BVB INVESTMENT FUND, L.P.

a Delaware Limited Partnership

$100,000,000

THE LIMITED PARTNERSHIP INTERESTS IN THE FUND OFFERED HEREBY (THE "INTERESTS") HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO "U.S. PERSONS" (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. HEDGING TRANSACTIONS INVOLVING THE INTERESTS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT AND THE LIMITED PARTNERSHIP AGREEMENT OF THE FUND.

PRIVATE PLACEMENT MEMORANDUM

JULY 2008

CONFIDENTIAL

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BVB INVESTMENT FUND, L.P.

Limited Partner Interests

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM") IS BEING FURNISHED TO PROSPECTIVE INVESTORS ON A CONFIDENTIAL BASIS TO CONSIDER AN INVESTMENT IN BVB FUND, L.P. (TOGETHER WITH ANY PARALLEL INVESTMENT ENTITIES (AS HEREINAFTER DEFINED) THAT MAY BE ESTABLISHED, THE "FUND AND MAY NOT BE USED FOR ANY OTHER PURPOSE. THIS MEMORANDUM MAY NOT BE REPRODUCED OR PROVIDED TO OTHERS WITHOUT THE PRIOR WRITTEN PERMISSION OF BVB FUND GP, L.P. (THE ''GENERAL PARTNER''. EACH RECIPIENT AGREES TO KEEP ALL INFORMATION CONTAINED HEREIN CONFIDENTIAL AND TO USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN THE FUND. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES OFFERED AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED OR APPROVED OR DISAPPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS ARE OFFERED SUBJECT TO THE RIGHT OF THE GENERAL PARTNER TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART. IF THE GENERAL PARTNER REJECTS A SUBSCRIPTION, THE PROSPECTIVE INVESTOR WILL BE NOTIFIED AS SOON AS IS PRACTICABLE.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT (THE ''SECURITIES ACT''), OR THE SECURITIES LAWS OF CERTAIN STATES OR OTHER JURISDICTIONS AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. THE SECURITIES OFFERED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS, PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTION THEREFROM. THE LIMITED PARTNERSHIP AGREEMENT OF THE FUND (THE "FUND AGREEMENT") ALSO IMPOSES RESTRICTIONS ON TRANSFERABILITY. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

INVESTMENT IN THE INTERESTS WILL INVOLVE SIGNIFICANT RISKS DUE TO, AMONG OTHER THINGS, THE NATURE OF THE FUND'S INVESTMENTS SOME OF WHICH ARE DISCUSSED UNDER "INVESTOR CONSIDERATIONS." INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISKS AND LACK OF LIQUIDITY THAT ARE CHARACTERISTIC OF THE INVESTMENT DESCRIBED HEREIN. THERE WILL BE NO PUBLIC MARKET FOR THE INTERESTS, AND THEY WILL NOT BE TRANSFERABLE WITHOUT THE CONSENT OF THE GENERAL PARTNER.

THE INTERESTS ARE BEING OFFERED SUBJECT TO VARIOUS CONDITIONS, INCLUDING: (I) WITHDRAWAL, CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE; (II) THE RIGHT OF THE GENERAL PARTNER TO REJECT ANY SUBSCRIPTION FOR INTERESTS, IN WHOLE OR IN PART, FOR ANY REASON; AND (III) THE APPROVAL OF CERTAIN MATTERS BY LEGAL COUNSEL. EACH PROSPECTIVE INVESTOR IS RESPONSIBLE FOR ITS OWN COSTS IN CONSIDERING AN INVESTMENT IN INTERESTS. NEITHER THE GENERAL PARTNER NOR THE FUND SHALL HAVE ANY LIABILITY TO A PROSPECTIVE INVESTOR WHOSE SUBSCRIPTION IS REJECTED OR PREEMPTED.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT OR OTHER ADVICE. EACH INVESTOR SHOULD MAKE ITS OWN INQUIRIES AND CONSULT ITS OWN ADVISORS AS TO THE FUND AND THIS OFFERING AND AS TO ANY LEGAL, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT.

THIS MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE FUND AGREEMENT OF THE FUND AND THE SUBSCRIPTION AGREEMENT RELATED THERETO, COPIES OF WHICH WILL BE MADE AVAILABLE UPON REQUEST AND SHOULD BE REVIEWED PRIOR TO PURCHASING INTERESTS IN THE FUND. NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS MEMORANDUM. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY OTHER TIME SUBSEQUENT TO SUCH DATE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. THE GENERAL PARTNER AND ITS AFFILIATES RESERVE THE RIGHT TO MODIFY ANY OF THE TERMS OF THE OFFERING AND THE INTERESTS DESCRIBED HEREIN. FURTHER NO THIRD PARTY HAS ASSUMED RESPONSIBILITY FOR INDEPENDENTLY VERIFYING THE INFORMATION HEREIN AND ACCORDINGLY NO SUCH PERSON MAKES ANY REPRESENTATION WITH RESPECT TO THE ACCURACY OR COMPLETENESS OR REASONABLENESS OF THE INFORMATION HEREIN.

THE OFFERING OF INTERESTS HAS BEEN STRUCTURED SUCH THAT NEITHER THE GENERAL PARTNER NOR THE FUND HAS TO REGISTER UNDER THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, OR THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

CERTAIN STATEMENTS MADE THROUGHOUT THIS DOCUMENT THAT ARE NOT HISTORICAL FACTS MAY CONTAIN FORWARD-LOOKING STATEMENTS REGARDING THE FUND'S AND, IN SOME CASES, A PORTFOLIO COMPANY'S FUTURE PLANS, OBJECTIVES AND EXPECTED PERFORMANCE. ANY SUCH FORWARD-LOOKING STATEMENTS ARE BASED ON ASSUMPTIONS THAT THE FUND AND/OR THE PORTFOLIO COMPANY (AS THE CASE MAY BE) BELIEVES ARE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS AND UNCERTAINTIES AND, THEREFORE, THERE CAN BE NO ASSURANCE THAT ACTUAL RESULTS MAY NOT DIFFER FROM THOSE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. FOR A DISCUSSION OF SOME OF THE RISKS, SEE "INVESTOR CONSIDERATIONS."

AN INVESTMENT IN THE FUND MAY BE SUBJECT TO INCREASING REGULATIONS AND GOVERNMENTAL OVERSIGHT, INCLUDING, FOR EXAMPLE, THE UNITED STATES BANK SECRECY ACT AND THE USA PATRIOT ACT OF 2001 INCLUDING THEIR RESPECTIVE IMPLEMENTING REGULATIONS WHICH, AMONG OTHER THINGS, CONSTITUTE THE ANTI-MONEY LAUNDERING REGULATIONS. THERE CAN BE NO ASSURANCE THAT SUCH RULES WILL NOT REQUIRE VARIOUS INVESTOR DISCLOSURES TO, AMONG OTHERS, DOMESTIC AND FOREIGN GOVERNMENTAL AUTHORITIES.

FOR INFORMATION RELATING TO THE SECURITIES LAWS OF CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES, SEE "NON-U.S. OFFERING LEGENDS**."**

EACH INVESTOR THAT ACQUIRES INTERESTS WILL BECOME SUBJECT TO THE FUND AGREEMENT AND AN APPLICABLE SUBSCRIPTION AGREEMENT. IN THE EVENT ANY TERMS OR PROVISIONS OF SUCH FUND AGREEMENT OR SUBSCRIPTION AGREEMENT CONFLICT WITH THE INFORMATION CONTAINED IN THIS MEMORANDUM, SUCH FUND AGREEMENT OR SUBSCRIPTION AGREEMENT SHALL CONTROL.

BVB Investment Fund, L.P.

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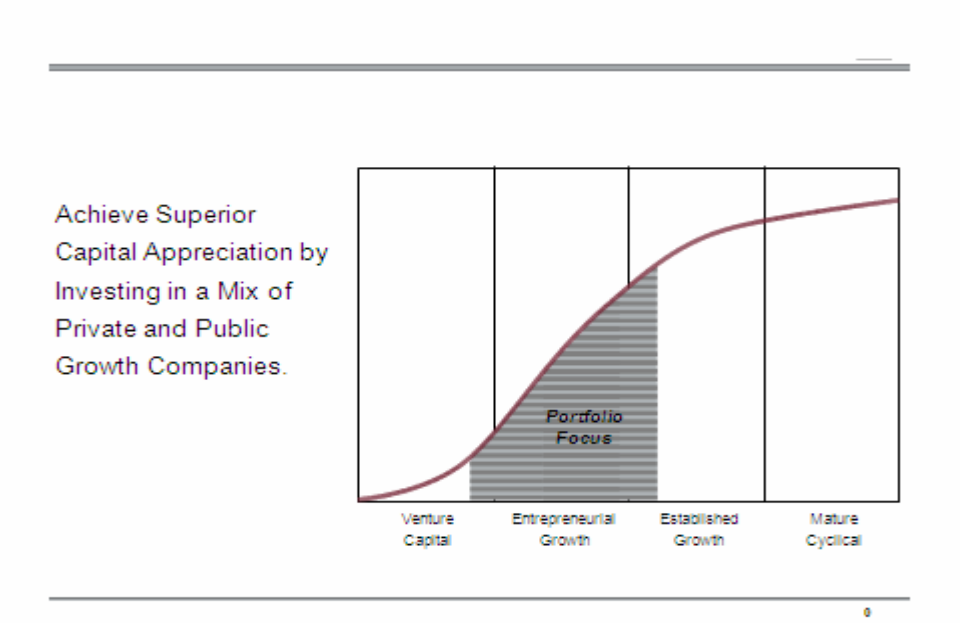
Executive Summary

BVB Capital Group is a private equity firm established in 2008 by Marco Bonilla, Glenn Norem and Rob Van Naarden, to seek superior long-term capital appreciation through investments in emerging growth businesses positioned in front of major waves of growth opportunity. The experience BVB Members have gained by active investing across economic, business and technology cycles over the last 25+ years should enable the firm to make informed judgments with respect to investment selection, operating decisions and exit opportunities.

