees or other governmental charges levied against the Partnership.
- D) Tax-related Expenses – Tax preparation, Book Keeping, Audits, audit trail, risk assessment, International Tax scenario/liability analysis, etc
- E) Fund Back Office – Data Entry, Bookkeeping, Document Preparation, Web Support, Tech Support, Contact Center/CRM management etc.,

3.14.2 Any additional expenses beyond the 2% AUM cap shall be paid by the General Partner.

3.14.3 General Partner shall be responsible for all fees and expenses due any legal, financial, accounting, consulting, or other advisors or any lenders, investment banks and other financing sources in connection with transactions which are not consummated ("Broken-Deal Expenses").

3.14.4 At last, the General Partner shall be responsible for all of their day-to-day operating expenses, including office overhead and compensation of their general employees. But the Executive Level personnel such as Executive Officer, Director or Promoter may get compensation estimated in the range of \$60,000 - \$100,000.

3.14.5 In an event, aside from the Fund's normal operational expenses:

- a. an individual Limited Partner causes any direct out-of-pocket expense incurred by the Fund, the individual Limited Partner shall be liable for all out-of-pocket expenses.
- b. an admission of a Substituted Partner (§ 8.3), the individual Limited Partner shall be liable for all fees and costs necessary to effect any such transfer and admission.

### 3.15 Year End Liquidation

If the Performance (§ 6.12) of the Fund after Management Fee (§ 3.11) and Performance Allocation (§ 3.7) is greater than 20% on November 30th of that Fiscal year (§ 1.7), the Investment Manager (§ 3.6) will liquidate all positions (§ 5.5) for the month of December.

### 3.16 Conflicts of Interest.

General Partner shall not, and hereby commits that the Fund shall not, directly or indirectly knowingly undertake any conduct constituting an actual or potential conflict of interest between (i) the Fund, any Portfolio Investment or any Portfolio Company on the one hand, and (ii) any Key Individual on the other hand, without consent from a Majority in Interest or Approval of the Advisory Committee. General Partner shall seek such consent or approval for all actual or material potential conflicts of interest of which it is aware within ten (10) Business Days.

### 3.17 Successor Fund; Special Purpose Vehicle.

Until the earliest to occur of (i) the termination of the Investment Period, (ii) the date when Successor Fund Threshold has been reached, or (iii) the termination of the Fund, General Partner shall not, and hereby commits that no Key Individual shall, directly or indirectly, (a) accrue any fund management or advisory fees relating to any person, entity, vehicle or account other than with respect to this Fund, or (b) make, directly or indirectly, outside the Fund any investment in any Securities of any Person in the Fund Thesis, except with Approval. Notwithstanding the foregoing, General Partner and Key Individuals shall not be prohibited from forming a special purpose vehicle for the purposes of (1) co-investing alongside the Fund in a Portfolio Investment, or (2) making a follow-on investment in a Portfolio Investment (each such entity, an “SPV”), provided that, in each instance, if the Fund participates in such special purpose vehicle it shall not be subject to additional management fees or carried interest to the special purpose vehicle in cases where the Fund is already earning fees from such investment.

### 3.18 Advisory Committee

**a. Establishment.** General Partner may in its sole discretion establish an advisory committee of the Fund (“**Advisory Committee**”). An Advisory Committee shall provide such advice and opinions to General Partner as requested by General Partner, provided that, the members of any Advisory Committee shall take no part in the management of the Fund. A Majority in Interest may choose to elect an individual as one member of the Advisory Committee at any time. General Partner has the sole discretion to change the Advisory Committee members, other than any member appointed by the Limited Partners, upon 30 days’ notice to the Limited Partners.

**b. No Fiduciary Obligation of Advisory Committee or its Members.** Each of General Partner and the Limited Partners acknowledges and agrees that, to the fullest extent permitted by applicable law, (i) none of any Advisory Committee, any



member of any Advisory Committee nor any Limited Partner that such a member represents shall owe any fiduciary duties to the Fund, General Partner, or any Limited Partner, and (ii) in making any determinations, each member of any Advisory Committee shall be entitled to consider only such interests and factors as such member desires, including the interests of the Limited Partner that such member represents, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Fund or any other Person.

**c. Meetings of Advisory Committee.** Any meeting of the Advisory Committee shall be called by General Partner at any time to consider matters for which the consent, approval, review or waiver of any Advisory Committee is required by this Agreement or is requested by General Partner. Such meeting may also be called at any time by any Limited Partner that has a representative member on any Advisory Committee. Any Advisory Committee shall conduct its business in such manner and by such procedures as a majority of its members considers appropriate. Members of any Advisory Committee may participate in a meeting of any Advisory Committee by telephone or similar communications equipment by means of which all Persons participating in the meeting can hear and speak to each other

**d. Actions.** All actions taken by any Advisory Committee shall be by a written consent setting forth the action so taken and approved by a majority of the members of any Advisory Committee, which such written consent may be given by email or any other written form. Each member of any Advisory Committee shall have one vote.

**Indemnification.** Each member of the Advisory Committee shall constitute an “Indemnitee” under this Agreement.

### 3.19 Borrowing.

In its sole discretion, General Partner may cause Fund to enter into short term loans for a non-renewable term of no longer than 120 days to borrow up to 15% of the Total Capital Commitments, pending receipt of proceeds from Capital Call Notices. General Partner may pledge or assign the rights to such proceeds to support such borrowing.

### 3.20 Other Activities.

General Partner shall not take any action that would reasonably be expected to result in the loss of limited liability for any Limited Partner.

### 3.21 Valuation.

The calculation of the fair value (the “**Fair Value**”) of any Investment or of any other Fund Asset shall be an amount determined by General Partner at least annually. For all purposes of this Agreement, all valuations made pursuant to this section shall be final, conclusive and binding on the Fund, all Limited Partners, their successors and assigns.

## **Article 4: Limited Partners, Capital and Capital Accounts**

### 4.1 Limited Partner

4.1.1 A Limited Partner does not have any management responsibility or voting rights in the Valiant Telos Capsule Fund USA, LP. Limited Partners are not personally liable. Limited Partners are only liable to the extent of the amount of money that each partner has invested in the Fund. All the gains, losses and Taxes (§ 7.1) of the Fund are passed through to the Limited Partners at their respective Position Participation (§ 6.3) percentages.

4.1.2 The names of all of the Limited Partners and the amounts of their respective contributions to the Valiant Telos Capsule Fund USA, LP are set forth in the Schedule of Capital Contributions (§ 2.3) and in Ownership Percentages (§ 2.4) which shall be maintained confidentially with the records of the Fund at the principal place of business of Valiant Telos Inc. Each Limited Partner shall only have access to records relating to their own Capital Accounts (§ 6.4).

4.1.3 No additional or substitute general partners may be admitted without the consent of General Partner.

4.1.4 No Limited Partner, in its capacity as such, shall participate in the management of the Fund or, except as otherwise provided herein, have any control over the Fund business or have any right or authority to act for or to bind the Fund.

## 4.2 “Qualified Client” level Investor

Pursuant to SEC Rule 506(c) under Regulation D, All Partners of the Valiant Telos Capsule Fund USA, LP must be "Qualified Client" as defined in SEC rule 205-3 of Investment Advisers Act of 1940. <https://www.sec.gov/files/rules/final/2021/ia-5904-fact-sheet.pdf>

**A qualified client** is a person that meets certain financial thresholds set by the Securities and Exchange Commission (SEC) that allow investment advisors to charge these clients performance-based compensation (i.e., generally, a percentage of gains realized on investments made for the account of these clients). These thresholds are adjusted periodically by the SEC – the current threshold in effect for individuals since 2021, is a minimum of \$1.1 million in assets under management with the investment advisor or at least a net worth of \$2.2 million, excluding the client’s primary residence.

<https://www.sec.gov/files/rules/final/2021/ia-5904-fact-sheet.pdf>

To date, the SEC has released a non-exclusive list of steps that can be taken to prove that investors are accredited. These include but are not limited to:

- Receiving a written confirmation from a registered broker-dealer, SEC-registered investment adviser, licensed attorney, or certified public accountant that such entity or person has taken reasonable steps to verify the purchaser's accredited status;
- Reviewing copies of any IRS form that reports the income of the purchaser and obtaining a written representation that the purchaser will likely continue to earn the necessary income in the current year.

## 4.3 Additions and Withdrawals

Up to the lock-up period of Nine Months, there shall not be any withdrawals. After the lock-up period, Additions and Withdrawals by a Limited Partner (§ 4.1) can be made once a month. Additions must be approved by Valiant Telos Inc. Additions are deposited in the Fund's Non-Interest-Bearing Account (§ 2.2) until the next Main Trade (§ 5.6). Withdrawal requests must be in writing to Valiant Telos Inc and upon receipt will be available within ten (10) business days barring any Catastrophic Events (ValiantTelosCapsuleFundUSA-PPM § 2.9). When the Assets Under Management (§ 6.8) of the Limited Partner is above \$50,000, the Limited Partner may withdraw the difference between that amount and \$50,000. If the amount is below \$50,000, the only Withdrawal allowed is a full Redemption (§ 4.4).

## 4.4 Redemptions

4.4.1 A Redemption is a Limited Partner's (§ 4.1) total liquidation of investment in the Valiant Telos Capsule Fund USA, LP. Upon the receipt of a written request of Redemption from the Limited Partner, Valiant Telos Inc will liquidate the Limited Partner's investment in the Fund and will transfer the monies, net of Management Fee (§ 3.11) and net of Performance Allocation (§ 3.12), within five (5) business days, barring any Catastrophic Events (ValiantTelosCapsuleFundUSA-PPM § 2.9).

4.4.2 A qualifying venture capital fund is a type of [private fund](#) that is excluded from the definition of [investment company](#) under Section 3(c)(1) of the [Investment Company Act](#) because it meets the following criteria:

- (1) no more than 250 beneficial owners;
- (2) no more than \$12 million in aggregate capital contributions and uncalled capital commitments; and
- (3) qualifies as a [venture capital fund](#).

The General Partner (§ 3.1) reserves the right, with a 5 business-day notice, to redeem a Limited Partner's interest in the Fund to maintain Accredited Investor (§ 4.2) participation to no more than 250 investors.

4.4.3 No Limited Partner shall be entitled to receive a return of or interest on its Capital Contributions or Capital Account, and no Partner shall withdraw any portion of its Capital Contributions or receive any distributions from the Fund as a return of capital on account of such Capital Contributions. The Fund shall not redeem the Interest of any Partner.

## 4.5 Reporting

As soon as practicable after an audit as of the end of the Fiscal Year (§ 1.7) conducted pursuant to Independent Accountant (§ 6.2), and in no event later than 120 days after fiscal year-end, the Fund will prepare and mail to each Limited Partner (§ 4.1) and, to the extent required, to each former Partner (or such Partner's legal representatives) a copy of the audited financial statements prepared for the Fund.

a. Within 30 days after the end of each quarter (or at more frequent intervals, in the General Partner's discretion), the Fund (or its accountants) shall provide each Partner with a written performance summary. The Fund reserves the rights to make interim reports available solely in electronic form on the web site of the Fund or its administrator, and the Partners hereby agree to accept such electronic delivery in satisfaction of any regulatory requirements under any applicable law.

b. Each Partner shall have the right at all reasonable times during normal business hours to audit, examine and make copies of or extracts from the books of account of the Fund upon 10 business days' notice to the General Partner (§ 3.1). Such right may be exercised through any agent or employee of such Partner designated by him or it or by an independent certified public accountant designated by such Partner. Each Partner shall bear all expenses incurred in any examination made on behalf of such Partner. Notwithstanding any other provision of this Agreement, however, no Limited Partner or the Limited Partner's representative

shall at any time have the right to any information regarding specific Securities held in the Fund's portfolio.

c. Unless prohibited by law or regulation, the General Partner may deliver any report required to be delivered to a Limited Partner by electronic mail addressed to the most recent email address provided by the Limited Partner to the General Partner for the purpose of communications on Fund matters.

## 4.6 Privacy Policy

Any and all nonpublic personal information received by the Valiant Telos Capsule Fund USA, LP and/or Valiant Telos Inc in the course of business with respect to the Limited Partners (§ 4.1) including the information provided to the Fund by a Limited Partner in the subscription documents, shall not be shared with nonaffiliated third parties. Affiliated third parties such as service providers include but are not limited to the administrator, the auditors, the brokers and the legal advisors of the Fund. Notwithstanding the foregoing, the Fund and/or the Investment Manager (§ 3.6) may disclose such nonpublic personal information as required by law. Such policy shall also apply to former Limited Partners.

