

Paramount Capital LP

A Oklahoma Limited Partnership

LIMITED PARTNERSHIP AGREEMENT

December 8, 2019

THE LIMITED PARTNERSHIP INTERESTS OF PARAMOUNT VOLATILITY, LP (THE "**FUND**") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE. THE FUND IS NOT REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 OR THE SECURITIES LAWS OF ANY STATE. THE GENERAL PARTNER (IDENTIFIED BELOW ON THIS PAGE) IS EXEMPT FROM REGISTRATION WITH THE COMMODITIES FUTURES TRADING COMMISSION ("**CFTC**") AS A COMMODITY POOL OPERATOR ("**CPO**") PURSUANT TO AN EXEMPTION AVAILABLE UNDER RULE 4.13(A)(3) UNDER THE COMMODITIES EXCHANGE ACT (THE "**CEA**"). THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED THIS OFFERING MEMORANDUM. THIS OFFERING OF LIMITED PARTNERSHIP INTERESTS IS BEING MADE IN RELIANCE ON A REGISTRATION EXEMPTION UNDER THE SECURITIES ACT FOR OFFERS AND SALES OF SECURITIES WHICH DO NOT INVOLVE ANY PUBLIC OFFERING, AND UPON ANALOGOUS EXEMPTIONS UNDER STATE SECURITIES LAWS. THE DELIVERY OF THIS LIMITED PARTNERSHIP AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, INTERESTS IN THE FUND IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THESE SECURITIES MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTION THEREFROM, AND MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS AND CONDITIONS STATED IN THIS LIMITED PARTNERSHIP AGREEMENT.

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THE LIMITED PARTNERSHIP INTERESTS OFFERED BY THIS MEMORANDUM MAY NOT BE TRANSFERRED EXCEPT WITH THE CONSENT OF THE GENERAL PARTNER AND EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE LAWS. SUCH CONSENT AND SUCH COMPLIANCE MAY BE UNLIKELY. FURTHER, WITHDRAWALS OF INVESTMENTS IN THE PARTNERSHIP ARE SUBJECT TO SIGNIFICANT RESTRICTIONS. AS A RESULT, AN INVESTOR MUST BE IN A POSITION TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE PARTNERSHIP FOR A SIGNIFICANT PERIOD. AN INVESTMENT IN THIS LIMITED PARTNERSHIP INVOLVES A SIGNIFICANT RISK OF LOSS.

THE GENERAL PARTNER IS EXEMPT FROM REGISTRATION WITH THE COMMODITIES FUTURES TRADING COMMISSION ("**CFTC**") AS A COMMODITY POOL OPERATOR ("**CPO**") PURSUANT TO AN EXEMPTION AVAILABLE UNDER RULE 4.13(A)(3) ADOPTED BY THE CFTC UNDER THE COMMODITIES EXCHANGE ACT (THE "**CEA**"). THIS EXEMPTION IS AVAILABLE TO A CPO IF (1) INTERESTS IN THE POOL ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND ARE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES; (2) THE POOL AT ALL TIMES SATISFIES AT LEAST ONE OF TWO TESTS WITH RESPECT TO ITS COMMODITY INTEREST POSITIONS: (A) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH SUCH COMMODITY INTEREST POSITIONS DO NOT EXCEED 5% OF THE LIQUIDATION VALUE OF THE POOL'S PORTFOLIO; OR (B) THE AGGREGATE NET NOTIONAL VALUE OF SUCH COMMODITY INTEREST POSITIONS DOES NOT EXCEED 100% OF THE LIQUIDATION VALUE OF THE POOL'S PORTFOLIO. EITHER TEST MUST BE SATISFIED AS OF THE TIME THE MOST RECENT COMMODITY INTEREST POSITION WAS ESTABLISHED, AND MUST TAKE INTO ACCOUNT UNREALIZED PROFITS OR UNREALIZED LOSSES ON ANY SUCH POSITIONS; (3) THE CPO REASONABLY BELIEVES THAT EACH POOL PARTICIPANT, AT THE TIME OF SUCH PARTICIPANT'S INVESTMENT IN THE POOL, IS (A) AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A) OF REGULATION D UNDER THE SECURITIES ACT OF 1933; (B) A TRUST THAT IS NOT AN ACCREDITED INVESTOR BUT THAT WAS FORMED BY AN ACCREDITED INVESTOR FOR THE BENEFIT OF A FAMILY MEMBER; (C) A "KNOWLEDGEABLE EMPLOYEE," AS DEFINED IN RULE 3C-5 UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED; OR (D) A "QUALIFIED ELIGIBLE PERSON" AS DEFINED IN RULE §4.7(A)(2)(VIII)(A) UNDER THE CEA; AND (4) PARTICIPATIONS IN THE POOL ARE NOT MARKETING AS OR IN A VEHICLE FOR TRADING IN THE COMMODITY FUTURES OR COMMODITY OPTIONS MARKETS. AS A RESULT OF THIS REGISTRATION EXEMPTION, CFTC RULES WHICH REQUIRE DELIVERY OF A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN A COMMODITY POOL DO NOT APPLY TO THE GENERAL PARTNER. THE GENERAL PARTNER DOES NOT INTEND TO PROVIDE INVESTORS IN THIS OFFERING WITH ANY OF THE DISCLOSURE DOCUMENTS OR CERTIFIED ANNUAL REPORTS THAT WOULD OTHERWISE BE REQUIRED IF SUCH REGISTRATION EXEMPTION WERE NOT AVAILABLE. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED THIS OFFERING MEMORANDUM.

NOTICE TO INVESTORS IN ALL STATES: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY FEDERAL OR STATE SECURITIES COMMISSIONS OR REGULATORY AUTHORITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FLORIDA INVESTORS: IF THE INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN

THE INVESTMENT COMPANY ACT OF 1940, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933), THE INVESTOR ACKNOWLEDGES THAT ANY SALE OF THE UNITS TO THE INVESTOR IS VOIDABLE BY THE INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE INVESTOR TO THE ISSUER, OR AN AGENT OF THE ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE INVESTOR, WHICHEVER OCCURS LATER.

OREGON INVESTORS: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED 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. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933 PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD.

GEORGIA INVESTORS: THESE SECURITIES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE GEORGIA SECURITIES ACT OF 1973, AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

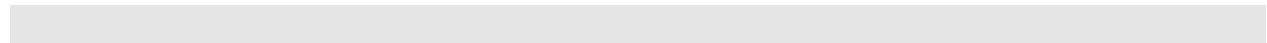


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Paramount Capital LP

LIMITED PARTNERSHIP AGREEMENT

This Limited Partnership Agreement (this "**Agreement**") of Paramount Capital LP (**the "Fund"**) is made as of December 9th, 2019 (the "**Effective Date**") among Paramount Capital LLC (the "**General Partner**"), as the general partner, Chris A. Meek (the "**Initial Limited Partner**") as the initial limited partner, and each other person who is admitted to the Fund as a limited partner in the manner provided herein. The Initial Limited Partner and each additional Limited Partner are hereinafter referred to individually as a "**Limited Partner**" or collectively as the "**Limited Partners**." The General Partner and the Limited Partners are hereinafter referred to individually as a "**Partner**" or collectively as the "**Partners**."

WITNESSETH:

The Partners agree as follows, intending that this Agreement supersede and restate in its entirety any prior limited partnership agreement of the Fund:

ARTICLE I. ORGANIZATION AND PURPOSE

1.1 *Formation of Limited Partnership.*

The Fund was formed upon the filing of its certificate of limited partnership (the "**Certificate of Limited Partnership**") with the Oklahoma Secretary of State on December 9, 2019. The Partners agree to continue the Fund as a limited partnership subject to the Oklahoma Limited Partnership Act (the "**Act**"). The General Partner is the general partner of the Fund. The Initial Limited Partner is the first Limited Partner. Other Limited Partners shall be those persons, if any, that hereafter agree to become Limited Partners of the Fund by executing a subscription agreement between the Fund and such person (a "**Subscription Agreement**") under which the person requests, and the General Partner in its sole discretion approves, the person's admission to the Fund as a Limited Partner.

1.2 *Name.*

The Fund name shall be Paramount Capital LP. All Fund business shall be conducted solely under that name, and all assets of the Fund, whether now or hereafter owned (the "**Fund Assets**"), shall be held solely in such name unless otherwise determined by the General Partner.

1.3 *Effective Date and Term.*

The Fund's term began upon the filing of its Certificate of Limited Partnership and shall continue under this Agreement until dissolved upon an event that causes its dissolution under this Agreement or the Act, and thereafter, to the extent provided by applicable law, until it is wound up and terminated as provided herein.