BVB Investment Fund, L.P. ("Fund" or "BVB") is being established with a target of $100 million of committed capital and intends to focus its equity and buyout investment activities on industries and sectors in which it has knowledge.

BVB Capital Group's Investment Focus



The Fund anticipates investing in all stages of development of technology companies. Early-stage investments will generally focus on company formation around breakthrough technologies.

The principals believe their years of operating management, investment management, private equity and venture capital experience are strong resources. BVB believes that sourcing, incubating, developing, growing and realizing returns through early stage and emerging companies can yield superior returns.

The Fund's investment objective is to generate superior returns by investing in a mix of:

- Emerging early stage venture capital

- Later stage venture capital
- Corporate partner equity positions
- Small undervalued public companies

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We see areas of special interest in, but not limited to, the following sectors:

- Advanced Lighting Technologies
- Alternative/Renewable Energy
- Artificial Intelligence
- Cleantech
- Data Infrastructure & Database Solutions
- Data Mining Solutions
- eCommerce & Web-based Application Delivery
- Electric and Plug-In Hybrid Vehicles
- Energy Storage
- Mobility
- On Demand Software
- Power Control & Management
- Utility-Scale Solar Power Technologies

Management of the Fund

BVB Partners, LLC (the General Partner) is responsible for the management of the Fund. The Managing Members of the General Partner are:

Marco Bonilla – Mr. Bonilla is a former Senior Partner with Deloitte & Touche, as well as a successful entrepreneur and executive with multinational and Fortune 100 companies, which included Coulter Electronics, ITT, Ericson, KPMG and Tyco International. He also served as senior advisor to numerous CXO and board level executives in Europe, North America, and South America. Mr. Bonilla started his first engineering company upon graduating as an electrical engineer. As an entrepreneur, he has also established a number of successful businesses, and has held general management and operating positions as President, Executive Vice-President, Director and Manager. He was a Senior Vice-President for one of the largest business process outsourcing companies in the financial sector, Creditek. He holds a BS in electrical engineering from the University of Costa Rica and an MBA degree in finance from the Wharton School, University of Pennsylvania, and was the recipient of a Wharton Fellowship.

Glenn Norem – Mr. Norem is the Executive Chairman of B2B Catalyst, LLC. B2B Catalyst provides merger and acquisition consulting and business advisory services to small and mid-cap public companies in the electronics, software, and communications industries. Prior to B2B Catalyst in 1990, he was a general partner for two venture capital firms focused on start-up and early-stage companies. Portfolio companies included: Silicon Graphics, Convex Computer, Xilinx, Crystal Semiconductor, Proteon, Telinq, ProNet, Network Equipment Technology, Radius, Benchmarq Microelectronics, Stratacom, Cyrix, Ventritex, Salutar, Glycomed, Ligand, and Menlo Care.

Mr. Norem also serves as a Managing Partner of LoneStar CAPCO Fund, LLC, a Texas certified capital company. The LoneStar CAPCO Fund secures debt and equity investments in early-stage and growth businesses located in Texas. Mr. Norem serves on the Board of Directors of MWave, Inc. (NASDAQ: MWAV). He has served as Executive Chairman of eeParts, Inc. eeParts is a leading supply-chain systems and services provider for multi-national, electronic equipment manufacturers with operations in the United States and China. Mr. Norem was a co-founder of ViewCast, Inc. (NASDAQ: VCST), the developer and supplier of streaming media technology for Microsoft, SUN Microsystems, Yahoo's Broadcast.com and Real Networks.

Mr. Norem served on the AeA (the American Electronics Association) National Board of Directors, as chairman of AeA's Texas Council and as co-chair of the AeA Texas Economic Development Committee. Prior to venture capital investing, Mr. Norem held positions as corporate business development manager for Texas Instruments and IBM.

Mr. Norem received a BS degree in Electrical Sciences & Systems Engineering from Southern Illinois University (a recipient of its Distinguished Alumni Award); and an MBA from the University of Chicago's Graduate School of Business.

Rob Van Naarden – Mr. Van Naarden co-founded BVB Capital Group in 2008. He serves on the Board of Immersion Corp (Nasdaq: IMMR). He was formerly in senior management positions in several start–ups and turnaround situations including several CEO roles: Authentidate and Empire Kosher Poultry. He received a BS in Physics from the University of Pittsburgh, a BSEE also from the University of Pittsburgh, a MSEE from Northeastern University, a MS in Computer Science from Northeastern University, a PhD in Physics and Magneto Hydro-Dynamics from the University of Pittsburgh (course work only no thesis completed) and attended the University of Pennsylvania's Wharton School for the Executive MBA program.

Investment Advisory Board

BVB has established an experienced Investment Advisory Board (the IAB) whose primary role includes providing advice to the General Partner as well as resolving issues related to potential conflicts of interest. In addition the duties of this group will include (a) a quarterly review of the asset valuation determined by the General Partner, (b) an annual review of the audit report and (c) ongoing review of potential investment opportunities.

Each member of the IAB member brings perspective, experience and a large network of business and professional contacts to assist the Fund in various ways. The IAB may be expanded in the future. The IAB currently includes:

Ed Zander – Mr. Zander is the recently retired Chairman and CEO of Motorola. Prior to Motorola he was COO and President of Sun Microsystems. He has also held senior management roles as a General Partner and Managing Director at Silver Lake Partners, one of the largest technology funds in the United States, as well as Vice President of Marketing at Apollo Computer and as Vice President of Product Marketing at Data General. He graduated with a BS degree in Electrical Engineering from Reneselear Polytechnic Institute in Troy, NY.

David Bellet – Mr. Bellet is the founder and retired Chairman of Crown Advisors, Ltd. During his 37-year investment career, he was an early investor in a broad spectrum of emerging private and public growth companies. Private companies financed included Ciena, Compaq Computer, Convex, Lotus Development and Mentor Graphics. Early public company investments included Bed Bath & Beyond, Hewlett-Packard, Intel, Molex, Paychex, Pizza Hut, Texas Instruments and Wal-Mart.

Prior to founding Crown Advisors in 1981, David was with Citibank's Investment Management Group for 13 years, where he pioneered the institutional use of alternative investments in the U.S. in 1975. David currently serves on the advisory boards of several U.S. and international private equity firms with capital under management in excess of $16 billion including Alta-Berkeley (England), CenterPoint Ventures (Texas), Noro-Moseley (Georgia), Sevin-Rosen (Texas) and Welsh Carson Anderson & Stowe (New York).

Bryan Wood – Mr. Wood has been in the venture capital business since 1981 as the founder and managing partner of Alta Berkeley. This firm raised six funds and invested in over 120 companies in Western Europe, Israel, USA and Canada, in information technology, healthcare and media. During this time, Bryan has been responsible for all aspects of the business and has made investments in 40 companies and been a director/observer of 50 companies in the sectors and geography noted above. Meanwhile, he has had 10 IPOs on 6 different stock exchanges and 14 trade sales.

Prior to starting Alta Berkeley from 1976 to 1981, he was a director of MML (London, England), a merger and acquisition advisory firm which also made venture capital investments. From 1974 to 1976, he was vice-president/finance for Gould Europe Inc. and from 1965 to 1974 he had a variety of operating positions with Gould, Ford and Bowmar. He is a graduate industrial engineer from Virginia Tech (1968) and has an MBA from Harvard Business School.

Investment Highlights

BVB's investment objective is to achieve superior returns with an emphasis on the preservation of capital. A majority of the investments made by the Members in the past have generated positive returns in their respective investing careers.

BVB expects that the Fund will invest in 20 to 25 portfolio companies with prospects for significant capital appreciation. BVB plans to invest an average of $1-3 million through various equity oriented combinations of common stock, convertible preferred stock, preferred stock with warrants, convertible notes and/or notes with warrants

BVB believes that the following characteristics may distinguish BVB from other firms in this investment sector:

Capital Markets Expertise
The General Partner's Members have many years of experience in the capital markets dating back more than three decades. Active participation in the capital markets generates unique insight that benefits BVB's investing, operating and exit activities.

Operational Experience
BVB expects to remain actively involved with the operations of each portfolio company for the duration of each investment. The Fund expects to source management teams and actively participate in building value. The General Partner's Members plan to use their expertise to develop additional value-building opportunities, establish financial and operating objectives, assist in the definition of business and product strategies, recruit and mentor senior management team members and initiate add-on acquisitions.

Business, Academic and Research Relationships
BVB has ties to technology research centers and Fortune 1000 companies located in the USA as well as ties to many multinational companies in Europe. Over the years, the General Partner's Members have helped spin out, create and capitalize several companies associated with research universities and institutions such as University of Pennsylvania, Temple University, Carnegie Mellon University, University of Pittsburgh, Rutgers University, Princeton University, New York University, Columbia University, Georgia Institute of Technology, Massachusetts Institute of Technology (MIT), Johns Hopkins University and the David Sarnoff Research Center and others.

* * * *

Summary of the Offering

This Summary does not purport to be complete and is qualified in its entirety by reference to the discussions contained elsewhere in the Confidential Private Placement Memorandum, the Limited Partnership Agreement (the "Fund Agreement") and the accompanying Subscription Agreement for BVB Investment Fund, L.P. This Summary, the Confidential Private Placement Agreement, the Fund Agreement and the accompanying Subscription Agreement must be read in their entirety by prospective investors for a complete understanding of the Offering of limited partnership interests in BVB Investment Fund, L.P. (the "Offering").