While the Fund and its representatives will use their best reasonable efforts to keep confidential information the Limited Partner provides to the Fund, (i) there may be circumstances in which a law or regulation relating to combating terrorism or money laundering may require the release of such information to law enforcement or regulatory officials; (ii) the Fund may present such information to regulatory bodies or other parties as may be appropriate to establish the availability of exemptions from certain securities and similar laws, or the compliance of the Fund and/or the Investment Manager with applicable laws; and (iii) the Fund may disclose such information relating to the Limited Partner's investment in the Fund when required by judicial process, to the extent permitted under privacy laws or to the extent the Fund considers the information relevant to any issue in any lawsuit or similar proceeding to which the Fund is a party or by which it is or may be bound. If the Limited Partner has instructed the Fund to send duplicate reports to third parties pursuant to this Agreement, the Limited Partner may revoke this instruction at any time by sending a written notice to the Fund indicating that a previously

authorized third party is no longer authorized to receive the Limited Partner's reports.

## 4.7 Benefits of Agreement

Nothing in this Agreement is intended or shall be construed to give to any creditor of the Fund or of any Partner (§ 1.3) or of any other person or entity whatsoever, other than the Partners and the Fund, any legal or equitable right, remedy or claim under this Agreement, all provisions of which are for the exclusive benefit of the Partners and the Fund.

## 4.8 Distribution

Except for withdrawal distributions, the General Partner (LPA, § 3.1) does not expect to make distributions to the Partners. It nevertheless may do so at any time, in any amount, in cash or in kind, in proportion to the Limited Partners' Capital Accounts (§ 6.4) at the time of the distribution.

### 4.8.1 Whole-of-Fund Distribution.

Portfolio Liquidity Results received from a Portfolio Investment shall be distributed to the Partners promptly after receipt by the Fund. Portfolio Liquidity Results shall be initially attributed among the Partners (i) with respect to an Investment, in accordance with the Partners' relative Distribution Percentages or (ii) with respect to non-Investments, in accordance with the Partners' relative Commitment Percentages; and Portfolio Liquidity Results initially attributed to General Partner shall be distributed to General Partner. Portfolio Liquidity Results initially attributed to any Limited Partner shall be divided between such Limited Partner and General Partner and distributed as follows:

- a) First, 100% to such Partner, until the cumulative amount previously and currently distributed to such Partner equals such Partner's aggregate Capital Contributions; and
- b) Thereafter, the Carried Interest Percentage to General Partner and the LP Percentage to the Limited Partner for such Investment or non-Investment.

#### **4.8.2 Distributions In-Kind.**

No right is given to any Partner to demand and receive property other than cash. Except in connection with the liquidation of the Fund, General Partner shall not make distributions in kind of Securities other than Marketable Securities. Any in-kind distributions shall be made in such a fashion as to ensure that the Fair Value is distributed and allocated in accordance with this Agreement.

#### **4.8.3 Tax Distributions.**

General Partner shall have the authority to cause the Fund to make distributions to the Partners, *pro rata* to their respective Distribution Percentage for each Partner, of such Partner's aggregate amount of estimated taxes payable by such Partner with respect to Portfolio Liquidity Results cumulatively allocated to such Partner in accordance with this Agreement and not otherwise offset by allocations of Fund losses and other deductions allocated to the Fund.

#### **4.8.4 Withholding.**

Each Partner hereby authorizes the Fund to withhold and to pay over any taxes required under applicable law to be withheld by the Fund with respect to any amount payable, distributable or allocable by the Fund to such Partner. If and to the extent that the Fund shall be required to withhold any such taxes, such Partner shall be deemed for all purposes of this Agreement to have received a payment from the Fund as of the time such withholding is required to be paid, which payment shall be deemed to be a distribution to such Partner; provided, that if General Partner reasonably determines that such Partner would not be expected to receive any future distributions in the amount of such payment, the Partner shall pay to the Fund the amount by which such payment exceeds such expected future distributions. To the fullest extent permitted by law, each Partner hereby agrees to indemnify and hold harmless the Fund and the other Partners from and against any liability for taxes, penalties, additions to tax or interest with respect to income attributable to or distributions or other payments to such Partner. The obligations of a Partner set forth in this section shall survive the withdrawal of a Partner from the Fund or any transfer of a Partner's Interest.



## 4.9 Capital Commitment

Each signatory Limited Partner, in exchange for its initial Partnership Interest, agrees to make, and shall make, a Capital Commitment in the amount set forth beneath such Limited Partner's signature to this Agreement. General Partner shall make a Capital Commitment to the Fund in cash or property equal to at least the GP Commitment Percentage of the aggregate of the Total Capital Commitments. General Partner's Capital Commitment may be satisfied directly or through affiliates of General Partner and will become Limited Partner Interests for the purposes of making any interim distributions and the final distributions at liquidation under this Agreement. General Partner's Capital Commitments shall not be subject to the Management Fee.

## 4.10 Making of Capital Contributions

**4.10.1** The cumulative Capital Contributions made to the Fund by each Partner at any given point in time during the term of the Fund shall be set forth in the Fund's books and records.

**4.10.2** Each Limited Partner shall make Capital Contributions in accordance with General Partner's written notice to the Limited Partner (each, a "**Capital Call Notice**") during the Capital Call Notice Period. Following best practices for the strategy of the Fund, General Partner has sole discretion to call for Capital Contributions and deliver Capital Call Notices. Such Capital Contributions shall be made by the Limited Partner on or before the date set forth in the Capital Call Notice, *provided that*:

- a) No Capital Contributions shall be required to be made when the Fund is in Limited Operations Mode.
- b) No Limited Partner shall be required to make additional Capital Contributions in excess of the then-current amount of its Unused Capital Commitment.
- c) Capital shall be called from Limited Partners:

- i. unless the circumstances require otherwise, on a pro rata basis among the Partners based upon each Partner's Capital Commitment in relation to the aggregate Capital Commitments of all the Partners; or
- ii. in the event General Partner and Limited Partner mutually agree, in an amount up to one hundred percent (100%) of a Limited Partner's Capital Commitment (the "**Prefunded Contribution**").

**4.10.3** The Prefunded Contribution will be treated as follows: (i) the amount that is the Limited Partner's pro rata Capital Contribution shall be invested in Portfolio Investments or used to pay the expenses or obligations of the Fund; and (ii) the remainder will be held in escrow in a segregated bank account pending any subsequent Capital Call Notices.

**4.10.4** Each Limited Partner shall thereafter be required to make a Capital Contribution in cash in the amount stated in, and otherwise pursuant to the terms and provisions of, the Capital Call Notice (net of any A fees).

**4.10.5** General Partner shall be required to make a proportionate Capital Contribution in accordance with the GP Commitment Percentage.

**4.10.6** Capital Contributions not immediately invested in Portfolio Investments or paid for expenses or obligations of the Fund shall be held in cash and/or invested in Cash Equivalents.

**4.10.7** After a Limited Partner has received cumulative distributions equal to the Capital Contribution Value of such Limited Partner, and the aggregate Unused Capital Commitment is at or approaching zero, and General Partner desires to continue to make Investments, then General Partner shall have discretion to increase the then-current amount of each Limited Partner's Unused Capital Commitment by the Recycled Amount.

**4.10.8** Each Limited Partner agrees to make Capital Contributions required on account of Capital Call Notices without defense, counterclaim or offset of any kind. Further, each Limited Partner agrees that it will honor Capital Call Notices made by a lender or agent under any credit facility acting in the name of the General Partner in accordance with the terms of this Agreement, without deduction, offset, counterclaim or defense.

#### 4.11 Default

If a Limited Partner fails to make all or any portion of any Capital Contribution or any other amount required to be paid by such Limited Partner pursuant to this Agreement or applicable law, and such failure is not cured after a period of ten (10) Business Days after the delivery of General Partner's written notice regarding such failure, then, unless waived by General Partner in its sole discretion, the defaulting Limited Partner will owe interest with respect to such unpaid amount calculated at a rate equal to 12% per annum unless waived in whole or part by General Partner in its sole discretion, and General Partner shall have the right to take one or more of the following actions in its sole discretion: (a) if the Limited Partner has not made any Capital Contributions, deem the Limited Partner's Interest in the Fund to be forfeited; (b) if the Limited Partner has made a Capital Contribution, General Partner may sell the defaulting Limited Partner's Interest for a purchase price equal to 50% of the lesser of (i) the defaulting Limited Partner's aggregate Capital Contributions, or (ii) the Fair Value of the defaulting Limited Partner's Interest at the time of default; (c) use any distributions that might otherwise be made to such defaulting Limited Partner to offset any amounts owed by the defaulting Limited Partner; or (d) pursue and enforce all rights and remedies it may have against the defaulting Limited Partner. Each Limited Partner hereby consents to the remedies provided for in this section.

#### 4.12. Capital Accounts

The Fund shall establish and maintain a separate capital account ("**Capital Account**") for each Partner as set forth in the Tax Addendum attached as Exhibit C (the "**Tax Addendum**"). Net Income and Net Loss will be allocated among the Partners in accordance with the Tax Addendum.

## **Article 5: Methodology**

### **5.1 Methodology**

All trades made by the Valiant Telos Capsule Fund USA, LP range from a few days to a few months. The Fund does not participate in day trading or high-frequency trading and only rarely will find the need to be in a trade for one day. All trades are quantified by the Proprietary Approach (§ 5.2) and the Investment Advisor (§ 3.7) determines which trades to initiate. Once a Trade is initiated, the Proprietary Approach (§ 5.2) determines the Synthetic Options (§ 5.7) for reducing the position's exposure to the market, the Risk Management (§ 5.3) for exits and the Money Management (§ 5.4) for the size of each trade.

### **5.2 Proprietary Approach**

The Proprietary Approach is based on applied mathematics rooted in the principle that at any one time there are binary forces affecting the market. Applied mathematics quantifies these binary forces and provides finite trading opportunities with specific entry and exit points.

### **5.3 Risk Management**

Risk Management is meant to both protect profits and mitigate losses. Each trade has a unique stop-loss determined by the mathematics of the Proprietary Approach (§ 5.2). The stop-loss price is meant to risk no more than certain % of the Net Asset Value of the Fund (§ 6.9) on each Position (§ 5.5), barring any Catastrophic Events (ValiantTelosCapsuleFundUSA-PPM § 2.9). The stop-loss shall be calculated based on the asset classes, types of vehicles, industry and market.

### **5.4 Money Management**

Money Management determines the quantity of Instruments (§ 5.9) needed for each Position (§ 5.5) to risk no more than certain % of the Net Asset Value (§ 6.9).

The net effect of Money Management is that it maximizes the Net Asset Value on an absolute dollar basis when the Fund is appreciating, while limiting risk when the Fund is depreciating.

## 5.5 Position

Based on the funding requirements of the Instruments (§ 5.9) used for trading the Fund's Methodology (§ 5.1), Valiant Telos Capsule Fund USA, LP shall restrict number of Positions open at any one time. Each Position rarely risks more than certain % of the Net Asset Value of the Fund (§ 6.9). Profits are protected by Synthetic Options (§ 5.7) which reduce the risk and funding requirements of the Main Trade (§ 5.6) and provide an opportunity for an Extra Trade (§ 5.8).

## 5.6 Main Trades

A Main Trade is identified by the Proprietary Approach (§ 5.2) and is initiated by the Investment Advisor (§ 3.7). Once in a Main Trade, the only exit from the trade is determined by Risk Management (§ 5.3), the Investment Advisor's decision to replace it with a more advantageous trade or through partial Withdrawals and/or Redemptions (§ 6.14). During a Main Trade, there are times when the market provides an opportunity for a Synthetic Option (§ 5.7). This situation allows the Fund to take some profits and temporarily free-up capital that can be used for an Extra Trade (§ 5.8).

## 5.7 Synthetic Options

A Synthetic Option is created subsequent to and counter to an existing Main Trade (§ 5.6). It is used to protect profits in the Main Trade and free up capital. Any new money received via Additions and Subscriptions (§ 6.13) does not participate in a Synthetic Option if not already in the Main Trade.

## 5.8 Extra Trades

An Extra Trade is created when the capital is freed-up by a Synthetic Option (§ 5.7) and invested in a new trade. An Extra Trade follows the Proprietary Approach (§ 5.2) as to entry points, Risk Management (§ 5.3) and Money Management (§ 5.4). Any new money received via Additions and Subscriptions (§ 6.13) does not participate in an Extra Trade if not already in the Main Trade (§ 5.6).