1.4 *Purposes and Scope of Business.*

The Fund is organized to invest in a wide range of investments, including without limitation Securities (as hereinafter defined) and other related kinds of investments, and to engage in all activities that the General Partner may deem necessary or advisable in connection therewith, whether directly or through one or more investment entities, including, without limitation:

(a) to purchase or otherwise acquire, hold, trade, sell, assign, negotiate, exchange or otherwise transfer or dispose of, on margin or otherwise, all types of U.S. and foreign securities and other financial instruments, including, without limitation, listed and unlisted capital stock, bonds and all other forms of debt securities, mutual funds, exchange traded funds, money market funds, U.S. and foreign currencies and cash, in each case issued by any person, corporation, partnership, limited liability company, bank or similar financial institution, trust, business trust, association, or other company or similar entity of any kind, as well as futures and forward contracts (and options thereon) relating to all financial instruments, including but not limited to stock market or other securities market indices, or currencies — and rights or options relating to any of the foregoing, including put and call options (including but not limited to index options) or any combination thereof written by the Fund, by the General Partner on behalf of the Fund or by others, together with any synthetic or derivative security or instrument whose value is based upon the value of any of the foregoing securities or other financial instruments, except to the extent, if any, that any of the foregoing is specifically excluded from the definition of "Security" in the next subparagraph (each such item a "**Security**"), and to perform any and all acts for the preservation and enhancement in value of any and all Securities and to engage in such other lawful Securities transactions as the General Partner may from time to time determine;

(b) to conduct its operations such that each item listed at the end of this subparagraph shall be excluded from the definition of "Security" in the preceding subparagraph and/or each restriction described at the end of this subparagraph shall be applicable to the Fund's Securities: NONE;

(c) to acquire a long position or a short position with respect to any Security and to make purchases or sales increasing, decreasing or liquidating such position or changing from a long position to a short position or vice versa, without any limitation as to the frequency of such transactions;

(d) to engage personnel, whether part-time or full-time, attorneys, independent accountants, consultants, advisers or such other persons as the General Partner may deem necessary or advisable;

(e) to maintain one or more offices for the conduct of Fund affairs and in connection therewith to rent or acquire office space;

(f) to enter into custodial arrangements regarding Securities owned beneficially by the Fund with banks and brokers wherever located;

(g) to form any type of investment vehicle to carry out any of the foregoing, including, but not limited to, partnerships (general and limited), joint ventures, limited liability companies, corporations and any other type of entity, within or outside the United States;

(h) without limiting the foregoing, to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Securities and other Fund Assets, and to do such other acts as the General Partner may deem necessary or advisable in its administration of the Fund.

1.5 Documents.

The General Partner, or anyone designated by the General Partner, is hereby authorized to execute any amendment to the Certificate of Limited Partnership in accordance with the Act and to cause it to be filed with the Oklahoma Secretary of State in accordance with the Act. The Fund shall promptly execute and duly file, with the proper offices in each state in which the Fund may conduct its activities, one or more certificates or similar documents as required by the laws of each such state, and shall take any other action necessary so that the Fund may lawfully conduct its authorized activities in each such state.

1.6 Principal Place of Business.

The principal place of business of the Fund shall be 2644 South Trenton Ave, Tulsa OK 74114, or such other place or places as may be approved by the General Partner. The General Partner shall be responsible for maintaining at the Fund's principal place of business those records required by the Act to be maintained thereat.

1.7 Registered Agent and Office.

The address of the registered office of the Fund in the State of Oklahoma shall be 2644 S. Trenton Ave., Tulsa, OK 74114. The name of its registered agent for service of process at such address shall be 2644 S Trenton Ave., Tulsa, OK 74114. The General Partner shall have authority at any time, in accordance with the Act, to designate a registered office and registered agent in additional states, to change the address of the Fund's registered office and/or registered agent in any state, and to terminate any such state registration.

ARTICLE II. OPERATIONS

2.1 *Management of Fund.*

The General Partner shall have the exclusive right to manage and control the affairs of the Fund. The Limited Partners shall not take part in the management of Fund affairs and under no circumstances may any Limited Partner control the Fund business or sign for or bind the Fund. Notwithstanding anything to the contrary contained in this Agreement, the General Partner shall have the exclusive authority to act on behalf of the Fund, and no third party shall be required to inquire into the authority of the General Partner to take any action on behalf of the Fund. Except as expressly limited in this Agreement, the General Partner shall have the rights, authority and powers of general partners with respect to the Fund business and the Fund Assets that are set forth in the Act as in effect upon the Effective Date of this Agreement. The General Partner may delegate any of its management authority to one or more other persons, including but not limited to an Investment Manager (see definition of "Investment Manager" in Section 3.1(g)).

2.2 *Authority of Partners.*

The General Partner shall have the power on behalf of and in the name of the Fund to carry out any and all of the objects and purposes of the Fund set forth in Section 1.4, and to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto, including, without limitation, the power to:

(a) open, maintain and close accounts, including margin and custodial accounts, with brokers, including brokers located outside the United States, which power shall include the authority to issue all instructions and authorizations to brokers regarding the Securities or money therein; to pay, or authorize the payment and reimbursement of, brokerage commissions, which may be in excess of the lowest rates available, to brokers who execute transactions for the Fund; provided, that the General Partner shall seek to obtain best execution of Fund portfolio trades as required by law and shall not agree to pay a rate of commissions in excess of what is competitively available from comparable brokerage firms for comparable services, taking into account various factors, including commission rates, research provided by the broker, the financial responsibility, and strength of the broker and ability of the broker to execute transactions efficiently;

(b) open, maintain, and close accounts, including custodial accounts, with banks, including banks located outside the United States, and draw checks or other orders for the payment of monies (including but not limited to withdrawals from Fund accounts for the payment of Management Fees, reimbursable expenses, Performance Allocations, capital withdrawals, and any other amounts owed to the General Partner or its affiliate under this Agreement by the Fund or a Limited Partner, provided that such withdrawals comply with all applicable laws and regulations);

(c) exercise all rights of the Fund with respect to its interest in any person, including, without limitation, the voting of Securities, participation in arrangements with

creditors, the institution and settlement or compromise of suits and administrative proceedings and other like or similar matters;

(d) organize or appoint one or more corporations or other entities to hold record title, as nominee for the Fund, to Securities or funds of the Fund;

(e) organize one or more subsidiary partnerships or other entities, including such entities organized or operating outside the United States, to be managed by a principal or affiliate of the General Partner, through which the Fund may make investments;

(f) provide research and analysis, and direct the formulation of investment policies and strategies for the Fund;

(g) authorize any manager, member, partner, employee or other agent of the General Partner or of the Fund to act on behalf of the Fund in all matters incidental to the foregoing; and

(h) leverage the capital of the Fund on such terms as the General Partner may deem appropriate in its sole discretion.

2.3 Affiliates.

The General Partner shall have the right to cause the Fund to enter into contracts or otherwise deal with any affiliates of any Partner in any capacity, including, without limitation, in connection with the purchase and sale of the Fund Assets, except that the terms of any such arrangement shall be commercially reasonable and competitive with amounts that would be paid to third parties on an "arm's-length" basis. Notwithstanding the preceding sentence, the Fund shall in no event enter into any transaction under which the Fund lends money, securities or any other property to the Investment Manager or other investment adviser of the Fund (including but not limited to the General Partner, in its status as such, during any period when the General Partner is serving as the Investment Manager or other investment adviser to the Fund).

2.4 Exculpation; Indemnity.

(a) Neither a Partner nor any affiliate of any Partner (individually, an "**Actor**" and, collectively, the "**Actors**") shall be liable to the Fund or any other Partner for (i) any act or omission by any Actor in connection with the conduct of the Fund business, unless such act or omission constitutes bad faith, willful misconduct, fraud, gross negligence or misappropriation or conversion of funds by such Actor, (ii) any act or omission by any Actor in the good faith exercise of discretion or judgment of the Actor as provided by this Agreement, unless such act or omission constitutes bad faith, willful misconduct, fraud, gross negligence or misappropriation or conversion of funds by such Actor, (iii) any act or omission by any other Partner, or (iv) any act or omission by any broker or other agent of the Fund if such broker or agent was selected, retained or engaged by such Actor with reasonable care.

(b) To the fullest extent permitted under any applicable law, including, without limitation, the Act, the Fund shall indemnify, defend and hold harmless each Partner or any officer, shareholder, director, member, or agent of such Partner (each an "**Indemnatee**") to

the extent of the Fund Assets, from and against any losses, expenses, judgments, fines, settlements and damages (collectively, "**Liabilities**") incurred by such Indemnatee arising out of any claim based upon acts (including, without limitation, negligent acts) performed or omitted to be performed by the Fund or such Indemnatee in connection with the business of the Fund, including, without limitation, costs, expenses and attorneys' fees expended in the settlement or defense of any such Liability, unless, in each case, such Liability results from such Indemnatee's own bad faith, willful misconduct, fraud, gross negligence or misappropriation or conversion of funds. The General Partner may cause the Fund to purchase insurance to cover the General Partner and/or other Indemnitees for events with respect to which such person is entitled to indemnification hereunder. The Fund shall, in the sole discretion of the General Partner, advance to any Indemnatee reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any actual or threatened action or proceeding that arises out of such conduct. Each Indemnatee shall agree that, in the event it receives any such advance, such Indemnatee shall reimburse the Fund for such fees, costs and expenses to the extent that it shall be determined that it was not entitled to indemnification under this Section 2.4(b). The right of indemnification granted by this Section 2.4(b) shall be in addition to any rights to which the Indemnatee may otherwise be entitled and shall inure to the benefit of the successors, assigns, executors or administrators of any Indemnatee.

