

A non-corporate member will not be allowed to take a deduction for certain excess business losses in such taxable years. An excess business loss is the excess (if any) of a taxpayer's aggregate deductions for the taxable year that are attributable to the trades or businesses of such taxpayer (determined without regard to the excess business loss limitation) over the aggregate gross income or gain of such taxpayer for the taxable year that is attributable to such trades or businesses plus a threshold amount.

The threshold amount is equal to \$250,000, or \$500,000 for taxpayers filing a joint return. Any losses disallowed in a taxable year due to the excess business loss limitation may be used by the applicable member in the following taxable year for up to eighty percent (80%) of computed taxable income if certain conditions are met.

Members to whom this excess business loss limitation applies will take their allocable share of EDGE196™'s items of income, gain, loss and deduction into account in determining this limitation. This excess business loss limitation will be applied to a non-corporate member after the passive loss limitations and may limit such member's ability to use any losses EDGE196™ generates allocable to such member that are not otherwise limited by the basis, at-risk and passive loss limitations described above.

#### Limitations on Interest Deductions

EDGE196™'s ability to deduct interest on indebtedness allocable to its trade or business (excluding purchase interest) will be limited to an amount equal to the sum of (i) EDGE196™'s business interest income during the taxable year and (ii) 30% of EDGE196™'s adjusted taxable income for such taxable year.

If EDGE196™ is not entitled to fully deduct business interest in any taxable year, such excess business interest expense will be allocated to each member as excess business interest and can be carried forward by the member to successive taxable years and used to offset any excess taxable income allocated by EDGE196™ to such member. Any excess business interest expense allocated to a member will reduce such member's tax basis in its digital assets in the year of the allocation even if the expense does not give rise to a deduction to the member in that year. Immediately prior to a disposition of its digital assets, a member's tax basis will be increased by the amount by which such basis reduction exceeds the excess interest expense that has been deducted by such member.

Prospective purchasers should consult their tax advisors regarding the impact of this business interest deduction limitation on an investment in EDGE196™'s digital assets.