## 5.9 Instruments

The Instruments used for trading the Methodology (§ 5.1) are Direct Private equities, Private Investment in Public equities (PIPE), SAFE (Simple Agreement for Future Equity), Real World assets like real Estate, Ownership in Partnerships and LLCs, Risk Weighted Assets like digital Assets like digital equity Assets and Private Project Ownership through various instruments.

# **Article 6: Accounting**

## 6.1 Accounting

The Accounting practice of the Fund (§ 2.1) is based on (“FIFO”) first in, first out accounting method and Position Participation (§ 6.3). The Fund’s accounting optimizes Limited Partner’s (§ 4.1) return on investments by not diluting the ownership of existing Positions (§ 5.5) with Additions and Subscriptions (§ 6.13). All Additions and Subscriptions are deposited in the Fund’s Non-Interest-Bearing Account (§ 2.2) until the next Main Trade (§ 5.6).

## 6.2 Independent Accountants

The books and records of the Fund shall be audited as of the end of each fiscal year of the Fund by an independent accounting firm selected by the General Partner (§ 3.1). If the Fund's first fiscal year is less than a full twelve months, and the Fund is not otherwise required by law or regulation to prepare audited financial statements for the short year, the Fund may postpone its first audit until the end of the following fiscal year, in which case the audit shall also cover the short first fiscal year of the Fund.

### 6.3 Position Participation

Position Participation is used to express percentage ownership of the Limited Partner's (§ 4.1) interest in the Fund and is maintained in the Capital Accounts (§ 6.4). The Position Participation percentage for each of the Limited Partner's is the balance of their Capital Accounts at the time of the Main Trade (§ 5.6) divided by the Assets Under Management (§ 6.8) of the Fund. The Position Participation of a Limited Partner (§ 4.1) for a Synthetic Option (§ 5.7) and an Extra Trade (§ 5.8) is dependent on participation in a specific Main Trade. The distinction arises because a Main Trade employs all available capital in the Non-Interest-Bearing Account (§ 2.2) but a Synthetic Option (§ 5.7) and an Extra Trade only employs the capital already participating in a Main Trade.

### 6.4 Capital Accounts

For bookkeeping purposes, Capital Accounts are kept for the Fund and for the partners. There are two classes of Capital Accounts for both the Fund and the partners; a Yearly Capital Account (§ 6.5) and an Annualized Capital Account (§ 6.6). The bookkeeping of the Capital Accounts shall be kept and maintained at all times at the principal place of business of the Fund or at such other place or places approved by the General Partner. The Capital Accounts shall be maintained according to Generally Accepted Accounting Principles ("GAAP"), consistently applied, except as may be expressly provided elsewhere in this Agreement, and shall show all items of income and expense.

## 6.5 Yearly Capital Accounts

On the first day of a new Fiscal Year (§ 1.7) all of the Yearly and Annualized Capital Accounts (§ 6.6) from the prior Fiscal Year are combined into a new Yearly Capital Account. The beginning balance of the new Yearly Capital Account will be the closing balances of all the Capital Accounts on the last day of the prior Fiscal Year, less all the Management Fees (§ 3.11) and Performance Allocation (§ 3.12).

Withdrawals and Redemptions (§ 6.14) affect the balance of the Yearly Capital Accounts. To accurately charge Management Fees and Performance Allocation on Withdrawals and Redemptions, a new Annualized Capital Account is created to record such transaction, and the Yearly Capital Account is debited.

## 6.6 Annualized Capital Account

An Annualized Capital Account is created in the month in which Additions and Subscriptions (§ 6.13) or Withdrawals and Redemptions (§ 6.14) are made. For Additions and Subscriptions, the Annualized Capital Account begins in the month it was created. For Withdrawals and Redemptions, the account begins either the first day of the Fiscal Year, if it is debited from the Yearly Capital Account (§ 6.5), or the first day of the month of the earliest Annualized Capital Account if no Yearly Capital Account exists which is consistent with the “First In, First Out” (FIFO) accounting method.

In the case of Additions and Subscriptions, the beginning balance of the Annualized Capital Account is equal to the Additions and Subscriptions made that month. To accurately account for Performance (§ 6.12) in the case of Withdrawals and Redemptions, the beginning balance of the Annualized Capital Account is the Withdrawal and Redemption divided by NAV (§ 6.9) of the debited account and the ending balance is the Withdrawal and Redemption.

## 6.7 Regulatory Assets Under Management



Regulatory Assets under Management (“RAUM”) of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4) of that Fiscal Year (§ 4.1) plus all capital in the Fund’s Non-Interest-Bearing Account (§ 2.2).

## 6.8 Assets Under Management

Assets under Management (“AUM”) of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4) of that Fiscal Year (§ 1.8) plus all capital in the Fund’s Non-Interest-Bearing Account (§ 2.2).

## 6.9 Net Asset Value

The Securities and Exchange Commission (“SEC”) defines Net Asset Value (“NAV”) as the difference between a fund’s Total Assets (§ 6.10) and Total Liabilities (§ 6.11). As the Fund does not have Liabilities, the Fund’s NAV equals Total Assets, which is Assets under Management (“AUM”) (§ 6.8). As the AUM of the Fund is equivalent to Regulatory Assets under Management (“RAUM”) (§ 6. 7), the Fund’s NAV also equals RAUM.

## 6.10 Total Assets

The Total Assets of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4), which is the current market value of the Fund’s total holdings. The market value is determined by the closing price of the traded instrument (§ 5.9) on that specific market exchange.

## 6.11 Total Liabilities

The General Partner (§ 3.1) shall be responsible for all Expenses (§ 3.14) relating to the operation of the Fund, excluding trading commissions. The Investment Manager (§ 3.6) does not engage in any borrowing nor incur any debt.

In an event, aside from the Fund's normal operations, an individual Limited Partner (§ 4.1) causes any direct out-of-pocket expense incurred by the Tax Matters Partner (§ 7.2), the individual Limited Partner shall be liable for all out-of-pocket expenses.

## 6.12 Performance

Performance is determined for each Capital Account.

The Performance for the Yearly Capital Account (§ 6.5) is the ending balance divided by the High-Water Mark (§ 3.9) minus one, represented as a percentage:

$$\text{Performance \%} = (\text{Ending Balance} / \text{High Water Mark}) - 1$$

The Performance for the Annualized Capital Account (§ 6.6) is the ending balance divided by the High-Water Mark (§ 3.9) divided by the annualization ratio minus one, represented as a percentage:

$$\text{Performance \%} = (\text{Ending Balance} / \text{High Water Mark}) - 1$$

$$\text{Annualization Ratio} = \text{Number of Months} / 12$$

$$\text{Annualized Performance\%} = \text{Performance \%} / \text{Annualization Ratio}$$

The Fund's Performance is determined by the Fund's Yearly Capital Account.

Partner Performance is determined by the summation of Performance of all the partner's capital accounts weighted by size:

$$\text{Capital Account Weighting ("CAW")} = \text{Size of Capital Account} / \text{Summation of All Capital Accounts}$$

$$\text{Partner's Total Performance\%} = (\text{CAW} \times \text{Yearly Capital Account Performance\%}) + (\text{CAW} \times \text{Annualized Capital Account 1 Performance\%})$$

$$+ (\text{CAW} \times \text{Annualized Capital Account 2 Performance\%})$$

$$+ (\text{CAW} \times \text{Annualized Capital Account 3 Performance\%}) + \dots$$

+  $(CAW \times \text{Annualized Capital Account Performance}\%)$

## 6.13 Additions and Subscriptions

Additions and Subscriptions are deposited in the Fund's Non-Interest-Bearing Account (§ 2.2) and remain unused until the next Main Trade (§ 5.6). For bookkeeping purposes, any Additions and Subscriptions are added to the Capital Accounts (§ 6.4) and become part of the Assets Under Management (§ 6.8) of the Fund. For accounting purposes, Additions and Subscriptions are assumed to be made on the first day of the month.

## 6.14 Withdrawals and Redemptions

Withdrawals and Redemptions are transferred from the Valiant Telos Capsule Fund USA, LP accounts to the partner's account. For bookkeeping purposes Withdrawals and Redemptions are debited from Capital Accounts (§ 6.4) and from the Assets Under Management (§ 6.8) of the Fund. Withdrawals and Redemptions for accounting purposes are assumed to be made on the last day of the month.

## 6.15 Valuation of Assets

The value of Fund assets shall be determined in accordance with FASB Accounting Standards Codification Topic (ASC) 820, "Fair Value Measurements and Disclosures" ("FASB ASC 820-10"), as in effect on the date of this Agreement. As used below, however, "FASB ASC 820-10" shall refer instead to any superseding, supplementing or amending Statement of Financial Accounting Standards intended by its adopters to apply to the valuation of assets in lieu of or in addition to the current version of FASB ASC 820-10 – provided that the General Partner (§ 3.1) has determined, in its good faith discretion, that it is in the best interests of the Fund that such superseding, supplementing or amending Statement thereafter be followed in valuing Fund assets. To the extent that U.S. generally accepted accounting principles, consistently applied ("GAAP") are consistent with FASB ASC 820-10,

GAAP shall also be applied in valuing Fund assets, as shall the valuation standards summarized below to the extent those standards are not inconsistent with FASB ASC 820-10 or GAAP.

Securities that are listed on a securities exchange (including such Securities when traded in the after-hours market) shall be valued at their last sale prices on the date of determination on the largest securities exchange on which such securities shall have traded on such date. Securities that are not listed on an exchange but are traded over-the-counter shall be valued at representative "bid" quotations if held long by the Fund and representative "asked" quotations if held short by the Fund on the date of determination. Non-U.S. Securities shall be valued at the last sale price in the principal market where they are traded. Notwithstanding the preceding paragraph, futures contracts shall be valued at the most recent "settlement price" set by the exchange on which such contracts are traded.

All values assigned to Securities and other assets by the General Partner shall be final and conclusive as to all of the Partners. Notwithstanding the preceding portions of this section, the General Partner shall be entitled to rely in good faith on valuations provided to the Fund by prime brokers (if any), other brokers, banks and other custodians with respect to assets held by such parties on behalf of the Fund.

## **Article 7: Taxes**

### **7.1 Taxes**

The Fund is a pass-through vehicle so all taxes are pass-through to the Partners (§ 1.3). All of the Fund's gains and losses are considered short-term and are taxed as Ordinary Income (§ 7.7). The Fund separately and directly files with the Internal Revenue Service ("IRS") its profits and/or losses on information return (Form 1065) which attaches a Schedule K-1 detailing each Partner's share of the Fund's profits and/or losses.

### **7.2 Tax Matters Partner**

The General Partner (§ 3.1) shall act as the "Tax Matters Partner" for income tax purposes. The Tax Matters Partner shall mean the Partner (a) designated as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986 from time to time (or any corresponding provision of succeeding law, collectively the "Code"); and (b) whose responsibilities which normally include, where appropriate, commencing on behalf of the Fund certain judicial proceedings regarding Fund income tax items and informing all Partners of any administrative or judicial proceeding involving income taxes. In exercising its responsibilities as Tax Matters Partner, the General Partner shall have final authority in all income tax decisions involving the Fund. In an event, aside from the Fund's normal operations, an individual Limited Partner (§ 4.1) causes any direct out-of-pocket expense incurred by the Tax Matters Partner, the individual Limited Partner shall be liable for all out-of-pocket expenses.

### 7.3 Tax Treatment of Partners

The Fund, as an entity, will not be subject to U.S. federal income tax. A Partner (§ 1.3) is responsible for the taxes on their share of the Funds gains and losses and reports these taxes on their individual income tax return. A copy of the Fund's IRS Form 1065 Schedule K-1 is provided to each individual Limited Partner (§ 4.1) for their records. The Limited Partner's profits and/or losses are considered ordinary income (§ 7.7) for federal tax reporting purposes. Ordinary income is treated differently at the state and local level. Each Partner must check with their Tax advisor to determine state and local taxes on ordinary income.

Moreover, a Limited Partner may be exempt under the Code and/or applicable state and local tax regulations. Notwithstanding the aforementioned and representations afterwards regarding individual ordinary income for tax reporting purposes and/or exemptions, which do not constitute legal or tax advice, every Limited Partner should seek independent specialized guidance from their Tax advisor to determine any tax liability and/or reporting obligation(s).

## 7.4 Tax Treatment of Non-Profit Organization

An exempt organization is not taxed on its income from an activity substantially related to the charitable, educational, or other purpose that is the basis for the organization's exemption. Such income is exempt even if the activity is a trade or business. However, if an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. Please refer to IRS Publication 598, "Tax on Unrelated Business Income of Exempt Organizations". <http://www.irs.gov/pub/irs-pdf/p598.pdf>

Notwithstanding the aforementioned paragraph, which does not constitute legal or tax advice, any Limited Partner (§ 4.1) should seek independent specialized guidance from their tax advisor to determine any tax liability and/or reporting obligations even if classified as a Non-Profit Organization.