(c) An Indemnatee under this Agreement shall, with respect to claims asserted against such Indemnatee by any third party, promptly give written notice to the Fund of any liability which might give rise to a claim for indemnity under this Agreement; provided, however, that any failure to give such notice will not waive any rights of the Indemnatee except to the extent the rights of the Fund are materially prejudiced thereby. The Fund shall have the right, at its election, to take over the defense or settlement of such claim by giving written notice to the Indemnatee at least 10 days prior to the time when an answer or other responsive pleading or notice with respect thereto is required. If the Fund makes such election, it may conduct the defense of such claim through counsel of its choosing (subject to the Indemnatee's approval of such counsel, which approval shall not be unreasonably withheld), shall be solely responsible for the expenses of such defense and shall be bound by the results of its defense or settlement of the claim. The Fund shall not settle any such claim without prior notice to and consultation with the Indemnatee, and no such settlement involving any equitable relief or which might have an adverse effect on the Indemnatee may be agreed to without the written consent of the Indemnatee (which consent shall not be unreasonably withheld). So long as the Fund is diligently contesting any such claim in good faith, the Indemnatee may pay or settle such claim only at its own expense and the Fund will not be responsible for the fees of separate legal counsel to the Indemnatee, unless the named parties to any proceeding include both parties and representation of both parties by the same counsel would be inappropriate in the reasonable judgment of the Fund or the Indemnatee. If the Fund does not make such election, or having the same counsel is inappropriate in the reasonable judgment of the Fund or the Indemnatee, or the Fund, having made such election does not, in the reasonable opinion of the Indemnatee, proceed diligently to defend such claim, then the Indemnatee may, after written notice to and at the expense of the Fund, take over the defense of and proceed to handle such claim in its discretion and the Fund shall be bound by any defense or settlement that the Indemnatee may make in good faith with respect to such claim.

(d) Neither the preceding portions of this Section 2.4 nor any other provision of this Agreement shall be interpreted either (1) to limit in any way the fiduciary duty owed at any time to the Fund or its Partners by the Investment Manager or other investment adviser of the Fund, including but not limited to the General Partner in its status as the Investment Manager or other investment adviser of the Fund during any period when the General Partner is serving as such; or (2) as a waiver by any person of compliance by the General Partner or Investment Manager with any applicable provision of the securities laws of the United States or any state, the Investment Advisers Act of 1940, or any other practice contrary to the provisions of section 215 of the Investment Advisers Act of 1940 or analogous state laws or regulations.

2.5 Tax Matters Partner.

The General Partner shall act as the "**Tax Matters Partner**" for income tax purposes. The Tax Matters Partner shall mean the Partner (a) designated as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Internal Revenue Code of 1986 from time to time (or any corresponding provision of succeeding law, collectively the "**Code**"); and (b) whose responsibilities include, where appropriate, commencing on behalf of the Fund certain judicial proceedings regarding Fund income tax items and informing all Partners of any administrative or judicial proceeding involving income taxes. In exercising its responsibilities as Tax Matters Partner, the General Partner shall have final authority in all income tax decisions involving the Fund. The Fund shall reimburse the Tax Matters Partner for any direct out-of-pocket expense incurred by the Tax Matters Partner in carrying out its responsibilities and duties under this Agreement.

2.6 Activity of the General Partner.

The General Partner shall be required to devote such time as it reasonably deems necessary for the proper conduct of the Fund's affairs. Neither the General Partner nor any members, managers, partners, directors, officers, employees, agents or owners of the General Partner or the members, managers, partners, directors, officers, employees, agents or owners of any of such persons (collectively, "**Affiliates**") shall be obligated to perform any act in connection with the business of the Fund not expressly set forth herein. Nothing contained in this Section 2.6 shall preclude the General Partner or any of its Affiliates from, directly or indirectly, engaging in any other business or from purchasing, selling, holding or otherwise dealing with any Securities for, or from exercising any other investment responsibility over or providing investment advice to, an account of such person, a family member of such person, or any other person or entity. No Limited Partner shall, by reason of being a Partner, have any right to participate in any manner in any profits or income earned by the General Partner or any of its Affiliates from the conduct of any business other than the Fund business, or from any transaction in Securities effected by the General Partner or any of its Affiliates for any account other than a Fund account.

ARTICLE III. FINANCING

3.1 *Definitions.*

For the purposes of this Agreement, unless the context otherwise requires:

(a) "**Accounting Period**" shall mean the following periods: The initial Accounting Period commenced upon the formation of the Fund. Each subsequent Accounting Period will begin at the opening of business on the day after the close of the preceding Accounting Period. Each Accounting Period shall close at the close of business on the first to occur of (i) the last day of each month, (ii) the day before the effective date of admission of a New Partner pursuant to Section 5.5, (iii) the day before the effective date of an increase in a Partner's Capital Account (as defined in Section 3.4) as a result of an additional Capital Contribution pursuant to Section 3.3, (iv) the effective date of any distribution or withdrawal pursuant to Article IV or VI, or (v) the date on which the Fund terminates.

(b) "**Value**" shall mean the value assigned to an asset or liability under Section 3.6.

(c) A "**Beginning Value**" and an "**Ending Value**" shall be determined for the Fund for each Accounting Period, which shall be the excess of the Value of the Fund Assets over all Fund liabilities at the beginning and ending, respectively, of the Accounting Period (subject to Section 3.4). Such excess, if any, of the Ending Value over the Beginning Value shall be the "**Net Capital Appreciation**" and such excess, if any, of the Beginning Value over the Ending Value shall be the "**Net Capital Depreciation**," for such Accounting Period. As appropriate for specific purposes under this Agreement, Net Capital Appreciation or Net Capital Depreciation shall be determined separately with respect to each Limited Partner or with respect to each Capital Account.

(d) "**Fund Percentages**" shall be determined for each Partner for each Accounting Period by dividing the amount of each Partner's Capital Account by the aggregate Capital Accounts of all Partners as of the beginning of such Accounting Period. The sum of the Fund Percentages shall equal 100 per cent.

(e) "**Interests**" or "**Fund Interests**" shall mean units of limited partnership interest in the Fund.

(f) "**Investment Expenses**" shall include the fees and expenses of the Fund relating to its investing activities, including but not limited to all brokerage fees and commissions, interest on margin accounts and other indebtedness, borrowing charges on Securities sold short, custodial fees, bank service fees, costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by the General Partner in connection with specific transactions, any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Fund or the General Partner in connection with the investment activities of the Fund, withholding and transfer fees, clearing and settlement charges, and any other expenses related to the purchase, sale or transfer of investments. Without limiting the foregoing, "Investment Expenses" shall

include all of the General Partner's travel expenses relating to the Fund's investing activities, including but not limited to travel undertaken for the purpose of researching or monitoring actual or potential Fund investments.

(g) "**Investment Manager**" shall mean the individual or entity (if any) selected by the General Partner (who may, but need not be, an affiliate of the General Partner) to act as the investment adviser of the Fund and to receive the Management Fee prescribed under Section 3.2. The Investment Manager shall be duly registered as an investment adviser under federal or state law during all periods when such registration is required. The General Partner shall have authority to enter into an investment management agreement with any individual or entity who the General Partner believes in good faith is qualified to serve as the Investment Manager, on such terms and conditions (consistent with the terms and conditions of this Agreement) as the General Partner shall deem to be in the best interests of the Fund. Provided that the General Partner has selected the Investment Manager in good faith, the General Partner shall in no event be responsible to the Fund, any Limited Partner or any other person for any act or omission of the Investment Manager in carrying out its advisory duties to the Fund. Unless the General Partner shall have selected another individual or entity to serve as the Investment Manager as described in this paragraph, the General Partner itself shall serve as the Investment Manager, in which event all references to the Investment Manager in this Agreement shall refer to the General Partner.

(h) The quarterly "**Management Fee**" (see Section 3.2(a)) shall be equal to 0.5% (equivalent to 2.00% per annum) of the Capital Account of each Limited Partner as of the opening of business on the first day of each calendar quarter. The percentage rate at which the Management Fee is calculated for any Limited Partner may be reduced by agreement between the General Partner and the Limited Partner. Notwithstanding any provision herein to the contrary, all expenses associated with the payment of the Management Fee shall be charged solely to the Limited Partners and among such Limited Partners in the ratio of their Capital Account balances used to determine each such payment. The General Partner, in its sole discretion, may waive payment of all or any portion of the Management Fee by any Limited Partner (or any other fee payable by a Limited Partner under this Agreement); provided, that no such waiver shall have the effect of increasing the Management Fee (or other fee) payable by any other Limited Partner.

(i) "**Operational Expenses**" shall mean all administrative fees and expenses of the Fund, including but not limited to initial organizational expenses and other expenses incurred in the offering and sale of limited partnership interests, legal, accounting, insurance, auditing (if any) and tax services and fees, expenses of research and data collection and analysis, costs of communication with Partners and fees of any administrator engaged by the Fund. Operational Expenses shall not include the Performance Allocation, the Management Fee, Investment Expenses or operating costs of the General Partner, including office space, utilities and salaries and other compensation of General Partner personnel. Operational Expenses relating to the organization of the Fund and the initial offering of interests in the Fund shall be advanced by the General Partner, who shall be reimbursed by the Fund for such expenses.

