

80. EDGE196™ will indemnify the General Partner, EDGE196™, their officers, its employees and other agents for liabilities incurred in connection with operations of EDGE196™ Fund, including liabilities arising from their participation on the boards of portfolio companies EDGE196™ has invested in and had them appointed to.

In connection with its purchases, EDGE196™ may negotiate the right to appoint one or more of the purchase professionals of EDGE196™ as a member of a portfolio company's board of directors. Such memberships on the board of directors of a company can result in EDGE196™ or the individual director being named as a defendant in litigation. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. EDGE196™ will indemnify EDGE196™ and the Directors and Officers, among others, for liabilities incurred in connection with operations of EDGE196™, including liabilities arising from their participation on the boards of portfolio companies. Such indemnification obligations and other liabilities could be substantial.

81. There are certain contingent liabilities related to the disposition of purchases.

In connection with the disposition of a portfolio company purchase, EDGE196™ may be required to make representations about the business and financial affairs of the underlying portfolio company typical of those made in connection with the sale of a business. EDGE196™ may be required to indemnify the purchasers of such portfolio company purchase to the extent that any such representations are inaccurate.

These arrangements may result in the incurrence of contingent liabilities for which EDGE196™ may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserves are no longer needed or the escrow periods expire.

82. Changing economic conditions could present significant complications.

The success of our purchase strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in United States or global economies may be impacted by terrorism or acts of war. Rapidly changing economic conditions could potentially adversely impact the valuation of portfolio holdings.