## 7.5 Tax Treatment of Foreign Investor

The rules governing the United States federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships and other foreign Limited Partners (collectively, "Foreign Limited Partners") are complex and include special rules relating to foreign investments in United States. Prospective Foreign Limited Partners should consult with their own tax advisors to determine the impact of United States federal, state and local income and other tax laws with regards to an investment in the Fund, including any reporting requirements.

## 7.6 Tax Treatment of General Partner

The General Partner's (§ 3.1) "monthly" Management Fee (§ 3.11) are taxed as Ordinary Income (§ 7.7). The income/loss from ownership in the Fund is considered short-term gains/losses and is taxed as Ordinary Income. The annual allocation of the Fund's profits to the General Partner is considered Carried Interest (§ 7.8) and is taxed when sold. If the General Partner sells any of the ownership held for less

than a year, it is taxed as Ordinary Income otherwise taxed as long-term capital gains.

## 7.7 Ordinary Income

The Methodology (§ 5.1) followed by the Fund results in asset holding periods of less than one year. The holding period begins the day the asset is bought and extends up to and including the day the asset is sold. Profits earned on an asset held less than one year are considered short term capital gains for tax purposes and are taxed at the same rate as ordinary income.

## 7.8 Carried Interest

The Carried Interest is the share of the Funds profits allocated to the General Partner (§ 3.1). On the last day of the Fiscal Year (§ 1.8), the General Partner collects Management Fees (§ 3.11) and Performance Allocation (§ 3.12) in a form of transferring the ownership of the Fund to the General Partner. If the General Partner sells any of the ownership, it is taxed as ordinary income (§ 7.7) if held for less than a year but taxed as long-term capital gains if held over a year. All profits made from Carried Interest are considered short term capital gains and are taxed as ordinary income.

## 7.9 Allocation for Tax Purposes

- a. All Allocations for Tax Purpose are short-term and considered ordinary income.
- b. Net realized and unrealized appreciation or depreciation in the value of Fund assets will be allocated at the end of each Accounting Period (generally, the last day of each month) in proportion to the relative values of the Partners' Capital Accounts as of the beginning of the Accounting Period.

c. For each Fiscal Year (§ 1.7), items of income, deduction, gain, loss, or credit shall be allocated for income tax purposes among the Partners (§ 1.3) in such manner as to reflect equitably amounts credited or debited to each Partner's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section § 7.9 shall be made pursuant to the principles of Section 704(b) of the Code, and in conformity with Treasury Regulations §§ 1.704-1 (b)(2)(iv)(f) and 1.704-1 (b)(4)(i) promulgated thereunder, or the successor provisions to such Section and Treasury Regulations.

d. If the Code or Treasury Regulations require a withholding or other adjustment to the Capital Account of a Partner or some other interim year event occurs necessitating in the General Partner's judgment an equitable adjustment, the General Partner shall make such adjustments in the determination and allocation among the Partners of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Fund Percentages, Performance Allocation, Management Fee, items of income, deduction, gain, loss, credit or withholding for tax purposes, or accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and such adjustments in the determinations and allocations by the General Partner shall be final and conclusive as to all Partners.

## **Article 8: Assignment**

### **8.1 Assignment**

Except as specifically provided in this Article 8, no Limited Partner (§ 4.1) may sell, transfer, assign, mortgage, hypothecate or otherwise encumber or permit or suffer any encumbrance of all or any part of such Limited Partner's interest in the Fund (§ 2.1) or upon death unless prior written consent is obtained from the General Partner (§ 3.1), which may be granted or withheld in the General Partner's sole discretion. Any attempt to transfer or encumber any such interest shall be null and void ab initio. The Partners will be excused from accepting the performance of and rendering performance to any person other than the Partner hereunder (including



any trustee or assignee of or for such Partner) as to whom such prior written consent has been rendered.

## 8.2 Further Restrictions on Transfer

In the event of any transfer permitted under this Article,

a. the interest so transferred shall remain subject to all terms and provisions of this Agreement; the assignee or transferee shall be deemed, by accepting the interest so transferred, to have assumed all the obligations hereunder relating to the interests or rights so transferred and shall agree in writing to the foregoing if requested by the General Partner (§ 3.1). Until such transferee or assignee (other than an existing Partner) is admitted to the Fund as a Substituted Partner (§ 8.3), the Partner or the Partner's estate transferring all or any portion of his or its interest to such assignee or transferee shall remain primarily and directly liable for the performance of all his or its obligations under the Agreement. After the admission of such assignee or transferee as a Substituted Partner, such transferor Partner shall be primarily and directly liable under this Agreement or otherwise only for any obligations or liabilities accruing prior to the effective time of the admission of such Substituted Partner, unless such transferor Partner is released in writing from such obligations or liabilities by the General Partner.

b. Any Partner (§ 1.3) making or offering to make a transfer of all or any part of his or its interest in the Fund shall indemnify and hold harmless the Fund and all other Partners from and against any costs, damages, claims, suits or fees suffered or incurred by the Fund or any such other Partner arising out of or resulting from any claims by the transferee of such Fund interest or any offerees of such Fund interest in connection with such transfer or offer.

## 8.3 Substituted Partner

An assignee or transferee (other than an existing Partner) of the interest of a Partner (§ 1.3) may be admitted as a substitute partner ("Substituted Partner"), at any time, only with the written consent of the General Partner (§ 3.1), which such consent may be granted or denied in the sole discretion of the General Partner. Unless the assignee is already a General Partner, any assignee of a Fund interest to

whose admission such consent is given shall become and shall have only the rights and duties of a Limited Partner (§ 4.1) and the assigned Fund interest shall thereafter be a Limited Partner's interest. Upon the receipt by the General Partner of an appropriate supplement to the Agreement pursuant to which such Substituted Partner agrees to be bound by this Agreement, the General Partner shall reflect the admission of a Substituted Partner and the withdrawal of the transferring Partner, if appropriate, by preparing a supplemental Exhibit, dated as of the date of such admission and withdrawal, and by filing it with the records of the Fund. Any Substituted Partner shall, if required by the General Partner prior to such admission, also execute any other documents requested by the General Partner, including, without limitation, a Subscription Agreement and an irrevocable power of attorney in form satisfactory to the General Partner appointing the General Partner as such person's attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments (§ 5.9) necessary to carry out the provisions of this Agreement, including, without limitation, such undertakings as the General Partner may require for the payment of all fees and costs necessary to effect any such transfer and admission. Upon admission, such Substituted Partner shall be subject to all provisions of the Agreement in the place and stead of his assignor as if the Substituted Partner originally was a party to this Agreement.

## 8.4 Basis Adjustment

The basis of partnership property shall not be adjusted as the result of a transfer of an interest in the Fund by sale or exchange or on the death of a partner unless the election provided by section 754 of the Code and the Treasury Regulations is in effect with respect to such partnership or unless the partnership has a substantial built-in loss immediately after such transfer. The Tax Matters Partner (§ 7.2) may cause, in its sole and absolute discretion, the Fund to elect pursuant to Section 754 of the Code and the Treasury Regulations thereunder to adjust the basis of the Fund Assets as provided by Sections 743 or 734 of the Code and the Treasury Regulations thereunder; provided, that the basis of Fund Assets shall in all cases be adjusted as required by the Code or regulations thereunder whether or not such an election under Section 754 is then in effect.

## 8.5 Admission of Additional Partners

- a. The General Partner (§ 3.1) may admit a new Limited Partner (§ 4.1) to the Fund at any time. Each such new Limited Partner, by accepting the terms of the Private Placement Memorandum, and executing the Subscription Agreement, pursuant to which such new Limited Partner agrees to be bound by this Agreement and satisfy any other requirements set by the General Partner.
- b. Upon satisfaction of the conditions stated in Section § 8.5(a), the General Partner shall reflect the admission of the new Limited Partner and deposit the new money in a Non-Interest Bearing Account (§ 2.2) . The admission of a new Limited Partner shall not cause the dissolution of the Fund. Upon the admission of a new Limited Partner pursuant to Section § 8.5(a), a new Capital Account (§ 4.1) shall begin as set forth in Section VI.

## 8.6 Other Restricted Transfers

Notwithstanding any other provision herein to the contrary, unless prior written consent is given by the General Partner (§ 3.1), no transfer of any interest in the Fund may be made to any person who is related (within the meaning of Treasury Regulations Section 1.752-4(b)) to any lender of the Fund whose loan constitutes a nonrecourse liability of the Fund.

# **Article 9: General**

## 9.1 Limited Partner Representations

All representations, warranties and covenants of a Limited Partner (§ 4.1) set forth in the Subscription Agreement pursuant to which the Limited Partner was admitted to the Fund shall be deemed incorporated herein by reference, as if fully set forth herein, and shall remain in effect for so long as the Limited Partner shall remain a Limited Partner, subject to provisions in the Limited Partner's Subscription

Agreement permitting and requiring the Limited Partner to correct certain representations or warranties which become inaccurate because of changes occurring after the effective date of such representations and warranties.

## 9.2 Notices

- a. All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing.
- b. All notices, demands and requests to be sent to a Limited Partner (§ 4.1), any successor(s) to the interest of a Partner (§ 1.3) or any Substituted Partner (§ 8.3) pursuant to this Agreement shall be deemed to have been properly given or served if: (i) personally delivered, (ii) deposited prepaid for next day delivery by a nationally recognized overnight courier, addressed to such Partner, (iii) deposited in the United States mail, addressed to such Partner, prepaid and registered or certified with return receipt requested, (iv) electronically mailed (emailed) to the Partner at the email address provided by the Partner to the Fund or the sender for the purpose of receiving communications in connection with the Fund; or (v) transmitted via telecopier or other similar device to the attention of such Partner.
- c. All notices, demands and requests so given shall be deemed received: (i) when personally delivered, (ii) 24 hours after being deposited for next day delivery with an overnight courier, (iii) 48 hours after being deposited in the United States mail, or (iv) 12 hours after being telecopied, emailed or otherwise transmitted so long as receipt has been confirmed. In the case of a notice given by email, a sufficient confirmation shall be deemed to have been given if the sender receives a reply email which incorporates the emailed notice or otherwise clearly indicates that the emailed notice was received.
- d. The Partners and any Substituted Partners shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses and each shall have the right to specify as such person's address any other address by giving to the other parties at least 30 days' written notice thereof, in the manner prescribed in Section § 9.2(b); provided however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

### 9.3 Amendments to Limited Partnership Agreement

The General Partner may amend the Limited Partnership Agreement or any Exhibits to make a change that is necessary or desirable or to satisfy any requirements, regulations or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any federal, state or foreign governmental entity, so long as such change is made in a manner which minimizes any adverse effect on the Limited Partners. In addition, the General Partner may adopt any other amendment to this Agreement, without the consent of the Limited Partners, provided that

- a. each Limited Partner receives at least 30 days' prior written notice of the amendment and
- b. each Limited Partner is permitted to withdraw all or part of such Partner's Capital Account, without any penalty, prior to the effective date of the amendment.

### 9.4 Powers of Attorney

Each Limited Partner (§ 4.1) hereby constitutes and appoints the General Partner (§ 3.1), with full power of substitution, as such Limited Partner's true and lawful attorney-in-fact and empowers and authorizes such attorney, in the name, place and stead of such Limited Partner, to make, execute, sign, swear to, acknowledge and file in all necessary or appropriate places all documents (and all amendments or supplements to or restatements of such documents necessitated by valid amendments to or actions permitted under this Agreement) relating to the Fund and its activities, including, without limitation:

- (a) this Agreement and any amendments hereto approved as provided in this Agreement,
- (b) the Certificate of Limited Partnership and any amendments thereto, under the laws of the State of Delaware or in any other state or other jurisdiction, U.S. or foreign, in which such filing is deemed advisable by such General Partner,

- (c) any applications, forms, certificates, reports or other documents or amendments thereto which may be requested or required by any federal, state, local or foreign governmental agency, securities exchange, securities association, self-regulatory organization or similar institution and which are deemed necessary or advisable by such General Partner,
- (d) any other instrument which may be required to be filed or recorded in any state or county or by any governmental agency, or which such General Partner deems advisable to file or record, including, without limitation, certificates of assumed name and documents to qualify foreign limited partnerships in other jurisdictions,
- (e) any documents which may be required to effect the continuation of the Fund, the admission of new Limited Partners or Substituted Partners (§ 8.3), the withdrawal of any Partner or the dissolution and termination of the Fund,
- (f) making certain elections contained in the Code or state law governing taxation of limited partnerships, and
- (g) performing any and all other ministerial duties or functions necessary for the conduct of the business of the Fund. Each Limited Partner hereby ratifies, confirms and adopts, as his own, all actions that may be taken by such attorney-in-fact pursuant to this Section § 9.4. Each Limited Partner acknowledges that this Agreement permits certain amendments to be made and certain other actions to be taken or omitted to be taken by less than all the Partners if approved in accordance with the provisions hereof. By a Limited Partner's execution hereof, such Limited Partner also grants the General Partner a power of attorney to execute all documents necessary to reflect any action that is approved in accordance with the provisions hereof. This power of attorney is coupled with an interest and shall continue notwithstanding the subsequent incapacity or death of the Limited Partner. Each Limited Partner shall execute and deliver to the General Partner an executed and appropriately notarized power of attorney in such form consistent with this Section § 9.4 as the General Partner may request.

