

If our portfolio companies do not achieve projected development goals in the timeframes we announce and expect, the commercialization of their products may be delayed and, as a result, their value may decline.

**73. Purchasers may be limited in rights of action for recourse against EDGE196™.**

EDGE196™'s constituent documents limit the circumstances under which the General Partner's managers and their agents, officers, directors, partners, employees, members, or consultants will be held liable to EDGE196™. As a result, purchasers may have a more limited right of action in certain cases than they would have in the absence of this limitation. In addition, EDGE196™'s constituent documents provide that EDGE196™ and Master Fund will indemnify the managers and their agents, officers, directors, partners, employees, members, and consultants for certain claims, losses, damages and expenses arising out of their activities on behalf of EDGE196™. Such indemnification obligations could materially affect the returns to purchasers.

**74. Substantial liquidity is required to operate this business.**

We may not be able to obtain sufficient funding for our future operations from internally generated cash flows, in addition to, possible funding from commercial banks, or other sources. We are a newly formed entity and our access to the capital markets and commercial bank financing will be impaired due to a lack of operating history and established earnings. As a consequence, our results of operations, financial condition and cash flows will be materially and adversely affected if we are unable to secure financing to acquire portfolio companies and pay our general and administrative expenses. We require a substantial amount of cash liquidity to operate our business to the extent that we are unable to obtain liquidity from other sources, we may be required to liquidate purchases at substantial discounts in order to provide for our liquidity needs. Among other things, we use such cash liquidity to:

- acquire and originate portfolio companies; satisfy working capital requirements and pay operating expenses;
- pay taxes; and
- pay interest expenses