The Fund	***BVB Investment Fund, L.P.*** (the "Fund") is a Delaware limited partnership.
General Partner	***BVB Partners, LLC*** is the "General Partner" of the Fund. David F. Bellet, Marco A. Bonilla, Glenn A. Norem, Rob Van Naarden, Bryan R. Wood, and Ed J. Zander are members (the "Members") of BVB Partners, LLC. Marco Bonilla, Glenn Norem, and Rob Van Naarden are the managing members (the "Managing Members") of the General Partner.
Limited Partnership Interests	This Offering is made to institutions, corporations, partnerships, private individuals (or estate planning vehicles) and other entities that qualify as "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended (the "Investors" or "Limited Partners").
Fund Size; Capital Contributions;Initial Closing and Subsequent Closings	The Fund is targeting aggregate capital contributions ("Capital Contributions") of US $100 million in exchange for the issuance of limited partnership interests in the Fund (the "Interests"). The Fund may accept a maximum of US $250 million from Investors for Interests pursuant to this Offering at the sole discretion of the General Partner. An initial closing (the "Initial Closing") may be held at any time after the Fund has received and accepted a minimum of US $40 million of Capital Contributions for Interests in the Fund, with additional closings held thereafter prior to termination of the Offering. The Fund may admit additional Investors or accept increased Capital Contributions from existing Investors at any time prior to termination of the Offering. The Offering will terminate on March 31, 2009, unless extended or terminated at an earlier date by the General Partner. The Offering may be

withdrawn at any time before the Initial Closing by the General Partner and any offer is specifically made subject to the conditions described in this Summary, the Fund Agreement and the Fund's Subscription Agreement.

Minimum Participation

Generally, an Investor must subscribe for a minimum of $5 million of Interests. The General Partner reserves the right to accept Capital Contributions for less than $5 million.

Timing of Capital Contributions

Each Investor will fund their entire Capital Contribution with submission of their Subscription Agreement at the Initial Closing and at any subsequent closings.

An Investor that is admitted to the Fund, or increases its Capital Contribution, after the Initial Closing, will be required to immediately contribute that portion of its entire or additional Capital Contribution.

In addition, if such Capital Contributions occurred after the Initial Closing, then each such Investor will be required to pay to the General Partner or its designee (from their Capital Account) their portion of any and all management fees previously paid by the Fund to the General Partner or its designee on the amount contributed (calculated from the date(s) that such amounts would have been contributed if the Investor's entire Capital Contribution had been made at the Initial Closing).

Fund Term

The Fund will have a planned life of ten (10) years, subject to three (3) one-year extensions (such period with all available extensions, the "Term") at the sole discretion of the General Partner. Any additional extensions of the Term proposed by the General Partner (whether to facilitate an orderly dissolution and liquidation of the Fund or otherwise deemed necessary by the General Partner) shall only be made with the approval of Limited Partners holding a majority of the Interests.

The Fund may dissolve before the end of its Term (i) upon election by the General Partner and approval of Limited Partners holding a majority of the Interests, (ii) upon the bankruptcy, insolvency, withdrawal, or

	dissolution of the Fund or the General Partner, or (iii) upon the occurrence of any event that results in mandatory dissolution of the Fund under applicable law. In the event of a dissolution as a result of the bankruptcy, insolvency, withdrawal, or dissolution of the General Partner, Limited Partners holding at least 80% of the Interests may elect to continue the business of the Fund appointing a new general partner of the Fund.
Management	The General Partner will have the sole, exclusive right and power to manage and operate the Fund. The Investors will have no right to participate in the management of the Fund, to act for the Fund, or to vote on Fund matters except as specifically provided under applicable law or in the Fund Agreement.
Management Company	**BVB Capital Group, LLC** or an affiliate will serve as the management company for the Fund (the "Management Company"or "Investment Manager") as the designee of the General Partner. The Management Company and its managers, officers, and employees will be responsible for the market-facing professional activities of the Fund, including, but not limited to sourcing, developing, investigating, and securing portfolio company investments; and providing any and all value-added services to the Fund's portfolio company investments. Marco A. Bonilla, Glenn A. Norem, and Rob Van Naarden are the managing members of the Management Company.
Investment Advisory Board	The General Partner in its sole discretion shall appoint an Investment Advisory Board of three or more members. David F. Bellet, Bryan R. Wood and Ed J. Zander are the initial members of the Investment Advisory Board. The Fund's Investment Advisory Board will (i) provide counsel and advice as requested by the General Partner on general business matters, (ii) provide oversight and review of the activities of the Fund, (iii) provide oversight and review of the

General Partner's valuation of the Partnership's investments, assets and liabilities; and (iv) review transactions in which the General Partner has an actual or potential conflict of interest with the Fund, but generally will have no other power to participate in the Fund's management.

Management Fee

The Fund will pay the General Partner or its designee, including the Management Company, an annual management fee (the "Management Fee") equal to two and one-half percent (2.5%) of the Fund's aggregate Capital Contributions, payable quarterly, in advance, upon the initial and subsequent closing(s) and on first day of every calendar quarter thereafter.

The Management Fees will cover the operating expenses of the Genral Partner and the Management Company for its professional activities, including, but not limited to sourcing, developing, investigating, securing, monitoring, and reporting on the Funds portfolio company investments.

The operating expenses of the General Partner and the Management Company shall include (i) compensation, benefits, and expenses for the members of the Genral Partner and the Management Company, and (ii) the operating expense of its Management Company, including, but not limited to compensation, benefits, and expenses for its consultants and employees, plus office, travel, entertainment, communications, equipment, general bookkeeping expenses, and any other expenses related to the operation of the General Partner and the Management Company.

Organizational Costs

The Fund will bear any and all offering and organizational expenses in connection with the formation of the Fund, the General Partner, the Management Company and any other affiliated entities; such expenses include, but are not limited to filing fees, legal fees, banking fees, accounting expenses, tax advice, document preparation, all out-of-pocket expenses incurred by the General Partner and its Members, closing(s) costs (the "Organizational Costs"); plus any and all placement fees and costs associated with soliciting and securing Investors in the Fund (the "Placement Costs").

Fund Expenses	In addition to the Management Fee, on an ongoing basis, the Fund will also bear any and all of its operating expenses, including, but not limited to, investment costs, accounting fees, audit fees, insurance, banking fees, taxes, tax preparation expenses, legal fees, brokerage services expenses, quarterly and annual reporting costs, investment or asset liquidation expenses, expenses for the Fund's meetings with Investors, distribution costs, and any other expenses of the Fund that the General Partner shall reasonably determine to be directly related to the operation of the Fund and for communications and activities with its Investors.
Capital Accounts	The Fund will maintain a "Capital Account" for each Investor and for the General Partner, the balances of which will be: (i) increased for capital contributions and (ii) increased for the allocated share of the Fund gains and profits, and (iii) decreased by (a) the fair market value of all distributions made by the Fund and (b) the allocated share of the Fund losses. Any withholding tax paid by the Fund to a governmental entity in respect of an allocation or distribution made by the Fund to a Partner generally will be treated as a distribution and subtracted from such Partner's Capital Account balance.
Other Funds and Successor Funds	Members of the General Partner currently manage other funds and plan to organize other investment funds in the future with investment objectives similar to the Fund's activities and investment objectives. The General Partner, its Members, and the Management Company may manage, invest in, and provide services to other funds that engage in activities that may conflict with the interests of the Fund. By making its Capital Contributions, each Investor acknowledges the existence of any and all such conflicts of interest.
Diversification Guidelines	The Fund will not invest more than 10% of its aggregate Capital Contributions into any one portfolio company issuer or invest more than 20% of its aggregate Capital Contributions in publicly traded securities without the approval of the Investment Advisory Board; and the Fund will not invest more than 15% of its aggregate Capital Contributions into

any one portfolio company issuer without the approval of Limited Partners holding a majority of the Interests.

Allocation & Distributions of Profits and Losses

All items of profit will be allocated among the Investors to offset prior losses and then 80% to the Limited Partners and 20% to the General Partner. All items of loss will be allocated among the Investors to offset prior profit and then to the Partners pro rata to their Capital Accounts. No distribution will be made that would cause any Investor's Capital Account balance to be reduced below zero or render the Fund insolvent.

Tax Distributions

Generally, in any period in which profits are allocated to the partners of the Fund, to the extent of available cash, cash distributions will be made to the Fund's partners in an amount intended to defray U.S. Federal, state and local tax liabilities in respect to such profits (a "Tax Distribution").

Cash Distributions

The General Partner may distribute, in its sole discretion, any portion of realized gains annually. All cash distributions (other than Tax, In Kind, and Liquidating Distributions) will be made on a cumulative basis as follows:

(i) 100% to the Investors pro rata to their Capital Accounts until cash distributions have been made to the Investors in an amount equal to the aggregate amount by which losses allocated to the Investors exceed gains allocated to the Investors (so that in effect the Investors' Capital Accounts have been restored to 100% of their Capital Contributions net of any previous distributions ("Restored")); and

(ii) thereafter, 80% to the Investors pro rata to their Capital Accounts and 20% to the General Partner.