## 9.5 Confidentiality

- a. Each Limited Partner (§ 9.4) acknowledges that, during the period of such Limited Partner's investment in the Fund, such Limited Partner may have access to confidential and proprietary information of the Fund, including, but not limited to, information regarding investment and trading strategies and investments made and positions (§ 5.5) held by the Fund (but see Section 9.5(d)).
- b. During the period of a Limited Partner's investment in the Fund or at any time thereafter, confidential information of the Fund may not be used in any way by such Limited Partner or former Limited Partner for such Limited Partner's own private or commercial purposes (other than in connection with such Limited Partner's evaluation of the Fund) or, directly or indirectly, disclosed to or discussed with any other person or entity, except those owners, directors, officers, employees, accountants, attorneys or agents of the Limited Partner whose access to such information is reasonably necessary for such Limited Partner's operations and who are bound by similar obligations as to non-disclosure of confidential information, or except as required by law.
- c. Each Limited Partner acknowledges and agrees that the Fund and the General Partner (§ 3.1) may be harmed irreparably by a violation of this Section § 9.5 and that the Fund and the General Partner shall be entitled to injunctive relief, to enforcement of this Section § 9.5 by specific performance and to damages in the event of any such breach. Each Limited Partner agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.
- d. Notwithstanding the preceding portions of this Section § 9.5 or any other provision of this Agreement, each Limited Partner acknowledges that the past, present and future investment positions of the Fund, and the investment strategies of the General Partner, are proprietary information of the General Partner and will not be disclosed to any Limited Partner at any time except as the General Partner may choose, or as may be required by law. The General Partner's election to disclose any of such information to one or more Limited Partners or other persons shall not obligate the General Partner to disclose the same or other information to any other Limited Partner or other person. The General Partner's election to disclose any of such information on one or more occasions shall not obligate the General Partner to disclose the same or other information on any other occasion.

## 9.6 Certification of Non-Foreign Status

Each Limited Partner (§ 4.1) or transferee of an interest in the Fund shall certify in the Subscription whether he or she is a "United States Person" within the meaning of Section 7701(a)(30) of the Code on forms to be provided by the Fund, and shall notify the Fund within 30 days of any change in such Limited Partner's status.

## 9.7 Governing Laws

This agreement and the rights and obligations of the partners hereunder shall be interpreted, construed and enforced in accordance with the laws of the state of Delaware. Notwithstanding the preceding sentence, nothing in this agreement shall limit the applicability of the investment advisers act of 1940 or regulations thereunder (at any time when the investment manager is registered or required to be registered as an investment adviser with the securities and exchange commission) or the applicability of the analogous investment adviser laws of any state and regulations thereunder (at any time when the investment manager is registered or required to be registered as an investment adviser with such state) to the extent that such laws apply to the construction or interpretation of investment advisory agreements.

## 9.8 Rule of Construction

The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the party preparing the contract, is waived by the parties. Each party acknowledges that he or it was represented by separate legal counsel in this matter who participated in the preparation of this Agreement, or he or it had the opportunity to retain counsel to participate in the preparation of this Agreement but chose not to do so.

## 9.9 Entire Agreement



This Agreement, including all exhibits to this Agreement and, if any, exhibits to such exhibits, contains the entire agreement among the parties relative to the matters contained in this Agreement.

#### 9.10 Waiver

No consent or waiver, express or implied, by any Partner (§ 1.3) to or for any breach or default by any other Partner in the performance by such other Partner of his or its obligations under this Agreement shall be deemed to be a consent or waiver to or of any other breach or default in the performance by such other Partner of the same or any other obligations of such other Partner under this Agreement. Failure on the part of any Partner to complain of any act or failure to act of any of the other Partners or to declare any of the other Partners in default, regardless of how long such failure continues, shall not constitute a waiver by such Partner of his or its rights hereunder.

#### 9.11 Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

#### 9.12 Binding Agreement

Subject to the restrictions on transfers and encumbrances set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their respective legal representatives, successors and assigns. Whenever, in this Agreement, a reference to any party or Partner (§ 1.3) is

made, such reference shall be deemed to include a reference to the legal representatives, successors and assigns of such party or Partner.

### 9.13 Tense and Gender

Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine, or neuter gender is used incorrectly in this Agreement, this Agreement shall be read as if the appropriate gender was used.

### 9.14 Captions

Captions are included solely for convenience of reference and, if there is any conflict between captions and the text of this Agreement, the text shall control.

### 9.15 Counterparts; Execution of Subscription Agreement

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. This Agreement may also be executed, with equal effect, by the execution of a Subscription Agreement, in one or multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument, in such form as the General Partner (§ 3.1) may approve from time to time, by the General Partner on behalf of the Fund and by a subscriber for limited partner interests in the Fund (a "Subscriber"), provided that such Subscription Agreement expressly refers to this Agreement and provides that it is being executed for the purpose of admitting the Subscriber as a Limited Partner of the Fund on the terms and conditions of the Limited Partnership Agreement of the Fund. Executed signature pages to any such counterpart may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto

shall constitute the original counterpart instrument. All of these counterpart pages shall be read as though they are one and they shall have the same force and effect as if all of the parties had executed a single signature page.

## 9.16 Assignment of Agreement

Notwithstanding any other provision of this Agreement, the General Partner (§ 3.1) shall not take any action that would constitute an "assignment" of this Agreement within the meaning of such term under any law or regulation that applies to the General Partner in its status as Investment Manager to the Fund and that would restrict or impose conditions upon such an assignment, unless the General Partner has first complied with all of such restrictions and/or conditions, and no such assignment shall be effective absent such compliance. If any such applicable law or regulation requires that consent to such an assignment be given by the other party to the contract being assigned, such consent shall be effective only if given by a Majority in Interest of Limited Partners. Such a consent by a Limited Partner (§ 4.1) shall be effective if given in any manner then authorized under this Agreement. Without limiting the preceding sentence, a Limited Partner shall be deemed to have consented to such an assignment if the General Partner has given a written notice to the Limited Partner that (

- 1) identifies the proposed assignee and describes the proposed assignment in reasonable detail;
- (2) asks that the Limited Partner consent to the assignment;
- (3) specifies a deadline by which the Limited Partner may give or withhold such consent (which deadline shall not be less than 15 days after the date of such notice to the Limited Partner); and
- (4) states that the Limited Partner shall be deemed to have consented to the assignment unless the Limited Partner has given express written notice to the General Partner by such deadline that the Limited Partner withholds consent – unless the Limited Partner shall have given such express written notice of non-consent by the specified deadline.

## 9.17 Performance Allocations Shall Comply With Applicable Laws and Regulations

Notwithstanding any other provision of this Agreement, in no event will a Performance Allocation (§ 3.12) be made from a Limited Partner's Capital Account, or any other form of performance based compensation be charged to a Limited Partner (§ 4.1), except in compliance with all applicable requirements of the Securities and Exchange Commission, state agencies and other regulatory authorities (including self-regulatory organizations) having jurisdiction over the General Partner (§ 3.1), Investment Manager (§ 3.6).

## 9.18 Changes in Applicable Laws and Regulations

The Fund must comply with a wide variety of laws and regulations as defined in Regulatory Matters (§ 9.1). If any of these laws or regulations change or if new laws or regulations applicable to the Fund should come into force, the Fund may experience an adverse consequence and may even be required to cease its operations and to liquidate. Such events may negatively impact the value of Partner's NAV. Even without new legislation, the Internal Revenue Service, SEC, and other governmental agencies might issue new regulations, possibly with retroactive effect, which could result in adverse consequences to the Fund and its investors.

## **Article 10 - Limited Operations Mode**

In the event the Limited Partners claim there exists a Material Breach, Limited Partners holding more than 66  $\frac{2}{3}$ % of the aggregate Commitment Percentages held by all Limited Partners ("Requisite Majority") may cause the Fund and General Partner to enter into "Limited Operations Mode." The period of Limited Operations Mode shall commence at the time that a Requisite Majority provides written notice to General Partner particularizing the facts constituting a Material Breach and

ending automatically on the date ninety (90) days later, which period may be extended by successive ninety (90) day periods if, and only if, a Requisite Majority provides written notice extending such period. During Limited Operations Mode General Partner and the Limited Partners will negotiate in good faith to resolve the dispute.

## **Article 11. - DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE FUND**

### **11.1 Dissolution.**

The Fund may be dissolved, liquidated, and terminated and have its affairs wound up only pursuant to the provisions of this Article. Subject only to any non-waivable provisions of the Act, the following (and only the following) events shall cause the Fund to be dissolved, liquidated, and terminated:

- a.** By the election of General Partner;
- b.** On the Fund Duration of 10 years; *provided that* General Partner may extend the Fund Duration by the Fund Duration Extension;
- c.** At any time that there are no Limited Partners, unless the business of the Fund is continued in accordance with the Act; or
- d.** The entry of a decree of judicial dissolution.

To the fullest extent permitted by law, any dissolution of the Fund other than as provided in this section shall be a dissolution in contravention of this Agreement.

## 11.2 Effect of Dissolution.

The dissolution of the Fund shall be effective on the day on which the event occurs giving rise to the dissolution, but the Fund shall not terminate until it has been wound up, its assets have been distributed as provided under this Agreement and its Certificate of Limited Partnership has been canceled in accordance with the requirements of the Act.

## 11.3 Liquidation and Final Distribution of Proceeds.

1. Upon the dissolution of the Fund, the Fund shall thereafter engage in no further business other than that which is necessary to wind up the business, and General Partner or a liquidating trustee appointed by General Partner shall liquidate all Fund Assets and distribute the cash proceeds therefrom.
2. A reasonable time shall be allowed for the winding up of the affairs of the Fund in order to minimize any losses attendant upon such a winding up.
3. The liquidator shall use commercially reasonable efforts to dispose of or distribute all Fund Assets within one year of dissolution.
4. In the event the liquidator believes that it is prudent to do so, cash or other assets held in reserve may be placed in a liquidating trust or other escrow immediately prior to the termination of the Fund in order to ensure that any and all obligations of the Fund are satisfied.
5. The cash proceeds from the liquidation of Fund Assets shall be applied or distributed by the Fund in the following order: (i) the creditors of the Fund, excluding any Partners that are creditors; (ii) the creditors of the Fund that are Partners; and (iii) Partners in accordance with this Agreement.
6. Notwithstanding any other term in this Agreement, in the event that General Partner or other liquidator determines that an immediate sale of all or any portion of the Securities or other Fund Assets would cause undue loss to the Partners, General Partner or other liquidator, in order to avoid such loss to the extent not then prohibited by the Act, may

either defer liquidation of and withhold from distribution for a reasonable time any Securities or other Fund Assets except those necessary to satisfy the Fund's debts and obligations, or distribute such Securities or other Fund Assets to the Partners in-kind (subject to the priorities set forth in this section).

## 11.4 Restoration Obligations.

**1. Limited Partners.** If any Limited Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which the liquidation occurs), such Limited Partner shall have no obligation to make any Capital Contribution with respect to such deficit (unless such Capital Contributions were otherwise expressly provided for herein), and such deficit shall not be considered a debt owed to the Fund or to any other Person for any purpose whatsoever.

### 2. General Partner; Clawback.

**a.** The obligations of General Partner pursuant to this section shall be calculated separately for each Limited Partner.

**b.** If after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which the liquidation occurs (other than pursuant to this clawback provision), General Partner has received cumulative distributions of Carried Interest in respect of a Limited Partner that exceed the amount of distributions of Carried Interest that General Partner should have received with respect to such Limited Partner (such excess amount, the "**Excess Amount**"), then General Partner shall contribute to the Fund the lesser of the Excess Amount and the cumulative amount of distributions of Carried Interest, on a tax-adjusted basis, received by General Partner in respect of such Limited Partner, and the Fund shall distribute such amount to such Limited Partner ("**General Partner Clawback**").

