

(vi) all or any portion of any Capital Commitment that the General Partner has the right to require such Limited Partner to fund, including to cover anticipated capital calls and to cover any over-commitment to the Master Fund, pursuant to such Limited Partner's Subscription Agreement or this Agreement.

Any amounts so set off or withheld pursuant to this Section 7.04 shall be applied by the General Partner to discharge the obligation or contingent obligation in respect of which such amounts were withheld.

(b) Notwithstanding anything else contained in this Agreement, all amounts that the General Partner determines in good faith to be properly withheld or otherwise paid by any Person on behalf of any Partner pursuant to any provision of any U.S. federal, state, local or non-U.S. tax law shall be treated as if such amounts were distributed to such Partner pursuant to Section 7.01. Each Limited Partner shall, to the fullest extent permitted by applicable law, indemnify and hold harmless the Partnership, any Indemnified Person and each Person who is or who is deemed to be the responsible withholding agent for United States federal, state or local or foreign or other applicable income tax purposes against all claims, liabilities and expenses of whatever nature (other than any claims, liabilities and expenses in the nature of penalties thereon that result from such Person's willful misfeasance, gross negligence or fraud) relating to the Partnership's, the Indemnified Person's or such Person's obligation to withhold and to pay over, or otherwise to pay, any withholding or other taxes payable by the Partnership or any of its Affiliates with respect to such Limited Partner or as a result of such Limited Partner's participation in the Partnership.

**Section 7.05.** *Establishment of the Funding Reserve.* The General Partner, in its discretion, may, in accordance with Section 5.02, call for Capital Contributions or withhold amounts otherwise distributable to the Limited Partners to permit the Partnership to establish and maintain for the life of the Partnership a cash reserve (the "**Funding Reserve**") in an amount of up to approximately 10% of aggregate Remaining Capital Commitments to the Partnership. Such amounts will be invested in U.S. Treasury or money market instruments or other high quality short-term investments. The General Partner may use the Funding Reserve to permit the Partnership to temporarily fund all, or a portion of, any capital calls by the Master Fund and Feeder Fund Expenses in advance of the receipt of such amounts from the Limited Partners and to cover Defaults by Limited Partners. The use of any portion of the Funding Reserve to fund any Event of Default by a Limited Partner shall not in any way mitigate the consequences to such Limited Partner of its Event of Default.

**Section 7.06.** *Valuation.* In determining the value of any asset, liability, distribution, contribution or expense of the Partnership (with respect to any of them, its "**Value**") and in calculating the Net Asset Value of the Partnership, the following will apply:

(a) The Investment Manager (or such other Person appointed or contracted to do so) shall on behalf of the General Partner determine the Value of any Partnership asset, liability, distribution, contribution or expense in good faith and in its sole discretion in any manner that is not inconsistent with industry custom based on available information it considers relevant and, at the end of each Fiscal Year and at such other times as determined by the General Partner in its full discretion, shall determine the Net Asset Value of the Partnership.