3.2 *Management Fee and Expenses.*

(a) **Management Fee.** The Management Fee shall be calculated, accrue and become irrevocably payable to the General Partner as of the first day of each fiscal quarter. If the General Partner has exercised its authority to select an individual or entity other than the General Partner to serve as the Investment Manager (see Section 3.1(g)), the Management Fee shall instead be payable to such Investment Manager to the extent provided in the investment management agreement between the Fund and such Investment Manager. If a Capital Contribution is made effective as of a date other than the first day of a fiscal quarter, a Management Fee shall become payable on that date with respect to such Capital Contribution, prorated for the number of days then remaining in the quarter. If a withdrawal occurs other than as of the last day of a fiscal quarter, no portion of the Management Fee payable with respect to the withdrawn amount for such fiscal quarter shall be refundable.

(b) **Expenses.** The Fund will directly pay, or reimburse the General Partner for, all Investment Expenses and Operational Expenses. Notwithstanding the preceding sentence, in its sole discretion, the General Partner may (but in no event will be required) to bear any of the expenses which the Fund would otherwise be required to bear, and may elect to do so at any time without notice to the Limited Partners. There will be no sales charges to Limited Partners in connection with the offering of Fund interests. The General Partner may agree, at its own expense, to make payments to persons who introduce Limited Partners to the Fund.

3.3 *Capital Contributions.*

Upon admission to the Fund, each Partner shall make a cash contribution (a "**Capital Contribution**") to the Fund in the amount specified as the "Initial Capital Contribution" in the Partner's Subscription Agreement (the Partner's "**Initial Capital Contribution**"). The minimum Initial Capital Contribution of a Limited Partner shall be \$1,000, and the minimum additional Capital Contribution of a Limited Partner shall be \$1,000, subject in each case to the discretion of the General Partner to accept a lesser amount. Unless otherwise agreed by a Partner and the General Partner, no Partner shall have any obligation to make any additional Capital Contribution at any time. Capital Contributions shall be invested in the Fund's investment program on the first business day of the month beginning on or next after the date that such Capital Contribution is received by the Fund (or in any event not later than the third business day of the month). Any Capital Contribution from a Partner that, pursuant to the preceding sentence, is not to be invested in the Fund's investment program on the date on which it is received by the Fund (or on the next business day) shall be placed by the General Partner in a non-interest-bearing holding account for the benefit of the contributing Partner until the date on which such Capital Contribution is to be invested in the Fund's investment program, and on such date the Capital Contribution shall be invested in the Fund's investment program and credited to the contributing Partner's Capital Account (as that term is defined in Section 3.4(a) below). Unless otherwise agreed between the contributing Partner and the General Partner in connection with such a Capital Contribution, the contributing Partner shall have no right to the return of any portion of such Capital Contribution after it has been received by the Fund and prior to its investment in the Fund's investment program.

3.4 *Capital Accounts.*

(a) A capital account ("**Capital Account**") shall be established on the books of the Fund for each Partner. The Capital Account of each Partner shall be adjusted as hereinafter provided. The Capital Account of each Partner shall be increased by the amount of any Capital Contributions to the Fund credited to such Partner as provided in Section 3.3. At the end of each Accounting Period, the Capital Account of each Partner shall be:

(i) increased (decreased) by the Partner's Fund Percentage of the Fund's Net Capital Appreciation (Depreciation) for the Accounting Period;

(ii) adjusted as provided in Section 3.5(a), if the end of such Accounting Period is also the end of a period with respect to which a Performance Allocation is to be made from the Partner's Capital Account (including but not limited to as provided in Section 6.3(b)); and

(iii) decreased by the amount of any withdrawal or distribution made by or such Partner under Article IV or VI.

(b) Notwithstanding Section 3.4(a), if the General Partner determines, for tax or regulatory reasons, or for any other reason as to which the General Partner and any Partner agree, that such Partner should not or may not participate in the Net Capital Appreciation or Net Capital Depreciation, if any, attributable to the Fund's investment in any particular Security or type of Security, or to any other transaction, the General Partner may allocate such Net Capital Appreciation or Net Capital Depreciation only to the Capital Accounts of Partners with respect to whom such a determination has not been made. In addition, if for any of the reasons described above, the General Partner determines that a Partner should have no interest whatsoever in a particular Security, type of Security or transaction, then the interests in such Security, type of Security, or transaction may be set forth in a separate memorandum account and the Net Capital Appreciation and Net Capital Depreciation for each such memorandum account shall be separately calculated.

(c) All elections, decisions, and other matters concerning the allocation of profits, gains and losses among the Partners, as well as other accounting procedures not specifically and expressly provided for in this Agreement, shall be determined in good faith by the General Partner, whose determination shall be final and conclusive as to all Partners.

3.5 *Performance Allocations.*

(a) **Generally.** Except as provided below in this paragraph and in Section 3.5(b), at the end of each fiscal year, and upon a withdrawal of capital at any time other than a fiscal year end, with respect to amounts so withdrawn, an amount equal to 20% (or such lesser or greater amount with respect to any Partner as shall be agreed by the General Partner and such Partner) of the Net Capital Appreciation allocated to such Limited Partner for the fiscal year shall be reallocated from the Capital Account of such Limited Partner to the Capital Account of the General Partner (the "**Performance Allocation**"). For the purpose of calculating the Performance Allocation, Net Capital Appreciation shall reflect a reduction for all Management Fees paid by the Limited Partner with respect to the fiscal year or other measurement period. The

General Partner, in its sole discretion, may waive the reallocation of all or any part of the Performance Allocation with respect to any Limited Partner for any fiscal year or other measurement period.

(b) **High Water Mark.** Notwithstanding Section 3.5(a) above, if at the end of a fiscal year there exists a Net Capital Depreciation for a particular Limited Partner for such fiscal year, this Section 3.5(b) shall apply. In such event, there shall be established a memorandum account for each such Limited Partner entitled the "**Deficit Account**," if a Deficit Account does not already exist for such Limited Partner. If a Deficit Account for the Limited Partner did not exist prior to such fiscal year, the initial account Deficit Account balance shall be the amount of the Net Capital Depreciation of such Limited Partner for the fiscal year. If the Deficit Account existed prior to such fiscal year, the Net Capital Depreciation of such Limited Partner for such fiscal year shall be added to the Deficit Account balance. In each succeeding fiscal year, if there is Net Capital Appreciation for such Limited Partner for such fiscal year, the amount thereof shall be subtracted from the balance of the Deficit Account until the Deficit Account balance equals zero. Once the Deficit Account for a particular Limited Partner equals zero, such Deficit Account shall no longer exist and, in the fiscal year the balance reaches zero, the amount of any Net Capital Appreciation for such Limited Partner in excess of the amount contained in such Deficit Account at the beginning of the fiscal year shall be subject to Section 3.5(a). While a Limited Partner has a Deficit Account, Section 3.5(a) shall not apply to such Partner. If a Limited Partner withdraws funds from the Fund while the Limited Partner has a Deficit Account, the Deficit Account balance shall be reduced in the ratio of the withdrawn amount to the Limited Partner's Capital Account prior to the withdrawal. With respect to any Performance Allocation to be made as of a date other than the end of a fiscal year (for example, upon a Limited Partner's withdrawal of capital), the preceding portions of this paragraph shall be applied as of the end of the Performance Allocation measurement period involved rather than as of the end of the fiscal year.

(c) **Conforming Amendments.** The General Partner shall have the right to amend this Section 3.5, without the consent of the Limited Partners, so that the Performance Allocation conforms to any applicable requirements of the Securities and Exchange Commission and other federal or state regulatory authorities or self-regulatory organizations; provided, however, that no such amendment shall increase, on an overall basis, the amount of Net Capital Appreciation from a Limited Partner's Capital Account to the General Partner's Capital Account for any period. In no event will a Performance Allocation be made from a Limited Partner's Capital Account, or any other form of performance-based compensation be charged to a Limited Partner, except in compliance with all applicable requirements of the Securities and Exchange Commission, state agencies with which the General Partner or Investment Manager is registered as an investment adviser, and other regulatory authorities (including self-regulatory organizations) having jurisdiction over the General Partner or Investment Manager.

3.6 Valuation of Assets.

The value of Fund assets shall be determined in accordance with FASB Accounting Standards Codification Topic (ASC) 820, "Fair Value Measurements and Disclosures" ("**FASB ASC 820-10**"), as in effect on the date of this Agreement. As used below, however, "FASB ASC 820-10" shall refer instead to any superseding, supplementing or amending Statement of

Financial Accounting Standards intended by its adopters to apply to the valuation of assets in lieu of or in addition to the current version of FASB ASC 820-10 – provided that the General Partner has determined, in its good faith discretion, that it is in the best interests of the Fund that such superseding, supplementing or amending Statement thereafter be followed in valuing Fund assets. To the extent that U.S. generally accepted accounting principles, consistently applied ("**GAAP**") are consistent with FASB ASC 820-10, GAAP shall also be applied in valuing Fund assets, as shall the valuation standards summarized below to the extent those standards are not inconsistent with FASB ASC 820-10 or GAAP.

