

made to the Limited Partners for the purpose of funding any obligations of the Master Fund and any follow-on investments and (iii) distributions made to the Limited Partners to the extent of funded advances used to fund drawings of the “**General Partner’s Share**” (as defined in the Master Fund Partnership Agreement) or pay organizational expenses and other expenses of the Master Fund. Accordingly, the Onshore Feeder Fund may be required to make capital contributions in excess of its commitment, and to the extent such recalled or retained amounts are reinvested in investments, the Feeder Funds will remain subject to investment and other risks associated with such investments.

The Onshore Feeder Fund has the right to recall capital contributions to (i) to meet the Onshore Feeder Fund’s obligations to fund recalls of capital contributions of the Master Fund, (ii) to meet the Onshore Feeder Fund’s over-commitment obligations, (iii) to satisfy any shortfall resulting from a Limited Partner’s default, (iv) to pay expenses of the Feeder Funds (including Onshore Feeder Fund Management Fees and all amounts payable under a credit facility, if any), (v) to satisfy indemnification and other obligations (including recalls of capital by the Master Fund in respect of indemnification obligations), (vi) to maintain a funding reserve or (vii) to meet any withholding or other tax liability.

Consequences of Default. A default by a Limited Partner on its obligation to make a required capital contribution when such contribution is due that is not cured on a timely basis may result in loss of all or a substantial part of the Limited Partner’s investment in a Feeder Fund, as well as other remedies. A default by one Limited Partner could have material adverse consequences on other Limited Partners. In the event of a default, non-defaulting Limited Partners may be required to fund the portion of the defaulting Limited Partners’ capital contribution that is in default, and such amounts may exceed the non-defaulting Limited Partners’ Capital Commitments.

ERISA Considerations and Risks Arising from Provision of Managerial Assistance. The Onshore Feeder Fund will use its reasonable best efforts to conduct its affairs and operations so that none of its assets will be deemed to be treated as “plan assets” that are subject to the fiduciary responsibility provisions of ERISA, or the prohibited transaction provisions of ERISA or Section 4975 of the Code. The Onshore Feeder Fund intends to limit investment by Benefit Plan Investors so that investment by Benefit Plan Investors in the Onshore Feeder Fund is not considered “significant,” as determined in accordance with the Section 3(42) of ERISA and the Plan Asset Provisions. Investment by Benefit Plan Investors is considered “significant” if Benefit Plan Investors hold 25% or more of any class of equity interest in an entity.

If the Onshore Feeder Fund fails to comply with an exception to the look-through provisions of the Plan Asset Provisions, the assets of the Onshore Feeder Fund may be treated as plan assets for purposes of ERISA or Section 4975 of the Code, in which event the General Partner (and any other person with discretionary authority with respect to the assets of the Onshore Feeder Fund) could be treated as a fiduciary with respect to the portion of the assets of the Onshore Feeder Fund deemed to be plan assets and all