**3. Partner Giveback.** The Fund may require Partners to return distributions to the Fund in an amount sufficient to satisfy all or any portion of the

indemnification and other obligations of the Fund (the “**Partner Giveback**”). The responsibility for the Partner Giveback shall be allocated pro rata based on the amounts distributed to the Partners. The Partner Giveback shall be subject to the following: (i) the maximum Partner Giveback is 20% of the aggregate distributions received by such Partner; and (ii) prior to any Partner Giveback, the Fund shall have expended amounts received from (a) insurance, (b) other parties obligated to indemnify the Fund, and (c) the remaining Capital Commitments. The obligations of a Partner set forth in this section shall survive the dissolution of the Fund, the withdrawal of the Partner from the Fund and the transfer of the Partner’s Partnership Interest in the Fund.

## **Article 12. Certain Exceptions**

### **12.1 Special Purpose Vehicles**

Each Limited Partner acknowledges and agrees that (a) General Partner and Key Individuals shall not be prohibited from forming a special purpose vehicle formed for the purposes of (i) co-investing alongside the Fund in a Portfolio Investment, or (ii) making a follow-on investment in a Portfolio Investment (each such entity, an “**SPV**”), provided that, in each instance, the Fund participating in such special purpose vehicle shall not be subject to additional management fees or carried interest to the special purpose vehicle; and (b) the Key Individuals may provide services to or for the benefit of “Sonicorn Accelerator” that directly and indirectly invests in early-stage private technology companies, and directly or indirectly receive compensation in connection with such services, in each instance without liability or accounting to the Fund or any Limited Partner.

### **12.2 Parallel Fund**

General Partner and Key Individuals shall not be prohibited from forming and accruing management and advisory fees and carried interest from any parallel pooled investment vehicle formed for the purpose of making Portfolio Investments



on substantially the same terms and alongside the Fund (a "**Parallel Fund**") to accommodate legal, tax, or regulatory considerations of certain investors. For each such Portfolio Investment, General Partner shall have discretion to allocate the investment opportunity in a commercially reasonable manner that affords the investors fair treatment given the circumstances. With respect to each such Portfolio Investment that a Parallel Fund participates (or proposes to participate) with the Fund, any expenses or indemnification or other obligations related to such investment shall be borne by the Fund and any such Parallel Fund in proportion to the capital committed or proposed to be committed by each to such investment, provided that each Parallel Fund shall bear its own Organizational Expenses and Fund Expenses. General Partner shall, subject to legal, tax or regulatory considerations, cause the Fund and any Parallel Fund to sell or otherwise dispose or divest of their respective interests in a Portfolio Company at the same time and on the same terms, in proportion to their respective ownership interests therein.

### 12.3 Accelerator

Affiliates of General Partner operate an accelerator program that provides services to entrepreneurs and startups. The Fund may invest in certain of the accelerator's participants. Affiliates and the persons operating such accelerator program may be receiving compensation in the form of equity or otherwise in such companies.

IN WITNESS WHEREOF, this Agreement is in effect as of the date first stated on the first page hereof.

GENERAL PARTNER Valiant Telos Inc

By \_\_\_\_\_

Name: Maya Suresh Kannan Balabisegan

Managing Member

## **EXHIBIT A – DEFINITIONS**

As used herein, the following terms have the meanings set forth below:

**“Act”** means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. § 17-101 et seq. in effect on the Initial Closing Date and as it may be amended hereafter from time to time, and any successor statute thereto.

**“Affiliate”** means, with respect to a specified Person: (a) any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person, (b) any Person that is an executive officer, general partner, managing member or director of, or serves in a similar capacity with respect to, the specified Person, or for which the specified Person is an executive officer, general partner, managing member or director, or serves in a similar capacity, or (c) any member of the Immediate Family of the specified Person.

**“Approval”** means the prior affirmative written consent or vote from a majority of the members of the Advisory Committee or, if no Advisory Committee is established or as otherwise expressly required in the Agreement, from a Majority in Interest.

**“Bankruptcy”** means, with respect to any Person, the occurrence of any event specified in Section 17-402(a)(4) or (5) of the Act.

**“Business Day”** means any weekday excluding any legal holiday observed pursuant to United States federal, or Delaware state, law or regulation.

**“Capital Commitment”** means, with respect to any Partner, the amount of each Partner’s “Capital Commitment” as set forth beneath such Limited Partner’s signature to this Agreement.

**“Capital Contribution”** means, with respect to any Partner at any time, a capital contribution made to the Fund by such Partner.

**“Capital Contribution Value”** means, with respect to any Partner at any time, the aggregate amount of cash and the initial Gross Asset Value of any property (other than cash), net of liabilities assumed or taken subject to by the Fund (without duplication), contributed to the Fund by such Partner as of such time.

**“Carried Interest”** means the distributions allocated to General Partner based on the Carried Interest Percentage.

**“Cash Equivalents”** means any of one or more of the following instruments: (i) debt instruments issued or guaranteed by the United States or its agencies maturing within six months or less from the date of acquisition; (ii) commercial paper rated by Moody’s Investors Service or Standard & Poor’s Ratings Services not lower than P-1 or A-1 on the date of acquisition and maturing within six months or less from the date of acquisition, or any unrated securities determined to be comparable thereto by General Partner; (iii) interest bearing deposits in United States branches of United States commercial banks with capital and surplus of at least \$500 million and certificates of deposit issued by banks organized under the laws of a foreign country which banks have branches in the United States and capital and surplus of at least \$500 million; (iv) any Money Market Investments; and (v) any other money market mutual fund so long as such other money market mutual fund has assets of at least \$750 million, which assets consist of (x) obligations of the type described in the foregoing clauses (i) through (iv) and (y) similar quality short-term taxable instruments.

**“Code”** means the United States Internal Revenue Code of 1986, as previously or hereafter amended.

**“Commitment Percentage”** means, with respect to any Partner, that percentage equal to such Partner’s aggregate Capital Commitment divided by the Total Capital Commitments (or relevant subset thereof).

**“Depreciation”** means, for each Fiscal Year or other period, an amount equal to the United States federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for United States federal income tax purposes at the beginning of such Fiscal Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the United States federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period bears to such beginning adjusted tax basis; *provided, however, that* if the United States federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using a reasonable method selected by General Partner.

**“Distribution Percentage”** means, with respect to any Partner for any Investment, a fraction, expressed as a percentage, the numerator of which is the Capital Contribution Value of such Partner, as the case may be, in connection with the acquisition by the Fund of such Investment (and all additional investment therein) and the denominator of which is the sum of the Capital Contribution Values of all the Partners in connection with the acquisition by the Fund of such Investment (and all additional investment therein).

**“ERISA”** means Title I of the United States Employee Retirement Income Security Act of 1974, as previously or hereafter amended.

**“Fund Assets”** means all direct and indirect interests in real and personal property owned by the Fund from time to time, and shall include both tangible and intangible property (including cash).

**“Fund Expenses”** means: (a) the Organizational Expenses; (b) the out of pocket or third party expenses incurred in connection with maintaining the organizational existence of the Fund and General Partner and the continuing operations of the Fund, including the preparation and delivery of reports to the Limited Partners; (c) any fees and expenses of third parties providing services to the Fund such as

custodians, counsel and accountants; (d) expenses relating to the management of the Fund's Investments, including researching any potential investment; (e) any taxes, fees or other governmental charges levied against the Fund or on its income, assets or operations (other than taxes or withholding attributable to a specific Partner); (f) Management Fees; (g) costs of insurance for the benefit of the Fund; (h) costs relating to indemnification or contribution by the Fund as provided under this Agreement; (i) costs of winding up and liquidating the Fund and amounts necessary for the establishment of reasonable reserves; and (j) all other reasonable and legitimate costs and expenses of the Fund in connection with this Agreement; *provided that* "Fund Expenses" shall not include any General Partner Expenses.

**"General Partner Expenses"** means all expenses of General Partner for personnel compensation of any kind, salaries, bonuses, other employee or officer compensation or benefits, rent, travel, entertainment, office rental, office furniture, fixtures, computer equipment, utilities, office supplies, technology or other such expenses.

**"Gross Asset Value"** means, with respect to any asset, the asset's adjusted basis for United States federal income tax purposes, except as follows:

- (a) The initial Gross Asset Value of any asset contributed by a Partner to the Fund shall be the gross Fair Value of such asset.
- (b) The Gross Asset Values of all Fund Assets immediately prior to the occurrence of any event described in subparagraphs (i) through (iv) below shall be adjusted to equal their respective gross Fair Values (taking into account Code Section 7701(g)), as of the following times:
  - (i) the acquisition of an Interest in the Fund (other than in connection with the original execution of this Agreement) by a new or existing Partner in exchange for more than a *de minimis* Capital Contribution, if General Partner reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Partners in the Fund;
  - (ii) the withdrawal of a Partner and/or the distribution by the Fund to a Partner of more than a *de minimis* amount of Fund Assets as consideration for an Interest in the Fund, if General Partner reasonably determines that such adjustment is

necessary or appropriate to reflect the relative economic interests of the Partners in the Fund;

(iii) the liquidation of the Fund within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); and

(iv) at such other times as General Partner shall reasonably determine necessary or advisable in order to comply with the Code.

(c) The Gross Asset Value of any Fund Asset distributed to a Partner shall be the gross Fair Value of such asset on the date of distribution.

(d) The Gross Asset Values of Fund Assets shall be increased or decreased as necessary to reflect any adjustments to the adjusted basis of such assets pursuant to the Code, but only to the extent that such adjustments are taken into account in determining Capital Account amounts pursuant to the Regulations; *provided, however*, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that General Partner reasonably determines that an adjustment pursuant to subparagraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of a Fund Asset has been determined or adjusted pursuant to subparagraph (a), (b) or (d) of this definition of Gross Asset Value, then such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such Fund Asset for purposes of computing Net Income and Net Loss.

**“Immediate Family”** means a Person’s parents, current spouse, parents-in-law, children, siblings and grandchildren and any trust, estate or other estate-planning vehicle, all of the beneficiaries or beneficial owners of which consist of such Person and/or such Person’s parents, current spouse, parents-in-law, children, siblings or grandchildren.

**“Incapacity”** (and **“Incapacitated”**) means, with respect to any Person, the entry of an order of incompetence or of insanity, or the death, dissolution, Bankruptcy or termination (other than by merger or consolidation) of such Person.

**“Initial Closing Date”** means the date of this Agreement.

**“Investment”** means any Portfolio Investment or investment in Cash Equivalents made or to be made by the Fund.

**“IRS”** means the United States Internal Revenue Service.

**“Limited Partner”** means any Person that has been admitted to the Fund as a Limited Partner, Substitute Limited Partner or an additional Limited Partner in accordance with the terms of this Agreement, in such Person’s capacity as such.

**“Limited Partners”** means all such Persons, collectively.

**“LP Percentage”** means 100% less the Carried Interest Percentage.

**“Malfeasance”** means, with respect to any Person, any act or omission which constitutes fraud, bad faith, willful misconduct, gross negligence, violation of any law or breach of this Agreement, as determined by a final non-appealable judgment in a court of law.

**“Marketable Securities”** means Securities that are in a class of Securities traded on a securities exchange or traded over-the-counter.

**“Material Adverse Effect”** means any activity relating to a Limited Partner’s participation in the Fund, if the Limited Partner or General Partner determines: (A) that such activity is reasonably likely to (i) result in a violation of a law, rule or government order, (ii) subject a Portfolio Company, such Limited Partner, the Fund or any Affiliate of the foregoing to any material filing, regulatory requirement or tax, or (iii) result in any Securities or other assets owned by the Fund being deemed to be “plan assets” under ERISA; or (B) that a Limited Partner or any of its Affiliates becomes subject to sanctions regulations from any country, the European Union, the United Nations Security Council or any other such organization that would impact the ability of the Fund to continue transacting with such Limited Partner.

**“Material Breach”** means any of the following with respect to the conduct of General Partner, any Key Individual or any of their Affiliates:

- (a) fraud, bad faith or willful misconduct with respect to the Fund;
- (b) gross negligence or reckless disregard in relation to activities of the Fund;
- (c) a violation of any laws, rules or regulations that has a material adverse financial impact on the Fund;

- (d) a material breach of any of the terms of this Agreement;
- (e) any order, judgment or decree of any court, arbitral tribunal or regulatory authority which materially impairs such Person from carrying on its duties or performing its obligations with respect to the Fund; or
- (f) General Partner of any of its Affiliates is subject to bankruptcy, dissolution, or involuntary reorganization.