(a) Securities that are listed on a securities exchange (including such Securities when traded in the after hours market) shall be valued at their last sale prices on the date of determination on the largest securities exchange on which such securities shall have traded on such date or, if trading in such Securities on the largest securities exchange on which such Securities shall have traded on such date was reported on the consolidated tape, their last sales prices on the consolidated tape (or, in the event that the date of determination is not a date upon which a securities exchange was open for trading, on the last prior date on which such securities exchange was so open not more than 10 days prior to the date of determination). If no such sales of such Securities occurred on either of the foregoing dates, such Securities shall be valued at the "bid" price for long positions and "asked" price for short positions on the largest securities exchange on which such Securities are traded on the date of determination, or, if "bid" prices for long positions and "asked" prices for short positions in such Securities on the largest securities exchange on which such Securities shall have traded on such date were reported on the consolidated tape, the "bid" price for long positions and "asked" price for short positions on the consolidated tape (or, if the date of determination is not a date upon which such securities exchange was open for trading, on the last prior date on which such a securities exchange was so open not more than 10 days prior to the date of determination). Securities that are not listed on an exchange but are traded over-the-counter shall be valued at representative "bid" quotations if held long by the Fund and representative "asked" quotations if held short by the Fund on the date of determination, unless such Securities shall be included in the NASDAQ Stock Market, in which case they shall be valued based upon their last sale prices on the date of determination (if such prices are available). Notwithstanding the preceding sentences in this paragraph, options, whether or not listed on a securities exchange, shall be valued at the mean between the last "bid" and "asked" prices for such options on such date, or at the last trade price, whichever is lower. Non-U.S. Securities shall be valued at the last sale price in the principal market where they are traded.

Notwithstanding the preceding paragraph, futures contracts shall be valued at the most recent "settlement price" set by the exchange on which such contracts are traded.

The value of any shares of stock held or sold short by the Fund in an investment company registered under the Investment Company Act of 1940 (the "**Investment Company Act**") shall be valued as such shares are valued by the investment company; provided however, that the General Partner may make such adjustments in such valuation as it from time to time may consider appropriate. Notwithstanding the foregoing, if any cash or other asset of the Fund has been realized or contracted to be realized on the date of valuation, the assets of the Fund shall include, in place of such cash or other asset, the assets receivable by the Fund in respect thereof.

Securities for which no such market prices are available shall be valued at such value as the General Partner may reasonably determine in its sole discretion.

(b) All other assets and liabilities of the Fund (except goodwill, which shall not be taken into account) shall be assigned such value as the General Partner may reasonably determine in its sole discretion.

(c) If the General Partner determines that the valuation of any Securities or other property pursuant to Section 3.6(a) does not fairly represent market value, the General Partner shall value such Securities or other property as it reasonably determines in its sole discretion and shall set forth the basis of such valuation in writing in the Fund's records.

(d) All values assigned to Securities and other assets and liabilities by the General Partner pursuant to this Section 3.6 shall be final and conclusive as to all of the Partners.

(e) Items shall be determined to be assets if they would be treated as an asset under U.S. generally accepted accounting principles ("**GAAP**"); provided that assets shall be valued in accordance with this Section 3.6.

Notwithstanding the preceding portions of this section, the General Partner shall be entitled to rely in good faith on valuations provided to the Fund by prime brokers (if any), other brokers, banks and other custodians with respect to assets held by such parties on behalf of the Fund.

3.7 Liabilities.

(a) Liabilities shall be determined in accordance with GAAP, applied on a consistent basis.

(b) The Capital Accounts of Limited Partners and all former Limited Partners shall reflect all debts and obligations of the Fund attributable to any Accounting Period during which they are or were Limited Partners of the Fund, to the extent of their respective interests in the Fund in the Accounting Period to which any such debts and obligations are attributable.

(c) The Partners and all former Partners shall share all debts and obligations suffered or incurred by virtue of the operation of the preceding paragraphs of this Section 3.8 in the proportions of their respective Fund Percentages for the Accounting Period to which any debts or obligations of the Fund are attributable. A Limited Partner's or former Limited Partner's share of all debts and obligations shall not be greater than its respective interest in the Fund for such Accounting Period.

(d) As used in this Agreement, the terms "**interests in the Fund**" and "**interest in the Fund**" shall mean, with respect to any Accounting Period and with respect to each Partner (or former Partner), the Capital Account that such Partner (or former Partner) would have received (or in fact did receive) pursuant to Article VI upon complete withdrawal from the Fund as of the end of such Accounting Period.

(e) Notwithstanding any other provision in this Agreement, in no event shall any Limited Partner (or former Limited Partner) be obligated to make any additional contribution whatsoever to the Fund, or have any liability for the repayment and discharge of the debts and obligations of the Fund (apart from its interest in the Fund), except that a Limited Partner (or former Limited Partner) may be required, for purposes of meeting such Limited Partner's obligations under this Section 3.8, to make additional contributions or payments, respectively, up to, but in no event in excess of, the aggregate amount of returns of capital and other amounts actually received by it from the Fund during or after the Accounting Period to which any debt or obligation is attributable.

(f) As used in this Agreement, the terms "*former Limited Partner*" and "*former Partner*" refer to such persons or entities as hereafter from time to time cease to be a Limited Partner or Partner, respectively, pursuant to this Agreement.

3.8 *Limited Liability of Limited Partners.*

Except for recontributions required in accordance with Section 3.7(e), but otherwise notwithstanding anything contained in this Agreement to the contrary, the liability of each Limited Partner for any of the debts, losses, or obligations of the Fund shall be limited to the amount of the sum of such Limited Partner's Capital Contributions pursuant to Section 3.3. Accordingly, no Limited Partner shall be obligated to provide additional capital to the Fund or its creditors by way of contribution, loan or otherwise beyond the amount of the Capital Contributions required of such Limited Partner pursuant to Section 3.3. Except as provided in the Act, no Limited Partner shall have any personal liability whatsoever, whether to the Fund or any third party, for the debts of the Fund or any of its losses beyond the amount of the Limited Partner's Capital Contributions.

3.9 *Treatment of Capital Contributions.*

Except as provided in **Section 3.3**, no Partner shall be entitled to interest on such Partner's contributions to the capital of the Fund nor shall any Partner be entitled to demand the return of all or any part of such contributions to the capital of the Fund.

3.10 *Benefits of Agreement.*

Nothing in this Agreement is intended or shall be construed to give to any creditor of the Fund or of any Partner or of any other person or entity whatsoever, other than the Partners and the Fund, any legal or equitable right, remedy or claim under this Agreement, all provisions of which are for the exclusive benefit of the Partners and the Fund.

3.11 *General Partner Investment.*

The General Partner may make investments alongside the Limited Partners in the Fund in such amounts as it may determine; provided that the General Partner will not be charged a Management Fee or a Performance Allocation with respect to any of its Capital Account, though it will bear its *pro rata* share of the Investment Expenses or Operational Expenses.

**ARTICLE IV.
ACCOUNTING, ALLOCATIONS, AND CURRENT
DISTRIBUTIONS**

4.1 *Accounting and Reports.*

(a) The fiscal year of the Fund shall end on the last day of December of each year.

(b) The books of account of the Fund shall be kept and maintained at all times at the principal place of business of the Fund or at such other place or places approved by the General Partner. The books of account shall be maintained according to GAAP, consistently applied, except as may be expressly provided elsewhere in this Agreement, and shall show all items of income and expense.

(c) As soon as practicable after an audit as of the end of the fiscal year conducted pursuant to Section 4.2, and in no event later than 120 days after fiscal year-end, the Fund will prepare and mail to each Limited Partner and, to the extent required, to each former Partner (or such Partner's legal representatives) a copy of the audited financial statements prepared for the Fund.

(d) Within 30 days after the end of each quarter (or at more frequent intervals, in the General Partner's discretion), the Fund (or its accountants) shall provide each Partner with a written performance summary. The Fund reserves the right to make interim reports available solely in electronic form on the web site of the Fund or its administrator, and the Partners hereby agree to accept such electronic delivery in satisfaction of any regulatory requirements under any applicable law.

(e) Each Partner shall have the right at all reasonable times during normal business hours to audit, examine and make copies of or extracts from the books of account of the Fund upon 10 business days' notice to the General Partner. Such right may be exercised through any agent or employee of such Partner designated by him or it or by an independent certified public accountant designated by such Partner. Each Partner shall bear all expenses incurred in any examination made on behalf of such Partner. Notwithstanding any other provision of this Agreement, however, no Limited Partner or the Limited Partner's representative shall at any time have the right to any information regarding specific Securities held in the Fund's portfolio.

(f) Unless prohibited by law or regulation, the General Partner may deliver any report required to be delivered to a Limited Partner by electronic mail addressed to the most recent email address provided by the Limited Partner to the General Partner for the purpose of communications on Fund matters.