In Kind Distributions

In the event of an "In Kind Distribution" where the Investors' Capital Accounts have not been Restored, the In Kind Distribution may still be made 80% to the Investors and 20% to the General Partner. The General Partner's distribution shall be held in escrow until such time as the Investors' Capital Accounts are

	Restored.
Liquidating Distributions	Distributions prior to the dissolution of the Fund will be made in either cash or marketable securities. Upon dissolution and liquidation of the Fund, distributions may also include restricted securities or other assets of the Fund; and such "Liquidating Distributions" will be made in proportion to each Investor's Capital Account balance.
Re-Investment	The General Partner may reinvest up to an aggregate amount equal to one hundred twenty percent (120%) of the Fund's Capital Contributions.
Investor Meetings	The Fund may hold meetings with its Investors, individually or as a group, annually, to provide its Investors with the opportunity to review and discuss the Fund's investment activities.
Reports	Investors will receive (i) un-audited, quarterly financial statements and a r;eport briefly summarizing the business activities of the Fund, (ii) audited, annual financial statements as prepared and audited in accordance with the generally accepted accounting principals of the United States ("GAAP"), and (iii) information reasonably necessary for the preparation of income tax returns. The General Partner will also prepare a valuation report each time the value of the Fund, its assets, and its liabilities (actual or contingent) are determined for a distribution pursuant to the Fund Agreement.
Valuations	The General Partner shall value the Fund's assets in accordance with GAAP consistently applied (i) quarterly, (ii) as of the date of each distribution, and (iii) upon dissolution of the Fund. The General Partners' valuation shall be conclusive and binding on all Investors.
Transfer of Fund Interests	An Investor's interest in the Fund generally may be transferred only with the consent of the General Partner, which may be withheld in the sole discretion of the General Partner. Transferees will be bound by all applicable provisions of the Fund, including, without limitation, provisions governing the transfer of Interests. Transferees will be admitted as substitute Investors only with the consent of the General Partner,

which consent may be withheld in the General Partner's sole discretion.

Withdrawals

Investors will generally not be permitted to withdraw from the Fund; however the General Partner may require that an Investor withdraw in the event such Investor attempts to transfer its interest in violation of the Fund Agreement. The General Partner may also require the complete or partial withdrawal of an Investor if the General Partner determines, in its reasonable discretion, that continued participation of the Investor in the Fund would (i) constitute or give rise to a violation of applicable law or (ii) otherwise subject the Fund or the General Partner to material onerous legal, tax, or other regulatory requirements that cannot reasonably be avoided.

Upon withdrawal of an Investor, the General Partner, in its sole discretion, may liquidate the withdrawing Investor's Interest (i) causing the Fund to distribute to the withdrawing Investor, in cash, a redemption amount equal to the Investor's Capital Account balance as of the most recent quarterly valuation date, or (ii) selling the withdrawing Investor's Interest and remitting the proceeds to such withdrawing Investor.

Removal of the General Partner

The General Partner may be removed and replaced only for cause and with the vote of Limited Partners holding at least 80% of the Interests. The term "for cause" shall mean a final determination by a court of competent jurisdiction in the United States that the General Partner is (i) guilty of fraud, gross misconduct, conscious bad faith, or willful malfeasance with respect to the Fund or (ii) guilty of a felony arising out of his activities as general partner of the Fund.

Indemnification

The General Partner and its Members and Managing Members, the Management Company and its Members and Managing Members, and any affiliate or agent of the General Partner or of the Management Company, including any person who shall serve at the General Partner's or the Fund's request as a director, officer, partner, agent or trustee of another organization in which the Fund shall have any interest (any of the foregoing, a "Covered Person") will not be liable to any Investor or the Fund for any act or

	omission, except for acts or omissions constituting willful malfeasance, conscious bad faith, gross negligence, fraud, or reckless disregard of such Covered Person's duties.
Limited Liability Of Investors	Each Investor will be responsible for making their full Capital Contribution upon the closing date on which the Investor is admitted to the Fund and for returning any distributions received in violation of the Fund Agreement or applicable law. Except as provided in the preceding sentence, an Investor will have no personal liability for the debts and obligations of the Fund.
Capital Contributions	Each Investor will fund its Capital Contributions upon delivery of a Subscription Agreement. Such funds will be held by the Fund for the Investor's benefit, and will be returned promptly, without penalty, interest, expense, or deduction if (a) the Subscription Agreement is not accepted by the General Partner in its sole discretion, or (b) the Offering is terminated by the General Partner, including without limitation, due to the minimum amount of Capital Contributions not being accepted by the General Partner.
Tax Considerations	The tax aspects of investing in the Fund are complicated and will vary among Investors. Certain tax aspects and considerations are described in the Fund's Confidential Private Placement Memorandum or the Fund Agreement. However, each Investor should consult its own tax counsel before investing in the Fund.
Risk Factors; Conflicts of Interest	An investment in the Fund involves significant risks and potential conflicts of interest, certain of which are described in the Fund's Confidential Private Placement Memorandum or the Fund Agreement. Each prospective investor should carefully consider and evaluate any and all such risks and conflicts prior to purchasing an Interest.
Bankers	Credit Suisse Citibank
Legal Counsel	Drinker Biddle & Reath LLP
Auditors	Goldfinger, Block, Glickenhaus and Dinar, LLP

Additional Information

The General Partner will be available to answer questions regarding the terms and conditions of the offering and to provide any additional information that may be reasonably requested by prospective investors. The members of the General Partner may be contacted at:

BVB Capital Group LLC
66 Witherspoon Street #111
Princeton, New Jersey 08542
Phone: 215-205-0700
Fax: 609-924-0582
Email: rvannaarden@bvbcapital.com;
marco@bvbcapital.com;gnorem@bvbcapital.com
Website: www.bvbcapital.com

Investor Considerations

Certain Risk Factors

Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Interests. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Memorandum, there can be no assurance that the Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The Fund returns may be unpredictable and, accordingly, the Fund's investment program is not suitable as the sole investment vehicle for an investor. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment. Investors should not construe this Memorandum as providing any assurances regarding the future performance of the Fund. As with all performance data, past performance can provide no assurance of future results.

Lack of Limited Partner Control Over Fund Policies: The management, financing and disposition policies of the Fund are determined by the General Partner. These policies may be changed from time to time at the discretion of the General Partner without a vote of the Partners, although the General Partner has no present intention to make any such changes. Any such changes could be detrimental to the value of the Fund. Limited Partners will have no right to participate in the day-to-day operation of the Fund, including investment and disposition decisions and decisions regarding the operation of portfolio companies.

Newly Organized Entities: The Fund, the General Partner and the Investment Manager are newly organized and have no operating history from which Limited Partners may evaluate the likelihood of successful performance of the Fund. While the Members of the General Partner have made investments consistent with the strategies to be employed by the Fund prior to establishing the General Partner, the performance of such investments is not indicative of the results to be obtained from the Fund's investments.

Dependence on Key Personnel: The General Partner's ability to successfully manage the Fund's affairs currently depends on the Members of the General Partner and particularly the Managing Members. The General Partner will be relying extensively on the experience, relationships and expertise of its Members. There can be no assurance that these individuals will remain Members of the General Partner, or otherwise continue to be able to carry on their current duties throughout the term of the Fund. Certain of the Members of the General Partner in addition to their responsibilities on behalf of the Fund, also maintain some involvement in the other investment activities. It is not anticipated that any such other investment management activity will adversely affect the investment activities of the Fund.

Competition: There is currently, and will likely continue to be, competition for investment opportunities by investment vehicles and others with investment objectives and strategies identical or similar to the Fund's investment objectives and strategies as well as by strategic investors. Such investment vehicles may have substantially greater financial and other resources than the Fund. Moreover, such entities may be able to accept more risk than the Fund

can prudently manage. Similarly, those entitles may be willing to accept a lower return on investment than the Fund's desired return. There can be no assurance that the General Partner and the Investment Manager will be able to locate and complete investments which satisfy the Fund's rate of return objectives or realize upon their values or that the Fund-will be able to invest fully its committed capital.

Risk Associated with Unspecified Transactions: As of the date of this Memorandum, none of the Fund's investments have been identified. Investors will be relying on the ability of the General Partner and the Investment Manager with respect to investments to be made using the proceeds of this offering. Even if the investments of the Fund are successful, they may not produce a realized return to the Partners for a period of several years.

Business and Market Risks: The investments made by the Fund may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. Regulation generally, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating the Fund. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Lack of Liquidity of Investments: The investments to be made by the Fund are likely to be illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly-traded companies (including portfolio companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including the possibility that the General Partner on behalf of the Fund will be in possession of material non-public information about the company. In addition, the ability to exit an investment through the public markets will depend on market conditions, and particularly the market for initial public offerings. The possibility of partial or total loss of capital will exist, and investors should not subscribe unless they can readily bear the consequences of such loss.

Possible Lack of Diversification: While diversification is an objective of the Fund, there is no assurance as to the degree of diversification that will actually be achieved in the Fund's investments. Because as much as 15% of the Fund's aggregate committed capital may be invested in a single portfolio company, a loss with respect to such a portfolio company could have a significant adverse impact on the Fund's capital. If the Fund co-invests with other private equity funds, a Limited Partner that also invests in such private equity fund may have exposure to a portfolio company through more than one fund.

Third-Party Involvement: The Fund may co-invest with third parties through joint ventures or other entities including as part of corporate partner buyout or with private equity funds sponsored by others in so-called "club deals." Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-investor of the Fund may at any time have economic or business interests or goals which are inconsistent with those of the Fund or may take a different view from the General Partner's as to the appropriate strategy for an investment or may be in a position to take action contrary to the Fund's investment objectives.

Leverage: The Fund will typically leverage its investments with debt financing at the portfolio company level. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss. Although the General Partner will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such portfolio company investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry.

Bridge Financings: From time to time, the Fund may lend capital to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Fund's control, such long-term securities issuance or other refinancing may not occur and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Fund.