**“Money Market Investments”** means an investment by the Fund in (i) securities issued by any government or governmental authority, (ii) bank certificates of deposit, (iii) time deposits, (iv) commercial paper or (v) money market instruments, including money market mutual funds.

**“Net Income”** or **“Net Loss”** means an amount equal to the Fund’s taxable income or loss, as the case may be, with respect to applicable investments or activity, determined in accordance with the principles of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to the Code shall be included in taxable income or loss, as applicable), with the following adjustments (without duplication):

- (a) Any income of the Fund that is exempt from United States federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income and Net Loss shall be added to such taxable income or loss;
- (b) Any expenditures of the Fund described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this definition of Net Income and Net Loss shall be subtracted from such taxable income or loss;
- (c) In the event the Gross Asset Value of any Fund Asset is adjusted pursuant to subparagraph (b) or subparagraph (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;
- (d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for United States federal income tax purposes shall be



computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) To the extent an adjustment to the adjusted tax basis of any asset included in Fund Assets pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Account amounts as a result of a distribution other than in complete liquidation of a Partner's interest in the Fund, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for the purposes of computing Net Income or Net Loss, as applicable;

(f) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year; and

(g) Notwithstanding any other provision of this definition of Net Income and Net Loss, any items which are specially allocated under the terms of the Tax Addendum shall not be taken into account in computing Net Income or Net Loss.

The amounts of the items of Fund income, gain, loss or deduction available to be specially allocated pursuant to the Tax Addendum shall be determined by applying rules analogous to those set forth in this definition of Net Income and Net Loss.

**“Organizational Expenses”** means up to the Organizational Expenses Cap in fees, costs and expenses, including that of counsel to General Partner, incurred in connection with the organization of the Fund and the offering of Partnership Interests.

**“Partner Nonrecourse Debt Minimum Gain”** means the amount determined in accordance with the principles of Regulations Section 1.704-2(i)(3) pertaining to “partner nonrecourse debt minimum gain.”

**“Partners”** means, collectively, General Partner and the Limited Partners, and **“Partner”** means any one or more of the Partners.

**“Partnership Interest”** or **“Interest”** means the entire partnership interest of a Partner in the Fund at any particular time, including without limitation, such Partner’s right to share in Net Income, Net Loss, or similar items of, and to receive distributions from, the Fund, any and all rights to vote, and the rights to any and all benefits to which such Partner is entitled as provided in this Agreement, together with the obligations of such Partner to comply with all of the terms and provisions of this Agreement.

**“Partnership Minimum Gain”** has the meaning assigned to the term “partnership minimum gain” in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

**“Person”** means and includes an individual, a partnership, a limited liability company, a joint venture, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof or any entity similar to any of the foregoing.

**“Portfolio Company”** means any privately owned enterprise in which the Fund makes a Portfolio Investment.

**“Portfolio Investment”** means any direct or indirect investment made by the Fund (other than Investments in Cash Equivalents) in a Portfolio Company.

**“Portfolio Liquidity Results”** means all cash, Marketable Securities and Cash Equivalents then held by the Fund (other than Capital Contributions pending investment), in each case after deducting amounts necessary for the payment of permitted expenses of the Fund and reasonable reserves.

**“Principal Address”** means the address of General Partner set forth on its signature page.

**“Regulations”** means the regulations promulgated by the United States Treasury Department under the Code, as such regulations may be amended from time to time.

**“Securities”** means any of one or more of the following: (a) capital stock; partnership interests; limited liability company interests; interests in any acquisition, venture capital or other investment funds; notes; bonds; debentures; other obligations, instruments or evidences of indebtedness; and other securities and equity interests of whatever kind of any Person, whether readily marketable or

not; (b) any rights to acquire any of the Securities described in clause (a) above; (c) any Securities received by the Fund upon conversion of, in exchange for, as proceeds from the disposition of, as interest on, or as stock dividends or other distributions from, any of the Securities described in clause (a) or (b) above; or (d) any other investments (including, without limitation, “non-traditional” asset investments such as interest-rate sensitive securities, commodities, and futures contracts) made for the specific purpose of hedging any investment in any Securities described in clauses (a) through (c) above.

**“Substitute Limited Partner”** means any transferee of a Limited Partner’s interest in the Fund that has been admitted to the Fund as a Limited Partner by virtue of such transferee receiving all or a portion of a Partnership Interest from a Partner.

**“Total Capital Commitments”** means the aggregate Capital Commitments of all Partners.

**“Unused Capital Commitment”** means, with respect to any Partner and as of any point in time, such Partner’s Capital Commitment less the sum of (A) the Capital Contribution Value of such Partner, plus (B) all amounts such Partner is obligated to contribute to the Fund as of such time pursuant to an outstanding Capital Call Notice. The Unused Capital Commitment is subject to increase in cases of: (i) refund of Capital Contribution Value because the intended Portfolio Investment did not close; and (ii) Recycled Amount increase.

## **EXHIBIT B - REPRESENTATIONS, WARRANTIES AND COVENANTS OF EACH LIMITED PARTNER**

The signatory Limited Partner represents, warrants and covenants to the Fund and General Partner as follows:

1. It understands that the offering is being made without registration of the Interests under the Securities Act of 1933, as amended, or any securities law of any state of the United States or of any other jurisdiction, and is being made only to "Accredited Investors" and/or "Qualified Purchasers" as defined in Section 3(c)(7) of the Investment Company Act of 1940, as amended, and Rule 501 of Regulation D under the Securities Act.
2. It is duly authorized and qualified to become a Limited Partner, and the person(s) executing the Agreement on behalf of the Limited Partner has been duly authorized to execute and deliver the Agreement on behalf of the Limited Partner. The Limited Partner has the full power and authority to execute, deliver and perform its obligations under the Agreement, and to subscribe for the Interests. The Agreement is its legal, valid and binding obligations, enforceable against it in accordance with their respective terms.
3. It is acquiring the Interests for its own account, for investment purposes only, not as a nominee or financial intermediary and not with a view to or for the resale or distribution, and no other person has a direct or indirect beneficial interest therein. If Limited Partner is an entity, such Limited Partner was not, or will not be, formed, reformed or recapitalized for the specific purposes of investing in the Fund, acquiring the Interests or avoiding classification as an "investment company" under the Investment Company Act of 1940, as amended, and has not and will not invest more than forty percent (40%) of its total assets and "committed capital" (including all amounts which have been contributed by its shareholders, partners, members or other equity holders plus all amounts which such persons remain obligated to contribute) in the Fund.
4. It has: (i) such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Fund; and (ii) obtained, in its judgment, sufficient information to evaluate the merits and risks of such investment.
5. The execution and delivery of the Agreement by it, the consummation of the transactions contemplated hereby and thereby, and the performance of its obligations under the Agreement do not and will not conflict with, or result in any violation of or default under, any provision of any charter, bylaws, trust

agreement, partnership agreement or other governing instrument applicable to it, or any agreement or other instrument to which it is a party or by which it or any of its properties are bound, or any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to it or its business or properties.

6. It: (i) has carefully read and understands each and every disclosure, term, condition and provision of the Agreement and has evaluated and hereby consents to the risks of an investment in the Fund; (ii) has relied solely and exclusively on the information contained in this Agreement in deciding whether to invest in the Fund (irrespective of any other materials or information furnished to it in connection with such investment); (iii) has been furnished with any materials relating to the Fund, its operation, the private placement of the Interests, the management experience of General Partner, the senior management personnel of General Partner, and any other matters relating to the Fund and this investment that it has requested; (iv) understands that an investment in the Fund is subject to limited liquidity, and that it has no withdrawal rights with respect to its investment in the Fund; (v) understands that Carried Interest shall be allocated to General Partner and that, to the extent investments of the Fund are distributed in-kind, such distribution shall reflect the fair valuation of such investments as determined by General Partner in its sole discretion; (vi) understands that General Partner has discretion as to how to allocate investment opportunities among the Fund and the third parties invited to participate therein; (vii) understands that it may not sell or otherwise transfer any part of its Interests without the consent of General Partner and compliance with applicable securities laws; (viii) fully understands and agrees that it must bear the economic risk of its investment for an indefinite period of time; and (ix) understands that neither the Fund nor General Partner guarantees the success of an investment in the Fund or that substantial or total losses will not be incurred on such investment.
7. It has been given the opportunity to obtain information concerning the offering, the Fund and all other information to the extent the Fund or General Partner possesses such information or can acquire it without unreasonable effort or expense, and have been given the opportunity to ask questions of,

and receive answers from, all of which have been to its complete satisfaction, the Fund and General Partner concerning the terms and conditions of the offering and other matters pertaining to this investment.

8. It has made its own decision to make an investment, and has not relied on any advice, statement, representation or other information to make such investment in the Fund by the Fund, General Partner or any affiliate thereof.
9. It has determined that (A) the Fund is a suitable investment for it and that it has the financial ability to bear the economic risk of its investment in the Fund (including the possible complete loss of its investment), has adequate means of providing for its current needs, financial contingencies and cash flow requirements and has no need for liquidity with respect to an investment in the Fund, and (B) an investment in the Fund is consistent with its investment purposes and objectives, as well as its need for diversification and liquidity in its overall portfolio.
10. It agrees, understands and acknowledges the due diligence in which it has engaged concerning the Fund and General Partner, and their respective affiliates, has been comprehensive and exhaustive to its complete satisfaction, and there are no other facts or circumstances that have, or would have, any bearing on its decision to invest in the Fund.
11. It agrees, understands and acknowledges that neither the Fund nor General Partner guarantees any level of investment performance, and that past performance is not an indication of future earnings or performance.
12. It agrees, understands and acknowledges that all forward-looking statements, estimates, forecasts and projections set forth in any material provided to it and any other information provided verbally or written or electronic format, which may be identified by the use of forward-looking terminology such as, but not limited to, “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon or other comparable terminology (collectively, the “**Information**”) are based on various estimates and assumptions of the Fund and General Partner which are inherently uncertain and cannot be relied upon as statements of actual performance,

which could differ materially as a result of the risk factors and other matters discussed in the Information.

13. It agrees, understands and acknowledges that its investment in the Fund is not based on its reliance on any forward-looking statements, including any estimate, forecast or projections in the Information, and that due to various risks and uncertainties, including those described in the Information, actual events or results and the performance of the Fund may differ materially and substantially from those reflected or contemplated in the Information, and that the Fund does not have any operating history, investment history or track record, and that the Fund makes no representation or warranty as to future performance or any forward-looking statements.
14. Limited Partner shall keep confidential and shall not disclose without the prior written consent of General Partner all confidential information relating to the Fund, its affiliates or any of its investments which include the terms and conditions of this Agreement and related agreements, provided that a Limited Partner may disclose any such information: (i) as has become generally available to the public other than as a result of a breach of this Agreement by any party; (ii) as may be required by any law or order; (iii) to the extent necessary to exercise or assert any rights that such Limited Partner may have relating to this Agreement; or (iv) to its employees and professional advisors, so long as such Persons are bound by duties of confidentiality.
15. It agrees, understands and acknowledges that the Fund will hold assets in the name of the Fund, that no assets will be held in the name of the signatory Limited Partner, and that its percentage ownership of the Fund does not necessarily result in the same percentage of proceeds to which it may receive by way of distribution or at liquidation of the Fund, such that, for example, if its percentage ownership of the Fund is ten percent, it may receive by way of distribution or liquidation less than ten percent of the proceeds available for distribution or at liquidation.
16. It agrees, understands and acknowledges that General Partner manages the affairs of the Fund and not any investment for it, such that no “managed account” or similar advisory services will be offered to it.

17. It agrees, understands and acknowledges that its investment in the Fund may be used to pay for costs, fees, and expenses of the Fund, General Partner, thereby limiting the amount available for investment purposes.
18. It agrees, understands and acknowledges that it is not intended for the Fund to register under the Investment Company Act of 1940, as amended, or pursuant to the laws of any other jurisdiction, such that the provisions of those statutes (which may provide certain regulatory safeguards to it) will not be applicable and that it nonetheless has made an independent determination after an opportunity to consult with competent professionals to proceed with an investment in the Fund.
19. It understands that because General Partner is eligible to receive Carried Interest from the Fund, General Partner may have incentives to invest in more speculative investments than General Partner otherwise would.
20. It has a pre-existing and substantive relationship with General Partner and/or the affiliates thereof.
21. Limited Partner is not subject to any statute or regulation of any jurisdiction which would allow members of the public the ability to view or obtain any records or information regarding its investment in the Fund or any other information relating to the Fund not otherwise made publicly available by General Partner.
22. If Limited Partner is not a United States person (as defined by Section 7701(a)(30) of the Code), such Limited Partner hereby represents that it has satisfied itself as to the full observance of the laws of its jurisdiction in connection with the subscription under this Agreement, including (i) the legal requirements within its jurisdiction for the purchase of the Interests, (ii) any foreign exchange restrictions applicable to such purchase, (iii) any governmental or other consents that may need to be obtained, and (iv) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, or transfer of the Interests. The Limited Partner's subscription and payment for and continued beneficial ownership of the Interests will not violate any applicable securities or other laws of Limited Partner's jurisdiction.