4.2 *Independent Accountants.*

The books and records of the Fund shall be audited as of the end of each fiscal year of the Fund by an independent accounting firm selected by the General Partner. If the Fund's first fiscal year is less than a full twelve months, and the Fund is not otherwise required by law or regulation to prepare audited financial statements for the short year, the Fund may postpone its

first audit until the end of the following fiscal year, in which case the audit shall also cover the short first fiscal year of the Fund. Notwithstanding the preceding sentences in this Section 4.2 or any other provision of this Agreement, with respect to any fiscal year or other fiscal period, if no law or regulation applicable to the Fund requires that the Fund cause its financial statements to be audited by an independent auditor, the General Partner may decide in good faith that the Fund's financial statements for such fiscal year or other fiscal period shall not be audited. In that event, all references in this Agreement to "audited financial statements" shall, with respect to such fiscal year or other fiscal period, be deemed to refer to the Fund's unaudited financial statements for such fiscal year or other fiscal period.

At any time when so required by law or regulation, any payments or other distributions of Fund cash, securities or other assets to the General Partner or any of its affiliates may be made only with the prior approval by an "independent representative" as defined in applicable regulations, in accordance with the procedures and restrictions prescribed in such regulations.

4.3 *Bank Accounts.*

Funds of the Fund shall be deposited in a Fund account or accounts in banks and/or brokerage firms selected by the General Partner. Withdrawals from such accounts shall be made only by the General Partner or such other parties as may be approved by the General Partner.

4.4 *Allocations for Tax Purposes.*

(a) For each fiscal year, items of income, deduction, gain, loss, or credit shall be allocated for income tax purposes among the Partners in such manner as to reflect equitably amounts credited or debited to each Partner's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section 4.4 shall be made pursuant to the principles of Section 704(b) of the Code, and in conformity with Treasury Regulations §§ 1.704-1 (b)(2)(iv)(f) and 1.704-1 (b)(4)(i) promulgated thereunder, or the successor provisions to such Section and Treasury Regulations.

(b) If the Fund realizes net gains (including short-term gains) for Federal income tax purposes ("***Tax Gains***") for any fiscal year as of the end of which one or more Positive Basis Partners (as hereinafter defined) withdraw from the Fund pursuant to Articles IV or VI, the General Partner may elect to allocate such Tax Gains solely for tax purposes as follows: (i) among such Positive Basis Partners, in proportion to the respective Positive Basis of each such Positive Basis partner, until either the full amount of such Tax Gains shall have been so allocated or the Positive Basis of each such Positive Basis Partner shall have been eliminated, and (ii) as to any Tax Gains not so allocated to Positive Basis Partners, to the other Limited Partners in such manner as shall equitably reflect the amounts credited to such Limited Partners' Capital Accounts pursuant to Section 3.4.

(c) If (i) the Fund realizes a Tax Gain for any fiscal year attributable to a Security that constituted part or all of a Partner's Capital Contribution to the Fund (a "***Contributed Security***"), whether or not the Fund realizes an overall net gain for such year; and (ii) the fair market value of the Contributed Security, at the time of such Capital Contribution, credited by the Fund toward such Partner's Capital Contribution exceeded the adjusted tax basis

of the contributing Partner in such Security (the difference between such fair market value and such adjusted tax basis being referred to in this subparagraph as the "**Built-in Gain**"); and (iii) such Partner was not required, in connection with such Capital Contribution, to recognize taxable gain on the Partner's Built-in Gain in the Contributed Security, then such Tax Gain shall first be allocated, solely for tax purposes, to such Partner to the extent of the Partner's Built-in Gain, whether or not such Partner shall have withdrawn part or all of the Partner's Capital Account during such fiscal year. Any such Tax Gain on the Contributed Security in excess of the Built-in Gain shall be allocated, solely for tax purposes, as otherwise provided in this Agreement. For the purpose of applying the provisions of this subparagraph, if, at the time of the Fund's disposition of such Contributed Security, the Fund owns additional shares or other units of the same Security at the time such Tax Gain is realized, the Fund shall be deemed first to have disposed of the shares or other units of the Contributed Security.

(d) If the Fund realizes losses (including long-term capital losses) for Federal income tax purposes ("**Tax Losses**") for any fiscal year as of the end of which one or more Negative Basis Partners (as hereinafter defined) withdraw from the Fund pursuant to Articles IV or VI, the General Partner may elect, in its discretion, as follows: (i) among such Negative Basis Partners, pro rata in proportion to the respective Negative Basis of each such Negative Basis Partner, until either the full amount of such Tax Losses shall have been so allocated or the Negative Basis of each such Negative Basis Partner shall have been eliminated and (ii) as to any Tax Losses not so allocated to Negative Basis Partners, to the other Partners in such manner as shall equitably reflect the amounts allocated to such Partners' Capital Accounts pursuant to Section 3.4.

(e) As used herein, (i) the term "**Positive Basis**" shall mean, with respect to any Partner and as of the time of calculation, the amount by which the Partner's Capital Account as of such time exceeds the "adjusted tax basis" (for Federal income tax purposes) in the Partner's interest in the Fund as of such time (determined without regard to any adjustments made to such "adjusted tax basis" by reason of any transfer or assignment of such interest, including, by reason of death, and without regard to such Partner's share of liabilities of the Fund under Section 752 of the Code), and (ii) the term "**Positive Basis Partner**" shall mean any Partner who withdraws from the Fund and who has Positive Basis as of the effective date of its withdrawal, but such Partner shall cease to be a Positive Basis Partner at such time as the Partner shall have received allocations pursuant to clause (i) of Section 4.4(b) above equal to such Partner's Positive Basis as of the effective date of his or its withdrawal.

(f) As used herein, (i) the term "**Negative Basis**" shall mean, with respect to any Partner and as of the time of calculation, the amount by which the Partner's Capital Account as of such time is less than the Adjusted Tax Basis, for federal income tax purposes, of the Partner's interest in the Fund as of such time (determined without regard to any adjustments made to such Adjusted Tax Basis by reason of any transfer or assignment of such interest, including by reason of death, and without regard to such Partner's share of the liabilities of the Fund under Section 752 of the Code), and (ii) the term "**Negative Basis Partner**" shall mean any Partner who withdraws from the Fund and who has Negative Basis as of the effective date of its withdrawal, but such Partner shall cease to be a Negative Basis Partner at such time as the Partner shall have received allocations pursuant to clause (i) of Section 4.4(c) above equal to its Negative Basis as of the effective date of its withdrawal.

(g) If the Code or Treasury Regulations require a withholding or other adjustment to the Capital Account of a Partner or some other interim year event occurs necessitating in the General Partner's judgment an equitable adjustment, the General Partner shall make such adjustments in the determination and allocation among the Partners of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Fund Percentages, Performance Allocation, Management Fee, items of income, deduction, gain, loss, credit or withholding for tax purposes, or accounting procedures or such other financial or tax items as shall equitably take into account such interim year event and applicable provisions of law, and such adjustments in the determinations and allocations by the General Partner shall be final and conclusive as to all Partners.

4.5 Distributions.

(a) The General Partner, in its sole discretion, may make distributions in cash or in kind at any time to all of the Partners on a *pro rata* basis in accordance with the Partners' Fund Percentages.

(b) If a distribution is made in kind, immediately prior to such distribution, the General Partner shall determine the fair market value of the property to be distributed and increase or decrease the Capital Accounts of all Partners to reflect the difference between the value as determined at the end of the immediately preceding Accounting Period and the current fair market value thereof. Each such distribution shall reduce the Capital Account of the distributee Partner by the fair market value thereof.

(c) The General Partner may withhold taxes from any distribution to any Partner to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Fund with respect to any amount distributed by the Fund to any Partner shall be deemed to be a distribution or payment to such Partner, reducing the amount otherwise distributable to such Partner pursuant to this Agreement and reducing the Capital Account of such Partner.

ARTICLE V. ASSIGNMENT

5.1 Prohibited Transfers.

Except as specifically provided in this Article V, no Limited Partner may sell, transfer, assign, mortgage, hypothecate or otherwise encumber or permit or suffer any encumbrance of all or any part of such Limited Partner's interest in the Fund unless prior written consent is obtained from the General Partner, which may be granted or withheld in the General Partner's sole discretion. Any attempt so to transfer or encumber any such interest shall be null and void *ab initio*. The Partners will be excused from accepting the performance of and rendering performance to any person other than the Partner hereunder (including any trustee or assignee of or for such Partner) as to whom such prior written consent has been rendered.

5.2 Further Restrictions on Transfer.

(a) In the event of any transfer permitted under this Article, the interest so transferred shall remain subject to all terms and provisions of this Agreement; the assignee or transferee shall be deemed, by accepting the interest so transferred, to have assumed all the obligations hereunder relating to the interests or rights so transferred and shall agree in writing to the foregoing if requested by the General Partner. Any transferee or assignee of the interest of a Partner shall be entitled only to receive distributions hereunder until such transferee or assignee has been admitted as a Substituted Partner (as defined below); provided, however, that such transferee or assignee shall be subject to all of the provisions hereof. Until such transferee or assignee (other than an existing Partner) is admitted to the Fund as a Substituted Partner (as defined below), the Partner transferring all or any portion of his or its interest to such assignee or transferee shall remain primarily and directly liable for the performance of all his or its obligations under the Agreement. After the admission of such assignee or transferee as a Substituted Partner, such transferor Partner shall be primarily and directly liable under this Agreement or otherwise only for any obligations or liabilities accruing prior to the effective time of the admission of such Substituted Partner, unless such transferor Partner is released in writing from such obligations or liabilities by the General Partner.