Investments in Restructurings: The Fund may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Fund to certain additional potential liabilities that may exceed the value of the Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Foreign Investments: The Fund will be permitted to make investments in foreign countries, some of which may prove to be unstable. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign

currency. In addition, laws and regulations of foreign countries may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Foreign countries also may impose taxes on the Fund and/or the Partners. The General Partner will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks might not adversely affect an investment by the Fund.

Although most of the Fund's investments will be U.S. dollar denominated, the Fund's investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. The General Partner may, but is under no obligation to, employ hedging techniques to minimize these risks, but there can be no assurance that such strategies will be effective. See also "Hedging Policies/Risks" below.

Hedging Policies/Risks: In connection with the financing of certain investments, the Fund may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

Uncertainty of Financial Projections: The General Partner or the Investment Manager will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Financial Fraud: Instances of fraud and other deceptive practices committed by senior management of portfolio companies in which the Fund invests may undermine the Investment Manager's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact the investment program of the Fund.

Contingent Liabilities on Disposition of Investments: In connection with the disposition of an investment in a portfolio company, the Fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. The Fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish

reserves or escrow accounts. In that regard, Limited Partners may be required to return amounts distributed to them to fund the Fund's obligations, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to re-contribute such distribution to the Fund.

Investments Longer than Term: The Fund may make investments which may not be advantageously disposed of prior to the date the Fund is dissolved, either by expiration of the Fund's term or otherwise. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner has a limited ability to extend the term of the Fund, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Fund the General Partner (or the relevant liquidator) will be required to use its best efforts to reduce to cash and cash equivalents such assets of the Fund as the General Partner or such liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

Additional Capital: The Fund's portfolio companies can be expected to require additional financing to satisfy their working capital requirements. The amount of additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each round of financing (whether from the Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major valuation milestone. If the funds provided are not sufficient, such portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including the Fund. In addition, the Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned or to protect the Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

No Market for the Interests: The Interests will not be registered under the Securities Act of 1933, as amended, or any other securities law and will not ordinarily be transferable. Further, the Fund will not be registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and the General Partner and the Investment Manager do not currently expect to be registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Consequently, Limited Partners will not be afforded certain protections provided to investors in registered investment companies and to clients of registered investment advisors. The Interests may not be transferred, pledged or otherwise encumbered without the prior written consent of the General Partner in its sole discretion. There is no market for the Interests and none is expected to develop. Therefore, each prospective investor must consider its investment to be illiquid and must be prepared to bear the risks of owning the Interests for an extended period of time.

Recourse to Fund's Assets. The Fund's assets, including all investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund including indemnification of the General Partner, the Investment Manager and others contained in the Fund Agreement. If Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Absence of Recourse to General Partner and Indemnification: The Fund Agreement of the Fund will limit the circumstances under which the General Partner and the Investment Manager can be held liable to the Fund or the Limited Partners. As a result, Limited Partners may have a more limited right of action in certain cases than they would in the absence of such a limitation.

The Fund will be required to indemnify the General Partner, the Investment Manager, their affiliates and each of their officers, directors, partners, members, managers, employees and shareholders, members of the Investment Advisory Board and other persons who serve at the request of the General Partner on behalf of the Fund for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material. For example, in their capacity as directors of portfolio companies, the officers, directors, partners, members, managers, employees and shareholders of the General Partner or the Investment Manager may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Fund would be payable from the assets of the Fund.

Control Person Liability: The Fund may have controlling interests in a number of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability for which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer a significant loss. In addition, it is expected that the Members of the General Partner will serve as directors of certain of the portfolio companies, and as such, may have duties to persons other than the Fund.

Diverse Membership: The Limited Partners are expected to include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the General Partner that may be more beneficial for one type of Limited Partner than for another type of Limited Partner, including Limited Partners affiliated with the General Partner. In addition, the Fund may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting investments appropriate for the Fund, the General Partner will consider the investment objectives of the Fund as a whole, not the investment objectives of any Limited Partner individually. The General Partner will receive a carried interest based on distributions made to the Partners, as described in "Summary of the Offering–Cash Distributions." The existence of the General Partner's carried interest may create an incentive for the General Partner to make more speculative investments on behalf of the Fund than it would otherwise make in the absence of such carried interest.

No Independent Counsel: Drinker Biddle and Reath LLP ("DBR") acts as counsel to the Fund, the General Partner and the Investment Manager in connection with the offering of the Interests in the United States. DBR has not represented nor will represent the Limited Partners.

Disclosure of Information: The Limited Partners are also expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding the Fund, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise, including to comply with regulations or policies to which the Fund, the General Partner, the Investment Manager, portfolio companies or services providers to any of them may be or become subject.

Tax Considerations: The Fund may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the U.S. Internal Revenue Service (the "IRS"), a Limited Partner might be found to have a different tax liability for that year than that reported on his or its U.S. Federal income tax return.

In addition, an audit of the Fund may result in an audit of the returns of some or all of the Limited Partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a Limited Partner's investment in the Fund. If such adjustments result in an increase in a Limited Partner's U.S. Federal income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund. The cost of any audit of a Partner's tax return will be borne solely by the Limited Partner.

The taxation of partnerships and partners is complex. Potential investors are strongly urged to review the discussion below under "Tax Matters" and "Certain ERISA Considerations" and to consult their own tax advisors.

The foregoing risk factors do not purport to be a complete enumeration of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and the Fund Agreement, and consult with their own advisers before deciding whether to invest in the Fund. In addition, as the Fund's portfolio develops and changes over time, an investment in the Fund may be subject to additional and different risk factors.

Tax Matters

The following discussion of certain U.S. Federal income tax matters was written to support the promotion or marketing of Interests in the Fund and is not intended to be tax advice to investors in the Fund. It is not intended to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on any taxpayer with respect to an investment in the Fund. You are therefore urged to seek advice based on your particular circumstances from an independent tax advisor.

Introduction

The following discussion is a general summary of certain material U.S. Federal income tax consequences of an investment in the Fund. The following discussion does not discuss all of the potential tax considerations relevant to the Fund and its operations. Moreover, the tax considerations relevant to any particular Limited Partner will depend upon that person's particular circumstances.

The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), and administrative and judicial interpretations of it, as of the date of this Memorandum, all of which are subject to change (possibly on a retroactive basis). No tax rulings have been or are anticipated to be requested from the IRS or other taxing authorities with respect to the Fund or any of the tax matters discussed herein. Accordingly, although we believe this summary reflects a correct interpretation of applicable law, no assurance can be given that a court or taxing authority will agree with that interpretation or with tax positions taken by the Fund.

Except as specifically noted, the following general discussion assumes that each Limited Partner is an individual who is a U.S. citizen or resident or a domestic corporation that is not tax-exempt and that each Limited Partner holds the Limited Partner's Interests as a capital asset and is the initial purchaser of the Interests. Except as specifically indicated, the following discussion does not deal with the consequences of the ownership of Interests by special classes of investors, such as dealers in securities, life insurance companies, foreign investors, tax-exempt entities, or pass-through entities. Special rules applicable to benefit plan investors are discussed separately below.

Partnership Status

The Fund believes it will not constitute a "publicly traded partnership" within the meaning of Section 7704 of the Code and that the Fund will be treated as a partnership for U.S. Federal income tax purposes and not as an association (or publicly traded partnership) taxable as a corporation. However, the Fund has not sought a ruling from the IRS that it will be treated for U.S. Federal income tax purposes as a partnership rather than as an association (or publicly traded partnership) taxable as a corporation.

Current Treasury regulations (commonly known as the "check-the-box" regulations) under Section 7701 of the Code provide that an unincorporated domestic business entity that has two or more members may elect to be classified as an association or a partnership. Subject to the discussion below regarding publicly traded partnerships, therefore, the Fund will be classified as a partnership for U.S. Federal income tax purposes.

Section 7704 of the Code provides that a "publicly traded partnership" will be treated as a corporation for U.S. Federal income tax purposes unless the partnership has met and continues to meet certain requirements regarding the types of gross income received by the partnership. Section 7704 defines "publicly traded partnership" as any partnership if its partnership interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. The Regulations under Section 7704 provide that a partnership that meets the requirements of the "safe harbor" provided by the regulation will not

be considered as readily tradeable on a secondary market or the substantial equivalent thereof. The Fund does not intend for the Interests to be traded on an established securities market and intends to operate so that it will meet the safe harbor and will not be a publicly traded partnership and intends to rely in part on the representations of the Limited Partners to assure it is not a publicly traded partnership.

U.S. Federal Taxation of Investors on Income of the Fund

Generally, entities taxed as partnerships are not subject to U.S. Federal income tax. Instead, each partner includes its allocable share of the partnership's items of taxable income, gain, loss, deduction and credit in determining its taxable income, whether or not cash is actually distributed to the partner. In addition, investments by the Fund in foreign entities may, in certain circumstances (e.g., pursuant to the controlled foreign corporation ("CFC") or the passive foreign investment company ("PFIC") provisions), cause a Limited Partner to recognize income subject to tax prior to the receipt by the Fund of any distributable proceeds (or to pay an interest charge on taxable income that is treated as having been deferred). Similarly, if the Fund invests in other pass-through entities, Limited Partners may recognize income prior to receipt by the Fund of any distributable proceeds. Consequently, an investor may be allocated income from the Fund although it has not received a cash distribution in respect of that income. All such items will be deemed to pass from the Fund to the Limited Partners on the last day of the taxable year of the Fund.

Although the Fund should not be subject to U.S. Federal income tax, it must file a U.S. Federal information return in which it reports its income, gains, losses, deductions and credits for each taxable year. The information returns filed by the Fund may be audited by the IRS. Adjustments, if any, resulting from such an audit may require each investor to file an amended annual tax return and may possibly result in an audit of such return. Any audit of an investor's return could result in adjustments of non-Fund as well as Fund items.