- 23.If Limited Partner is a non U.S. Person: (i) it is not acquiring the Interests for the account or benefit of any U.S. Person, nor as part of a plan or scheme to evade the registration requirements of the Securities Act; (ii) Limited Partner did not receive an offer to purchase the Interests in the U.S.; (iii) it is outside of the U.S. when receiving, executing and delivering this Agreement; (iv) it has not received, and is not aware of, any advertisement in a publication with a general circulation in the U.S. (as defined in Rule 902) that refers to the offer or sale of the Interests; and (v) it acknowledges that it is not acquiring the Interests as a result of, and will not engage in, any "directed selling efforts" (as defined in Rule 902) in the U.S. in respect of any of the Interests.
- 24.If Limited Partner is a non U.S. Person, Limited Partner agrees it will not resell or offer to resell its Interests, or any portion thereof, except in accordance with the terms of this Agreement and in accordance with Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration under the Securities Act and otherwise in compliance with all applicable securities laws.
- 25.Limited Partner is not and has not been the subject of any "bad actor disqualifying event," as described in the Rule 506(d) of Regulation D promulgated under the Securities Act, and hereby agrees to promptly notify the General Partner if Limited Partner becomes subject to such disqualifying event.

## **EXHIBIT C - TAX ADDENDUM: U.S. TAX PROVISIONS**

### **1. Capital Accounts.**

1.1 The Fund shall establish and maintain a separate capital account (“**Capital Account**”) for each Partner on the Fund’s books and records in accordance with the capital accounts maintenance provisions of the Regulations (Section 1.704-1(b)(2)(iv)) and the following provisions:

(a) To each Partner’s Capital Account, there shall be added (i) such Partner’s Capital Contribution Value, (ii) such Partner’s allocable share of Net Income and any other items in the nature of income or gain that are specially allocated for book purposes to such Partner under the provisions of this Agreement, and (iii) the amount of any Fund liabilities assumed by such Partner or which are secured by any property distributed to such Partner.

(b) From each Partner’s Capital Account there shall be subtracted (i) the amount of (A) cash and (B) the Gross Asset Value of any other Fund Assets distributed to such Partner pursuant to any provision of this Agreement, (ii) such Partner’s allocable share of Net Loss and any other items in the nature of expenses or losses that are specially allocated for book purposes to such Partner, and (iii) liabilities of such Partner assumed by the Fund or which are secured by any property contributed by such Partner to the Fund unless already accounted for in Partner’s Capital Account.

(c) In the event any Interest in the Fund is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest. In the case of a sale or exchange of an Interest in the Fund at a time when an election under Code Section 754 is in effect, the transferee Partner’s Capital Account shall not be adjusted to reflect the adjustments to the adjusted tax basis of Fund Assets required under Code Sections 754 and 743, except as otherwise required or permitted by Regulations Section 1.704-1(b)(2)(iv)(m).

(d) In the event the Gross Asset Value of any Fund Asset is adjusted pursuant to this Agreement, the Capital Accounts of all Partners will be adjusted simultaneously to reflect the aggregate net adjustment as if the Fund had recognized gain or loss equal to the amount of such aggregate net adjustment and the resulting gain or loss had been allocated among the Partners in accordance with this Agreement.

(e) In determining the amount of any liability for purposes of clauses (a) and (b) above, there shall be taken into account any applicable provisions of the Code and Regulations.

1.2 The foregoing provisions of this Tax Addendum and the other provisions hereof relating to the maintenance of Capital Accounts are intended to comply with the capital accounts maintenance provisions of the Regulations (Sections 1.704-1(b) and 1.704-2) and are to be interpreted and applied in a manner consistent with such Regulations.

1.3 If the Fund, as determined by General Partner, determines that it is prudent to modify the manner in which any debits or credits are made to the Capital Accounts (including debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Fund or any Partner), then the Fund shall make such modification, but only if it is not likely to have a material effect on the amounts distributed to any Person upon the dissolution of the Fund.

1.4 The Fund shall, as determined by General Partner, (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of capital reflected on the Fund's balance sheet, as computed for book purposes (in accordance with Regulations Section 1.704-1(b)(2)(iv)(q)), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with the capital accounts maintenance provisions of the Regulations (Section 1.704-1(b)).

1.5 Notwithstanding any contrary provision in this Agreement, General Partner may disapprove a transfer if: (a) such transfer would, in the opinion of counsel to the Fund, cause the Fund to cease to be classified as a partnership for United States federal or state income tax purposes; (b) such transfer would require the registration of such transferred Interest pursuant to any applicable United States federal or state securities laws; (c) such transfer would cause the Fund to become a "Publicly Traded Partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code; (d) such transfer would constitute a non-exempt prohibited transaction under the "plan asset" regulations of ERISA; or (e) such transfer would result in a violation of applicable laws.

2. **General Allocations of Net Income and Net Loss.** After taking into account the special allocations set forth in this Tax Addendum, Net Income and Net Loss for each Fiscal Year are to be allocated among the Partners in the manner that will result in the Capital Account balance for each Partner being, as closely as possible, proportionately equal to the excess of (i) the amount that would be distributable to such Partner if the Fund were dissolved, its affairs wound up and (A) all Fund Assets were sold on the last day of the Fiscal Year for cash equal to their respective Gross Asset Values (except that Fund Assets actually sold during such Fiscal Year are to be treated as sold for the consideration received therefor), (B) all Fund liabilities were satisfied (limited, with respect to each “partner nonrecourse liability” and “partner nonrecourse debt,” as defined in Regulations Section 1.704-2(b)(4), to the Gross Asset Value of the Fund Assets securing such liabilities), and (C) the net assets were immediately distributed in accordance with the “Liquidation and Final Distribution of Proceeds” provision of this Agreement to the Partners, over (ii) the sum of (A) the amount (if any) which such Partner would be obligated to contribute to the capital of the Fund and (B) such Partners’ share (if any) of Partnership Minimum Gain and Partner Nonrecourse Debt Minimum Gain, all computed immediately prior to the hypothetical sale of Fund Assets. General Partner shall have the power to amend this Agreement without consent of the other Partners as it considers advisable to make the allocations and adjustment described in this Tax Addendum.

3. **Special Allocations.** Notwithstanding the other provisions of this Tax Addendum, if necessary, the Fund will make special allocations to comply with (a) the chargeback of Partnership Minimum Gain (under Regulations Section 1.704-2(f)), (b) the chargeback of Partner Nonrecourse Debt Minimum Gain (under Regulations Section 1.704-2(i)), and (c) the “qualified income offset” provisions of the Regulations (Section 1.704-1(b)(2)(ii)(d)). The allocations set forth in the prior sentence (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations regarding a partner’s distributive share (Code Section 704(b) and the applicable regulations) and are to be interpreted consistently therewith. General Partner is authorized to make supplementary allocations of Fund income, gain, loss or deduction in order to offset Regulatory Allocations made so that, to the extent possible, the net amount of allocations of Net Income and Net Loss and the Regulatory Allocations (including Regulatory Allocations that, although not yet made, are expected to be made in the future) to

each Partner will equal the net amount of allocations that would have been allocated to such Partner if the Regulatory Allocations had not been made.

#### **4. Tax Allocations.**

4.1 Except as provided in Section 4.2 of this Tax Addendum, for income tax purposes under the Code and the Regulations each Fund item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of “book” income, gain, loss or deduction is allocated in accordance with this Agreement; except that, if such allocation is not permitted by the Code or other applicable law, then the Fund’s subsequent income, gains, losses, deductions and credits for income tax purposes are to be allocated among the Partners so as to reflect as nearly as possible the allocation set forth herein in computing their respective Capital Accounts.

4.2 Tax items with respect to Fund assets that are contributed to the Fund with a Gross Asset Value that varies from its basis in the hands of the contributing Partner immediately preceding the date of contribution shall be allocated between the Partners for income tax purposes pursuant to Regulations promulgated under Code Section 704(c) so as to take into account such variation under any reasonable method approved under Code Section 704(c) and the applicable Regulations. If the Gross Asset Value of any Fund asset is adjusted pursuant to clause (b) of the definition of “Gross Asset Value”, subsequent allocations of income, gain, loss and deduction with respect to such Fund asset shall take account of any variation between the adjusted basis of such Fund asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations promulgated thereunder under any reasonable method approved under Code Section 704(c) and the applicable Regulations. Allocations pursuant to this section are solely for purposes of federal, state and local income taxes and shall not affect, or in any way be taken into account in computing, any Partner’s Capital Account or share of Net Income, Net Loss and any other items or distributions pursuant to any provision of this Agreement.

4.3 Net Income, Net Loss and any other items of income, gain, loss or deduction are to be allocated to the Partners as of the last day of each Fiscal Year and at such

times as the Gross Asset Values of Fund Assets are adjusted pursuant to paragraph (b) of the definition of Gross Asset Value.

4.4 If any Interest is transferred in compliance with this Agreement, all items of income, gain, loss or deduction and all other items (including any extraordinary items) attributable to such Interest shall be allocated between the transferor and the transferee in accordance with the Code using any method or convention permitted by law that is equitable to the Partners.

4.5 Each Partner acknowledges the income tax consequences of the allocations made by this Tax Addendum and shall report such Partner's share of Fund income and loss for income tax purposes in a manner consistent with this Tax Addendum

## **5. Partnership Representative.**

5.1 The Partnership Representative shall serve as the "partnership representative" for purposes of Code Section 6223; provided, however, that the Partnership Representative shall always be supervised by, and act under the direction of, General Partner and General Partner shall have the authority, in its sole discretion, to cause the Fund to designate a new Partnership Representative at any time and for any reason. The Fund shall notify the IRS of any change in Partnership Representative in the manner and at the time that the IRS requires; the former Partnership Representative shall cooperate with General Partner in making any necessary filings with the IRS regarding such change. The Partnership Representative may resign in its sole discretion at any time, and General Partner shall designate a new Partnership Representative promptly upon any such resignation.

5.2 In all situations, without regard to the specific elections made, each Partner agrees to reasonably cooperate with the Partnership Representative, the Fund, and other Partners by providing such information and taking such actions as may be reasonably necessary to mitigate, to the fullest extent possible, the potential tax

exposure of the Fund as well as the potential tax exposure of the other Partners relating to the Fund.

5.3 Any taxes, penalties, and interest payable by the Fund or any entity disregarded for United States income tax purposes in which the Fund owns an interest under Subchapter C of Chapter 63 of Subtitle F of the Code and the Regulations (“**Partnership Audit Procedures**”) shall be treated as specifically attributable to the Partners, and the Partnership Representative (in consultation with General Partner) shall use reasonable best efforts to allocate the burden of (or any diminution in distributable proceeds resulting from) any such taxes, penalties or interest to those Partners to whom such amounts are specifically attributable (whether as a result of their status, actions, inactions or otherwise), as determined by the Partnership Representative (in consultation with General Partner). Notwithstanding the foregoing, such apportionment of liability shall also take into account the extent to which the Fund’s imputed underpayment was modified by adjustments under Code Section 6225(c) (to the extent approved by the IRS) and attributable to (x) a particular Partner’s tax classification, tax rates, tax attributes, the character of tax items to which the adjustment relates, and similar factors, or (y) the Partner’s filing of an amended return or complying with the “alternative procedure” to filing an amended tax return for the Partner’s taxable year that includes the end of the Fund’s reviewed year and payment of required tax liability in a manner that complies with Code Section 6225(c)(2). In connection with the foregoing, to the extent that the Fund is assessed amounts under the Partnership Audit Procedures, each current or former Partner to which the assessment relates shall remit to the Fund, within 30 days’ written notice by the Partnership Representative, an amount equal to such Partner’s allocable share of the assessment, including such Partner’s allocable share of any interest imposed on the Fund. These procedures shall also apply to any state, local or foreign tax audit regime that centralizes the conduct of a tax audit of the Fund. The Partnership Representative shall serve in a similar capacity for any such audit.

5.4 The provisions of this section shall survive the dissolution of the Fund, the withdrawal of any Partner from the Fund and the transfer of any Partner’s Partnership Interest in the Fund.