(b) Any Partner making or offering to make a transfer of all or any part of his or its interest in the Fund shall indemnify and hold harmless the Fund and all other Partners from and against any costs, damages, claims, suits or fees suffered or incurred by the Fund or any such other Partner arising out of or resulting from any claims by the transferee of such Fund interest or any offerees of such Fund interest in connection with such transfer or offer.

5.3 Substituted Partner.

An assignee or transferee (other than an existing Partner) of the interest of a Partner may be admitted as a substitute partner ("***Substituted Partner***"), at any time, only with the written consent of the General Partner, which such consent may be granted or denied in the sole discretion of the General Partner. Unless the assignee is already a General Partner, any assignee of a Fund interest to whose admission such consent is given shall become and shall have only the rights and duties of a Limited Partner and the assigned Fund interest shall thereafter be a Limited Partner's interest. Upon the receipt by the General Partner of an appropriate supplement to the Agreement pursuant to which such Substituted Partner agrees to be bound by this Agreement, the General Partner shall reflect the admission of a Substituted Partner and the withdrawal of the transferring Partner, if appropriate, by preparing a supplemental Exhibit, dated as of the date of such admission and withdrawal, and by filing it with the records of the Fund. Any Substituted Partner shall, if required by the General Partner prior to such admission, also execute any other documents requested by the General Partner, including, without limitation, a Subscription Agreement and an irrevocable power of attorney in form satisfactory to the General Partner appointing the General Partner as such person's attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments necessary to carry out the provisions of this Agreement, including, without limitation, such undertakings as the General Partner may require for the payment of all fees and costs necessary to effect any such transfer and admission. Upon admission, such Substituted Partner shall be subject to all provisions of the

Agreement in the place and stead of his assignor as if the Substituted Partner originally was a party to this Agreement.

5.4 *Basis Adjustment.*

The Tax Matters Partner may cause, in its sole and absolute discretion, the Fund to elect pursuant to Section 754 of the Code and the Treasury Regulations thereunder to adjust the basis of the Fund Assets as provided by Sections 743 or 734 of the Code and the Treasury Regulations thereunder; provided, that the basis of Fund Assets shall in all cases be adjusted as required by the Code or regulations thereunder whether or not such an election under Section 754 is then in effect.

5.5 *Admission of Additional Partners.*

(a) The General Partner may admit a new Partner (each a "***New Partner***") to the Fund at any time. Each such New Partner must execute an appropriate supplement to this Agreement pursuant to which such New Partner agrees to be bound by this Agreement and satisfy any other requirements set by the General Partner.

(b) Upon satisfaction of the conditions stated in Section 5.5(a), the General Partner shall reflect the admission of the New Partner and the reallocation of Fund Percentages in the records of the Fund. The admission of a New Partner shall not cause the dissolution of the Fund. Upon the admission of a New Partner pursuant to Section 5.5(a), a new Accounting Period shall begin as set forth in Section 3.1(a)(ii), and the Fund Percentages shall be reallocated in accordance with Section 3.1(d).

5.6 *Other Restricted Transfers.*

Notwithstanding any other provision herein to the contrary, unless prior written consent is given by the General Partner, no transfer of any interest in the Fund may be made to any person who is related (within the meaning of Treasury Regulations Section 1.752-4(b)) to any lender of the Fund whose loan constitutes a nonrecourse liability of the Fund.

ARTICLE VI. WITHDRAWAL, DISSOLUTION, TERMINATION, AND LIQUIDATION

6.1 *Withdrawals in General.*

No Partner shall be entitled to withdraw any amount from its Capital Account except as provided in Section 6.3, and any attempt to do so shall subject such Partner to all costs and damages incurred by the Fund and the Partners as a result of such Partner's attempt to withdraw.

6.2 *Withdrawal of a General Partner.*

(a) The General Partner may make partial withdrawals from its Capital Account at any time without the consent of, or notice to, the Limited Partners.

(b) The General Partner may withdraw as general partner of the Fund in accordance with the procedure set forth in this Section 6.2(b). The General Partner shall have the right, by written notice to the Limited Partners but without any action by the Limited Partners, to substitute for itself a new general partner if such new general partner is affiliated with, controls, is controlled by or is under common control with the General Partner. If no substitution is to occur, the General Partner will:

(i) deliver written notice to the Limited Partners setting forth the intention of the General Partner to withdraw as of the end of a fiscal quarter at least 90 days prior to the date of withdrawal ("***Effective Withdrawal Date***"); and

(ii) accept the distribution of its Capital Account as provided in Section 6.3.

(c) Upon the General Partner's giving of a withdrawal notice to the Limited Partners in accordance with Section 6.2(b)(i), the Limited Partners shall have the right to elect a successor General Partner and to continue the business of the Fund, in such reconstituted form as is necessary. The Limited Partners shall give written notice of such an election to the withdrawing General Partner at the office of the Fund not later than 60 days after the General Partner's giving of its withdrawal notice. Provided that written notices of such election shall have been given within such 60-day period by Limited Partners who held more than 50% of the Fund Percentages as of the date of the General Partner's withdrawal notice, the Limited Partners' election to continue the Fund shall become effective upon the election of a successor General Partner by Limited Partners having more than 50% of the Fund Percentages as of the date of the General Partner's withdrawal notice, provided that such election of a successor General Partner shall have occurred not later than the Effective Withdrawal Date. The successor General Partner so elected may be identified in the written notices given by the Limited Partners to elect to continue the Fund and/or in separate written notices delivered, not later than the Effective Withdrawal Date, to the withdrawing General Partner at the office of the Fund.

(d) Immediately upon the election of a successor General Partner under Section 6.2(c), the successor General Partner shall prepare, execute, and file for recording a new Certificate of Limited Partnership that designates a new name for the Fund and shall take or cause to be taken all steps required by the Act and otherwise in accordance with all applicable laws. The withdrawal of the General Partner shall not be effective until the successor General Partner takes all steps necessary to be substituted as a general partner under the Act, which in all events shall have been done by the Effective Withdrawal Date.

(e) If the Limited Partners exercise the right of election pursuant to Section 6.2(c), the business of the Fund will continue, subject to this Agreement, in a reconstituted form as a successor limited partnership and all of the Fund's assets and liabilities shall be assigned to and assumed by the successor limited partnership. The parties agree that the name "Paramount Volatility, LP" is proprietary to the General Partner and that, upon the withdrawal of the General Partner, any successor limited partnership shall not use "Paramount Volatility" or any derivative thereof as the name of any entity, including the successor limited partnership, which name shall, for consideration of one dollar (\$1.00), be assigned and transferred to the General Partner or its designated principal(s) or Affiliate(s).

6.3 *Withdrawals of Limited Partners.*

(a) Each Limited Partner shall have the right to withdraw any portion or all of its Capital Account as of the last day of any quarter, upon 60 days' prior written notice to the General Partner stating the amount to be withdrawn (the date such notice of withdrawal becomes effective being referred to below as the "**Noticed Date**"). The Noticed Date may not be earlier than the last day of the first full fiscal quarter after which the Limited Partner's admission to the Fund. For purposes of this Agreement, the Noticed Date shall also constitute the effective date of a withdrawal. Notwithstanding the foregoing, upon written request by the Partner and with the consent of the General Partner, which consent may be granted or denied in the sole discretion of the General Partner, a Partner may withdraw capital from its Capital Account at any time and in any amount (with the "Noticed Date" to be the date so agreed to). Upon a withdrawal pursuant to the preceding sentence, the Limited Partner shall be required to pay the Fund an administrative fee equal to 3% of the amount withdrawn. The General Partner may, in its sole discretion, elect to treat any partial withdrawal request that would cause the value of a Limited Partner's Capital Account to fall below \$1,000,000 or the amount of the Limited Partner's initial investment (whichever is less) as a request for complete withdrawal in accordance with this Section 6.3.

Withdrawals shall be paid within 30 days after the Noticed Date except when a Limited Partner is withdrawing more than 90% of its Capital Account. In such event, the General Partner shall have discretion to retain a portion (in no event more than 10% of the Limited Partner's Capital Account) of the withdrawal payment pending final reconciliation of valuations as of the Noticed Date. The retention period shall generally not exceed 90 days from the Noticed Date, but the General Partner nevertheless shall have discretion to extend the retention period until completion of the Fund's audit or other reconciliation process for the fiscal year in which the withdrawal occurs. The retained portion of the withdrawal payment (as adjusted in accordance with the fiscal year end audit or other reconciliation process) shall be paid promptly to the Limited Partner at the end of the retention period, without interest. Such withdrawal shall further be subject to Section 6.3(b). The interest of a Partner who has requested a withdrawal shall remain invested in the Fund and shall be subject to this Agreement until the Noticed Date.