Under Section 704(b) of the Code, a partnership's tax allocations generally will be respected for U.S. Federal income tax purposes if they have "substantial economic effect" or they are in accordance with the partners' interests in the partnership. If a partnership's allocations do not comply with Code Section 704(b), the IRS may reallocate partnership tax items in accordance with the interests of the partners in the partnership. This may result in an investor being allocated more or less income, gain or loss originally allocated to the investor subjecting an investor to additional tax and interest and possibly penalties. The General Partner believes that the Fund's tax allocations will comply with the requirements of Code Section 704(b).

An investor must treat Fund items in a manner consistent with the Fund's treatment of those items, unless the investor notifies the IRS of inconsistent treatment. Information necessary for the investors to prepare their annual tax returns will be furnished by the Fund as soon as is reasonably practicable after the close of the Fund's taxable year.

Investors should be aware that an investor's share of the taxable income of the Fund for any year may exceed the amount of cash distributed to the investor for that year, which may require that the investor make an out-of-pocket expenditure to cover its tax liability.

Tax Treatment of Fund Investments

Generally, the Fund expects to act as an investor and not a dealer with respect to its investments. Generally, the gains and losses from sales of its investments should be capital gains and losses, subject to certain exceptions. These capital gains and losses may be short term or long term depending on the holding period the Fund has with respect to an investment. Generally, property held for more than one year qualifies for long term capital gain or loss treatment.

Net long-term capital gain income is currently subject to a maximum U.S. Federal statutory income tax rate of 15% for individuals and certain non-corporate taxpayers. The excess of capital losses over capital gains may be offset against ordinary income for individuals and certain non-corporate taxpayers up to $3,000 annually. Unused capital losses may be carried forward by individuals and certain non-corporate taxpayers. Long term capital gains for corporate taxpayers are subject to the same tax rate as ordinary income. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

The Fund may receive dividends from portfolio companies. Under current U.S. Federal income tax law, the maximum tax rate on "qualified dividend income" is 15% for individuals and certain non-corporate taxpayers. These reduced tax rates for capital gain income and qualified dividend income generally apply through December 31, 2010. The Fund will provide its investors information regarding their allocable shares of any qualifying dividends received by the Fund.

"Qualified dividend income" means dividends received from domestic corporations and "qualified foreign corporations" if a taxpayer has held the stock for 60 days during the 120-day holding period beginning 60 days before the ex-dividend date (or, in the case of stock having a preference in dividends, 90 days during the 180-day period beginning 90 days before the ex-dividend date). In general, periods in which the taxpayer has diminished the taxpayer's risk of loss with respect to stock (*e.g.*, by holding options to sell, or short selling, related positions) do not count toward meeting the holding period requirement. "Qualified foreign corporations" include foreign corporations that are eligible for benefits under a comprehensive tax treaty and foreign corporations the stock of which is readily tradeable on an established securities market in the United States. However, dividends that are received from a foreign corporation that was a foreign investment company, passive foreign investment company, or a foreign personal holding company in either the taxable year of distribution or the preceding taxable year are not "qualified dividend income."

"Qualified dividend income" also does not include dividends on any share of stock to the extent that the taxpayer is under an obligation to make related payments with respect to positions in substantially similar or related property. It is expected that a taxpayer who receives payments in lieu of dividends may not treat those amounts as qualified dividends.

Special rules apply (1) to losses associated with stock with respect to which a taxpayer has received an "extraordinary dividend" and (2) in determining a taxpayer's foreign tax credit limitation in the case of qualified dividend income.

The Fund may invest in debt securities that result in the Fund recognizing interest income which is taxed at ordinary income rates. Such debt instruments may have original issue discount or have terms that permit the accrual of interest which will be repaid in a subsequent year. These situations can result in the recognition of interest income in a period without the receipt of a corresponding interest payment in cash.

The Fund may invest in other "pass-through" entities such as limited partnerships that constitute an operating business. The income, gain or loss from such an investment will flow through to the Fund and be taxable to the Partners, generally retaining the same tax character as in the hands of the operating entity.

Portfolio Company Fees

Any closing fees, consulting fees, advisory fees, transaction fees and breakup fees from portfolio companies (collectively, "Portfolio Company Fees") will be paid directly to the General Partner or the Investment Manager, a portion of which will then reduce future management fees otherwise payable by the Fund as described in the Fund Agreement. An investor should not be deemed to have received any portion of such Portfolio Company Fees. There is, however, a risk that the Internal Revenue Service might take the position that investors should be treated as having received a portion of such fees and, if such fees were regularly received by the Fund, a foreign investor's share of such fees should be treated as income effectively connected with the conduct of a trade or business in the United States, taxable at the same graduated U.S. Federal income tax rates as are generally applicable to U.S. persons.

Limitations on Deductibility of Fund Losses by Beneficial Owners-Basis and At Risk Limitations

For U.S. Federal income tax purposes, an investor may deduct losses and expenses attributable to the Fund only to the extent of the investor's adjusted tax basis in the Interests (or, in the case of individuals, certain non-corporate taxpayers and certain closely-held corporations, the lesser of the investor's adjusted tax basis or "amount at risk") as of the end of the Fund's taxable year in which such losses occur or such expenses are incurred.

Generally, an investor's adjusted tax basis in its Interests is the amount paid for such Interests, reduced (but not below zero) by the investor's share of the Fund's distributions, losses and expenses, and increased by the investor's share of the Fund's liabilities, if any, and income and gain as determined for U.S. Federal income tax purposes, including capital gains, with such reductions and increases made at the end of the Fund's taxable year. (Tax basis is also important because gain or loss on cash distributions or sale of Interests is measured by reference to the investor's adjusted tax basis in the Interests, as discussed below).

Generally, an investor's "amount at risk" with respect to its Interests includes the investor's (1) cash (other than cash borrowed) contributions to the Fund; (2) the adjusted basis of other property contributed by the investor to the Fund; and (3) amounts borrowed for the purchase of the Interests or for use by or in the Fund for which the investor is personally liable or which are secured by property of the investor (excluding the Interests or property otherwise used by the Fund) to the extent of the fair market value of the encumbered property. The "amount at risk" is increased by any income and gain (as determined for U.S. Federal income tax purposes)

derived by the investor from the Fund, and is decreased by any losses (as determined for U.S. Federal income tax purposes) derived by the investor from the Fund and the amounts of any withdrawals or other distributions received by the investor from the Fund. Disallowed loss that is suspended in any taxable year may be deducted in later years to the extent that the investor's amount at risk increases. It is possible that an investor may be at risk with respect to its Interests in an amount that is less than the tax basis in such Interests.

Limitation on Deductibility of Interest

For non-corporate investors, Section 163(d) of the Code limits the deduction for "investment interest" (*i.e.*, interest or short sale expenses properly allocable to property held for investment) to the investor's "net investment income" (generally, net gain and ordinary income derived by the investor from investments in the current year less certain directly connected expenses, other than interest or short sales expenses). For this purpose, any long-term capital gain is excluded from net investment income unless the investor elects to pay tax on that amount at ordinary income tax rates. Interest expense incurred by an investor to purchase or carry an interest in the Fund, or incurred by the Fund to purchase or carry property for investment constitutes "investment interest."

If the Fund borrows thereby giving rise to "investment interest," each non-corporate investor in the Fund will receive its allocable shares of the related interest expenses, to which the investment interest limitation will apply. Thus, a non-corporate investor in the Fund may be denied a deduction for all or part of its allocable share of the interest expenses of the Fund unless he has sufficient investment income from all sources including the Fund. The excess of an investor's investment interest over net investment income may be carried forward to future years, subject to the same limitations.

Limitation on Itemized Deductions

The Code provides that, in the case of a non-corporate taxpayer who itemizes deductions when computing taxable income, expenses incurred for the purpose of producing income (including investment management fees) generally must be aggregated with certain other "miscellaneous itemized deductions" and may be deducted only to the extent the aggregate such expenses exceed 2% of the taxpayer's adjusted gross income. (Further, such expenses are not deductible by a non-corporate investor in calculating its alternative minimum tax liability.) In addition, the Code further limits the deductibility of investment expenses and certain other itemized deductions of an individual with an adjusted gross income in excess of a specified amount. An individual investor's (and certain other non-corporate investors) allocable share of the management fee and certain other expenses should be subject to this limitation.

Alternative Minimum Tax

Prospective investors that are subject to the alternative minimum tax (the "AMT") should consider the tax consequences of an investment in the Fund in view of their own AMT position, taking into account the special rules that apply in computing the AMT, the special limitations as to the use of net operating losses and, in the case of individual taxpayers, the complete disallowance of miscellaneous itemized deductions and deductions for state and local taxes.

Passive Activity Rules

The Code contains rules designed to prevent the deduction of losses from "passive activities" against income not derived from passive activities. The activities of the Fund generally should not constitute a passive activity and accordingly income from the Fund should constitute portfolio income or other income not from a passive activity. Thus losses resulting from an investment in the Fund cannot be used to offset income from passive activities of a person who is subject to the passive activity rules. However, to the extent the Fund invests in an entity taxed as a partnership for U.S. Federal income tax purposes which is engaged in an operating trade or business, the income or loss from that entity may constitute passive activity income or loss to an investor.

Syndication and Organization Expenses

In general, expenses paid in connection with the organization and the sale (syndication) of interests in a partnership must be capitalized. Expenses of organizing (but not selling interests in) a partnership may be amortized for tax purposes over a period of not less than 180 months (beginning with the month in which the partnership business begins). If the IRS were successful in challenging the Fund's treatment of any expenditures as organization expenses or in reclassifying expenditures as syndication expenses, any amortization or other deductions with respect to such expenditures would be disallowed and the taxable income of the Fund would be increased.

Sale or Transfer of Interests

In general, upon a sale of Interests, the selling investor will recognize gain or loss equal to the difference between (a) the proceeds of the sale plus the investor's allocable share of the Fund's liabilities and (b) the investors adjusted tax basis in the Interests. Such gain or loss recognized on a sale of Interests by an investor that does not hold the Interests as a "dealer" will generally be capital gain or loss, except that the portion of the selling investor's gain allocable to (or amount realized, in excess of basis, attributable to) "inventory items" and "unrealized receivables" of the Fund as defined in Code Section 751 will be treated as ordinary income.

A net capital loss allocated to an investor may be used to offset other capital gains. For a taxpayer other than a corporation, net capital loss also may be used to offset ordinary income up to $3,000 per year. In general, for taxpayers other than corporations, the unused portion of such a loss may be carried forward indefinitely, but not carried back. In the case of a corporate taxpayer, capital losses may be used to offset only capital gains, but the unused portion of any such loss generally may be carried back three years or forward five years. Further, the amount that may be carried back is limited to an amount that does not cause or increase a net operating loss in a carryback year.

Liquidation of the Fund

Upon liquidation of the Fund, its property will be distributed in-kind or sold and any gain or loss on any such sales will be allocated in accordance with the Fund Agreement. In the event of the liquidation of the Fund, each taxable investor will recognize gain to the extent that the cash and possibly the value of all or some of any marketable securities received in the liquidation

exceeds its adjusted basis for its interest. It is anticipated that any such gain will be treated as capital gain. See "*Sale or Transfer of Interests*" above.

Upon liquidation, a loss will be recognized only in the event the investor receives only cash, unrealized receivables (within the meaning of Section 751(c) of the Code) or inventory items (within the meaning of Section 751(d)(2) of the Code) and then only if (and to the extent that) the investor's adjusted basis for the investor's Interests exceeds the sum of money distributed and the investor's allocable share of the adjusted basis for unrealized receivables and inventory items. Losses recognized upon liquidation generally will be treated as capital losses. During the year of liquidation, each investor may be allocated income from the operations of the Fund.

Tax Treatment of Foreign Investors

The Fund intends to structure its investments in portfolio companies so that they generally will not constitute the conduct of a trade or business in the United States by the Fund for U.S. Federal income tax purposes. Accordingly, a foreign investor in the Fund will not generally be subject to U.S. Federal tax on (1) gains recognized by the Fund with respect to its investments in portfolio companies, (2) interest income earned by the Fund or (3) gain recognized by the investor on a sale or other disposition of the investor's interest in the Fund. In the case of dividends received by the Fund from portfolio companies that are U.S. corporations, however, a 30% withholding tax will generally apply to each foreign investor's allocable share of the dividends. The dividend withholding tax rate may be reduced if the investor is a qualified resident of a country (such as Spain, Switzerland, the Netherlands or Belgium) that has a tax treaty with the United States, and the investor obtains a U.S. tax identification number from the IRS and provides the Fund with the requisite IRS Form W-8BEN to claim the benefit of the treaty.

It is possible that some of the Fund's investments may constitute the conduct of a trade or business in the United States for U.S. Federal income tax purposes. Any such investments will give rise to "effectively connected income," and a non-U.S. investor will be required to file a federal income tax return for each taxable year and pay tax at full U.S. federal income tax rates on that income which is effectively connected to a trade or business. To the extent that a foreign investor in the Fund is subject to U.S. Federal income tax with respect to the investor's allocable share of Fund net income and gain, the Fund will generally be required to collect and pay over to the IRS those taxes in the form of withholding taxes. Additionally, in the case of a non-U.S. investor that is a non-U.S. corporation, a 30% branch profits tax may be imposed.

To the extent that the Fund invests in non-U.S. portfolio companies, if any, a non-U.S. investor's allocable share of the income and gains from those investments will not generally be subject to U.S. taxes, but the income and gains may be subject to withholding taxes or other taxes in those non-U.S. jurisdictions.

Unrelated Business Income Taxation

The Fund will invest primarily in the stock of corporations and will therefore not generally realize income that would constitute unrelated business taxable income ("UBTI"). The

Fund may, however, invest in pass-through entities that give rise to income from a trade or business, or that are debt-financed. Such investments would cause the Fund to realize income that would constitute UBTI and, in that event, each tax-exempt investor would be subject to U.S. Federal income tax on its allocable share of such income.

In addition, if a tax-exempt investor incurs acquisition indebtedness in connection with its investment in the Fund, it may be subject to unrelated business income tax with respect to its share of Fund income in an amount proportionate to the average amount of such outstanding indebtedness over its average basis in the Fund during the applicable taxable year. Accordingly, each prospective investor that is a tax-exempt entity or organization should consult with its own advisors regarding an investment in the Fund and the use of debt to make such an investment.

Charitable remainder trusts should take extra care in determining whether an investment in the Fund is appropriate since they are generally subject to a 100% tax on UBTI.

Fund Tax Returns, Tax Information and Penalties

The following discussion assumes that the Fund will not make an election to be treated as an "electing large partnership" as defined in Section 775 of the Code. The General Partner does not expect to cause the Fund to make such an election.

The Fund will, to the extent required under Section 6031 of the Code and the regulations thereunder, file a U.S. Fund tax return and provide to investors of record information on Schedule K-1 to Form 1065. The Fund is not obligated to provide tax information to parties who are not investors of record. The Code imposes certain penalties on partnerships and partners in the event of failure to make various filings in a timely manner and in the event of various understatements of income tax. The General Partner intends to cause the Fund to fully comply with all applicable filing and reporting requirements.

The Code provides, in general, that the tax treatment of items of income, gain, loss, deduction and credit of partnerships will be determined at the entity level in a single proceeding rather than in separate proceedings with each partner. Under these provisions, the "Tax Matters Partner" (which, in the case of the Fund, will be the General Partner) may, in general, bind to a settlement any partner of a limited partnership, unless the partner properly elects not to give such authority to the Tax Matters Partner. The Tax Matters Partner (or certain other partners) may generally seek judicial review of an entity-level adjustment, but there will be only one action for judicial review to which each partner will be bound. In addition, the Code provides, in general, that (i) a partner must report a partnership item consistent with its treatment on the partnership return, unless the partner files a statement that identifies the inconsistency and (ii) the statute of limitations for adjustment of tax with respect to partnership items under the new partnership level proceedings will generally be three years from the date of filing (or, if later, the last date for filing) the partnership return. The period of limitations may be extended by the Tax Matters Partner or another person authorized to do so by the partnership.

These entity-audit provisions may cause individual investors to be unable to protest the IRS' determinations separately and may increase the likelihood of audits for organizations such as the Fund. If adjustments are made to the Fund income or loss as a result of an audit of the

Fund's U.S. Federal tax information returns, the tax returns of the investors may be reviewed by the IRS. Such review may lead to audits by the IRS of the investors' tax returns, which audits could result in adjustments of items that are unrelated to the Fund as well as of related items.

Possible Legislative or Other Actions Affecting Tax Aspects

Prospective investors should recognize that the present U.S. Federal income tax treatment of an investment in the Fund may be modified by legislative, judicial or administrative action at any time and that any such action may affect investments and commitments previously made. The rules dealing with U.S. Federal income taxation are constantly under review by persons involved in the legislative process, by the IRS and by the Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts, as well as statutory changes. Revisions in U.S. Federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the Fund.

State Tax Consequences

Prospective investors should consider the state and local tax consequences of an investment in the Fund. The Fund or the Partners, or both, may be subject to state and local taxes or filing requirements in various jurisdictions, including not only the states in which they are deemed to reside, but also the states in which the Fund may be deemed to be doing business and/or in which the portfolio company investments are situated. Relevant state and local taxes may include (but are not limited to) real property and income taxes. In light of the foregoing, each investor is urged to consult with the investor's own tax advisor regarding the state and local tax consequences of an investment in the Fund.

Tax Elections

The General Partner, in its sole discretion, may make any tax elections provided for in the Code on behalf of the Fund. These elections include the election under Section 754 of the Code to adjust the tax basis of the Fund's assets when Interests are transferred or when an owner of Interests withdraws from the Fund.

Tax Audits

Any adjustments in U.S. Federal income tax treatment of the Fund's tax items generally will be made at the Fund level in a single proceeding rather than in separate proceedings with each investor. In general, the General Partner will represent the Fund as the "tax matters partner" during any audit and in any dispute with the IRS and may enter into a settlement agreement with the IRS that may be binding on you. Before settlement, however, an investor may file a statement with the IRS that the General Partner does not have authority to bind the investor with respect to the Fund.

The General Partner has the authority to, and may, extend the period for the assessment of deficiencies or the claiming of refunds with respect to all investors in the Fund. If an audit results in an adjustment, all investors may be required to pay additional tax, interest and possibly penalties. There can be no assurance that the tax return of the Fund or any Fund investor will not

be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit.

Withholding Taxes

The Fund may be required, on behalf of an investor, to withhold and remit taxes to U.S. Federal, state, local or other jurisdictions from the investor's allocable share of the Fund's income. Withholding taxes may apply, for example, to persons who are subject to "back up" withholding. To the extent that the Fund is subject to any taxes or fees that are based on the specific characteristics of one or more investors, those taxes or fees shall be specially allocated to such investor or investors.

Disclosure of Tax Structure and Treatment

Notwithstanding anything to the contrary stated herein or in any other documents pertaining to an investment in the Fund, an investor (and each employee, representative, or other agent of an investor) may disclose to any and all persons, without limitation of any kind, the anticipated tax treatment and tax structure of the Fund and transactions contemplated by the Fund), and all materials of any kind (including opinions or other tax analyses) related to such tax treatment and tax structure, if any.

Tax Shelter Reporting

Tax shelter provisions of the Code and regulations issued by the IRS may require the Fund to maintain a list of the names and taxpayer identification numbers of its investors, which list may be subject to disclosure to the IRS upon its request and to file certain reports. In addition, an investor may be required to file with the IRS a disclosure with respect to its investment in the Fund. Accordingly, you should consult your U.S. Federal tax advisor with respect to the applicability of the tax shelter regulations to your investment in the Fund, especially if you report losses from the Fund.

Certain ERISA Considerations

The following section sets forth certain consequences under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code which the fiduciary of an "employee benefit plan" as defined in and subject to ERISA or of a "plan" as defined in Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan's assets in the Fund (such "employee benefit plans" and "plans" being referred to herein as "Plans", and such fiduciaries with investment discretion being referred to herein as "Plan Fiduciaries"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

Plan Fiduciaries. Plan Fiduciaries of ERISA-covered plans must give appropriate consideration to, among other things, the role that an investment in the Fund plays in the Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the Plan's purposes, the investment's risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated

cash flow needs of the Plan, the projected return of the total portfolio relative to the Plan's objectives and the limited right of investors to withdraw all or any part of their capital accounts or to transfer their interests in the Fund.

The U.S. Department of Labor ("DOL") has issued regulations under ERISA (the "Plan Asset Regulations") that provide generally that when a Plan invests in an entity such as the Fund, the Plan's assets include both the limited partner interest and an undivided interest in each of the underlying assets of such a fund. If the underlying assets of the Fund were to be considered "plan assets" of the Plan investor, the Investment Manager would be a fiduciary of the Plan, and the Fund would be subject to substantial ERISA and/or Code requirements with which the Fund generally could not comply.

The Plan Asset Regulations set forth certain general exceptions to this rule, including exceptions for Plan investments in entities in which there is no "significant investment" by "benefit plan investors." The Fund anticipates that it will satisfy this exception.

Ineligible Purchasers. Interests may not be purchased with the assets of a Plan if the General Partner, any selling agent, finder, any of their respective affiliates or any of their respective employees: (a) has investment discretion with respect to the investment of such plan assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the Code and a party that is described in clause (c) of the preceding sentence is a party in interest under ERISA and a disqualified person under the Code with respect to the Plan. Any such purchase might result in a "prohibited transaction" under ERISA and/or the Code.

Accordingly, Plan investors will be required to represent that the decision to invest in the Fund was made by fiduciaries who are independent of the General Partner (or any affiliated entity) and who are duly authorized to make such investment decision and who have not relied on any individualized advice or recommendation of the General Partner (or any affiliated entity) as a primary basis for the decision to invest in the Fund.

Review by Plan Fiduciaries. Each Plan Fiduciary considering whether to purchase interests on behalf of a Plan should consult with its counsel regarding the application of the prohibited transaction and fiduciary responsibility provisions of ERISA and the Code to such investment. In addition, a Plan Fiduciary of an ERISA-covered plan must independently determine that the decision to invest in the Fund is prudent under ERISA and is consistent with the provisions of ERISA and the Code that require the diversification of plan assets and impose fiduciary responsibility. The foregoing statements regarding the consequences under ERISA and the Code of an investment in the Fund are based on the provisions of ERISA and the Code as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes that would make the foregoing statements incorrect or incomplete will not occur. Acceptance of subscriptions on behalf of Plans is in no respect a representation by the Fund, the General Partner or any other

party that this investment meets all relevant legal requirements with respect to investments by any particular Plan. The Plan Fiduciary with investment discretion should consult with his or her attorney and financial advisors as to the propriety of such an investment in light of the circumstances of the particular Plan and current tax law. The Plan Fiduciary, by authorizing investment in the Fund, signifies its informed consent to the risks involved in doing so and to the business terms of the Fund.

Anti-Money Laundering and Anti-Terrorism Measures

The Fund, the General Partner and/or the Investment Manager may become subject to certain anti-money laundering and customer identification regulations promulgated pursuant to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act") and any other applicable anti-money laundering law and regulation. The General Partner, the Fund and the Investment Manager will take such steps as each deems reasonably necessary or desirable to comply with any anti-money laundering regulations applicable to any of them or to any of the portfolio companies, or as the General Partner or Investment Manager deems reasonably necessary or desirable to comply with the anti-money laundering regulations or policies of financial institutions or service providers or others providing financing or other services to the Fund or a portfolio company, which may include obtaining additional information with respect to the identity of investors and their beneficial owners, if any, and disclosing such information to such parties or to law enforcement or regulatory authorities.

Additional Information

This Memorandum is intended to present a general outline of the policies and structure of the Fund and the General Partner. The Fund Agreement, which specifies the rights and obligations of the Partners, should be reviewed thoroughly by each prospective Limited Partner. The section of this Memorandum entitled "Summary of the Offering" contains a summary of certain provisions of the Fund Agreement and is necessarily incomplete and is qualified by reference to such agreement. Copies of the Fund Agreement will be made available upon request and should be reviewed prior to purchasing Interests. To the extent that anything in this Memorandum differs from the terms of the Fund Agreement, the terms of the Fund Agreement shall govern. The General Partner will be available to answer questions regarding the terms and conditions of this offering and to provide additional information that may be requested by prospective investors.

Non-U.S. Offering Legends

FOR ALL NON-U.S. INVESTORS GENERALLY

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THESE INTERESTS TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE INTERESTS, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

BELGIUM

THE PARTNERSHIP HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE BELGIAN BANKING, FINANCE AND INSURANCE COMMISSION ("COMMISSIE VOOR HET BANK-, FINANCIE- EN ASSURANTIEWEZEN"/"COMMISSION BANCAIRE, FINANCIÈRE ET DES ASSURANCES") AS A FOREIGN COLLECTIVE INVESTMENT INSTITUTION UNDER ARTICLE 127 OF THE BELGIAN LAW OF 20 JULY 2004 ON CERTAIN FORMS OF COLLECTIVE MANAGEMENT OF INVESTMENT PORTFOLIOS. THE OFFERING IN BELGIUM HAS NOT BEEN AND WILL NOT BE NOTIFIED TO THE BELGIAN BANKING, FINANCE AND INSURANCE COMMISSION, NOR HAS THE MEMORANDUM BEEN OR WILL IT BE APPROVED BY THE BELGIAN BANKING, FINANCE AND INSURANCE COMMISSION. THE MINIMUM INVESTMENT PER INVESTOR AND PER TRANSACTION IN THE INTERESTS UNDER THE OFFERING EXCEEDS EUR 250,000 OR EQUIVALENT IN RELEVANT FOREIGN CURRENCY. THE MEMORANDUM HAS BEEN ISSUED TO YOU FOR YOUR PERSONAL USE ONLY AND EXCLUSIVELY FOR THE PURPOSES OF THE OFFERING. ACCORDINGLY, THE MEMORANDUM MAY NOT BE USED FOR ANY OTHER PURPOSE NOR PASSED ON TO ANY OTHER PERSON IN BELGIUM.

THE NETHERLANDS

THE INTERESTS MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED IN OR FROM THE NETHERLANDS AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, DIRECTLY OR INDIRECTLY, OTHER THAN TO INDIVIDUALS OR LEGAL ENTITIES WHO OR WHICH, IN THE PURSUIT OF THEIR OCCUPATION OR BUSINESS, DEAL OR INVEST IN INVESTMENT OBJECTS WITHIN THE MEANING OF SECTION 1 OF THE REGULATION IN IMPLEMENTATION OF SECTION 14 OF THE INVESTMENT INSTITUTIONS SUPERVISION ACT ("UITVOERINGSREGELING EX ARTIKEL 14 WET TOEZICHT BELEGGINGSINSTELLINGEN").

SPAIN

NEITHER THE INTERESTS NOR THIS MEMORANDUM HAVE BEEN VERIFIED OR REGISTERED IN THE ADMINISTRATIVE REGISTRIES OF THE SPANISH SECURITIES MARKETS COMMISSION (***COMISIÓN NACIONAL DEL MERCADO DE VALORES***). ACCORDINGLY, THE PARTNERSHIP AND THE PLACEMENT AGENT, IF ANY, HAVE ACKNOWLEDGED THAT THE INTERESTS MAY NOT BE OFFERED, SOLD OR DISTRIBUTED IN THE KINGDOM OF SPAIN OR TARGETED TO SPANISH RESIDENT INVESTORS SAVE IN COMPLIANCE AND IN ACCORDANCE WITH THE REQUIREMENTS OF THE SPANISH SECURITIES MARKET LAW OF 28TH JULY, 1988 (*LEY 24/1988, DE 28 DE JULIO, DEL MERCADO DE VALORES*) AS AMENDED AND RESTATED, AND ROYAL

DECREE 291/1992 ON ISSUES AND PUBLIC OFFERINGS FOR THE SALE OF SECURITIES (*REAL DECRETO 291/1992, DE 27 DE MARZO, SOBRE EMISIONES Y OFERTAS PÚBLICAS DE VENTA DE VALORES*) AS AMENDED AND RESTATED AND THE DECREES AND REGULATIONS ISSUED THEREUNDER

SWITZERLAND

THE INTERESTS ARE BEING OFFERED BY WAY OF A PRIVATE PLACEMENT TO A LIMITED NUMBER OF INVESTORS WITHOUT ANY PUBLIC OFFERING IN OR FROM SWITZERLAND. THIS MEMORANDUM AND ANY OTHER OFFERING MATERIAL RELATING TO THE INTERESTS ARE CONFIDENTIAL AND THEREFORE MAY NOT BE DISTRIBUTED TO THE PUBLIC.

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