(b) If a Partner withdraws all or a portion of its Capital Account at a time other than the end of a fiscal year of the Fund, prior to the payment of such withdrawal the General Partner shall determine the Performance Allocation under Section 3.5(a) solely with respect to the total amount withdrawn, considering the Noticed Date which ends such Accounting Period as the end of the fiscal year for the purpose of determining the amount of such Performance Allocation, and shall make such Performance Allocation, solely with respect to the total amount withdrawn, as of the Noticed Date; provided that, if such withdrawing Partner retains a portion of its interest in the Fund after such withdrawal, the remaining portion of such Partner's interest shall be subject to the regular provisions of Sections 3.4 and 3.5(a).

6.4 *Limitation on Withdrawals.*

The right of any Partner to withdraw any amount from its Capital Account, and the right of any withdrawn Partner or his or its legal representatives to have distributed the Capital

Account of such Partner pursuant to Section 6.3, is subject to the provision by the General Partner for all Fund liabilities in accordance with the Act and for reserves for estimated accrued expenses, liabilities and contingencies, all in accordance with Section 3.7. The unused portion of any reserve shall be distributed, without interest, after the General Partner shall have determined that the need for it shall have ceased.

6.5 *Suspension of Withdrawals.*

(a) The right of any Partner to withdraw capital from the Fund, or to receive a distribution from the Fund, pursuant to this Article VI or Section 4.5 may be suspended or restricted:

(i) when any such withdrawal would result in a violation by the Fund or the General Partner of the securities laws of the United States or any other nation or other jurisdiction, or the rules of any self-regulatory organization applicable to the Fund or the General Partner;

(ii) when any securities exchange or organized interdealer market on which a significant portion of the Fund's portfolio securities is regularly traded or quoted is closed (otherwise than for holidays) or trading thereon has been restricted or suspended;

(iii) whenever the General Partner, in its sole discretion, determines that it is necessary or desirable for the Fund to retain any amount otherwise withdrawable or distributable to pay, or to establish or supplement a reserve for the payment of, any liability of the Fund, whether known or unknown, fixed, liquidated, contingent or other;

(iv) whenever the General Partner determines that disposal of any assets of the Fund or other transactions involving the sale, transfer or delivery of funds, securities or other assets in the ordinary course of the Fund's business is not reasonably practicable without being detrimental to the interests of the withdrawing or remaining Partners;

(v) if, for any reason, it is not reasonably practicable to make an accurate and timely determination of the net value of the Fund's assets; or

(vi) if any event has occurred which may result in the termination of the Fund.

(b) The General Partner will promptly notify each Limited Partner who has submitted a withdrawal request and to whom payment in full of the amount being withdrawn has not yet been remitted of any suspension of withdrawal or distribution rights pursuant to this Section 6.5. The General Partner may allow any such Partners to rescind their withdrawal request to the extent of any portion thereof for which withdrawal proceeds have not yet been remitted. The General Partner may in its discretion complete any withdrawals or distributions after the cause of any such suspension has ceased to exist, as of a date to be specified by the General Partner as the effective date of withdrawal for all purposes of this Section 6.5.

6.6 Required Withdrawals.

The General Partner may redeem any portion of the interest of any Partner in the Fund or terminate the entire interest of any Partner in the Fund at any time and for any reason upon 30 days' prior written notice; provided that the notice period can be reduced to 5 days if such Partner's continuing investment in the Fund gives rise to potential legal or tax risks for the Fund or the other Partners, as determined by the General Partner. The Partner receiving a notice of required withdrawal shall be treated for all purposes and in all respects as a Partner who has given notice of withdrawal under Section 6.3 to the extent of such redemption.

6.7 Dissolution of the Fund.

The Fund shall be dissolved upon the occurrence of any of the following:

- (a) The withdrawal, as defined in the Act, of a General Partner, unless the remaining General Partner, if any, elects in writing within 90 days after such event to reconstitute the Fund or to continue as the General Partner or the Limited Partners elect a new General Partner as provided herein and to continue the Fund and its business;
- (b) December 31, 2099, unless extended by the consent of all Partners; or
- (c) Subject to any obligations of the Fund, when approved by the General Partner.

Nothing contained in this Section 6.7 is intended to grant to any Limited Partner the right to dissolve the Fund at will (by retirement, resignation, withdrawal, or otherwise).

6.8 Application of Exchange and Other Rules.

Notwithstanding anything to the contrary contained herein, any withdrawals from the Fund shall be subject to, and limited by, any rules, regulations or other requirements set forth by any governmental body, regulatory agency, securities exchange or other similar body which the Fund's activities are subject to or governed by; provided that, subject to any requirements placed on the Fund by an exchange or otherwise imposed by law or this Agreement, the General Partner shall take all reasonable actions in order to fulfill a valid withdrawal request as promptly as possible.

6.9 Termination and Liquidation of the Fund.

(a) Upon dissolution of the Fund unless continued pursuant to Section 6.7(a), the Fund shall be terminated as rapidly as business circumstances will permit. At the direction of the General Partner (the "**Terminating Partner**"), a full accounting of the assets and liabilities of the Fund shall be taken and a statement of the Fund Assets and a statement of each Partner's Capital Account shall be furnished to all Partners as soon as reasonably practicable. The Terminating Partner shall take such action as is necessary so that the Fund's business shall be terminated, its liabilities discharged and its assets distributed as hereinafter described. The Terminating Partner may sell all of the Fund Assets or distribute the Fund Assets in kind; provided, however, that the Terminating Partner shall ascertain the fair market value by appraisal

or other reasonable means of all Fund Assets remaining unsold and each Partner's Capital Account shall be charged or credited, as the case may be, as if such Fund Assets had been sold at such fair market value and the income, gains, losses, deductions and credits realized thereby had been allocated to the Partners in accordance with Article IV. A reasonable period of time shall be allowed for the orderly termination of the Fund to minimize the normal losses of a liquidation process. In the event that the Fund is terminated on a date other than the last day of a quarter, the date of such termination shall be deemed to be the last day of a quarter for purposes of adjusting the Capital Accounts of the Partners pursuant to Section 3.4.

(b) After the payment of all expenses of liquidation and of all debts and liabilities of the Fund in such order or priority as is required by law (including any debts or liabilities to Partners, who shall be treated as secured or unsecured creditors, as the case may be, to the extent permitted by law, for sums loaned to the Fund, if any, as distinguished from Capital Contributions) and after all resulting items of Fund income, gain, credit, loss, or deduction are credited or debited to the Capital Accounts of the Partners in accordance with Articles III and IV, all remaining Fund Assets shall then be distributed among the Partners in accordance with the positive balances of their respective Capital Accounts. Upon termination, a Partner may not demand and receive cash in return for such Partner's Capital Contributions and no Partner shall have any obligation to restore any deficit that may then exist in that Partner's Capital Account. Distribution on termination may be made by the distribution to each Partner of an undivided interest in any asset of the Fund that has not been sold at the time of termination of the Fund.

6.10 *General Partners Not Personally Liable.*

No General Partner nor any Affiliate of any General Partner shall be personally liable for the return of the Capital Contributions of any Partner, and such return shall be made solely from available Fund Assets, if any, and each Limited Partner hereby waives any and all claims it may have against any General Partner or any such Affiliate in such regard.

6.11 *Provisions Cumulative.*

All provisions of this Agreement relating to the dissolution, liquidation and termination of the Fund shall be cumulative to the extent not inconsistent with other provisions herein; that is, the exercise or use of one of the provisions hereof shall not preclude the exercise or use of any other provision of this Agreement to the extent not inconsistent therewith.

ARTICLE VII. GENERAL

7.1 *Limited Partner Representations.*

All representations, warranties and covenants of a Limited Partner set forth in the Subscription Agreement pursuant to which the Limited Partner was admitted to the Fund shall be deemed incorporated herein by reference, as if fully set forth herein, and shall remain in effect for so long as the Limited Partner shall remain a Limited Partner, subject to provisions in the Limited Partner's Subscription Agreement permitting and requiring the Limited Partner to correct

certain representations or warranties which become inaccurate because of changes occurring after the effective date of such representations and warranties.

7.2 Notices.

(a) All notices, demands or requests provided for or permitted to be given pursuant to this Agreement must be in writing.

(b) All notices, demands and requests to be sent to a Partner, any successor(s) to the interest of a Partner or any Substituted Partner pursuant to this Agreement shall be deemed to have been properly given or served if: (i) personally delivered, (ii) deposited prepaid for next day delivery by a nationally recognized overnight courier, addressed to such Partner, (iii) deposited in the United States mail, addressed to such Partner, prepaid and registered or certified with return receipt requested, (iv) electronically mailed (emailed) to the Partner at the email address provided by the Partner to the Fund or the sender for the purpose of receiving communications in connection with the Fund; or (v) transmitted via telecopier or other similar device to the attention of such Partner.

(c) All notices, demands and requests so given shall be deemed received: (i) when personally delivered, (ii) 24 hours after being deposited for next day delivery with an overnight courier, (iii) 48 hours after being deposited in the United States mail, or (iv) 12 hours after being telecopied, emailed or otherwise transmitted so long as receipt has been confirmed. In the case of a notice given by email, a sufficient confirmation shall be deemed to have been given if the sender receives a reply email which incorporates the emailed notice or otherwise clearly indicates that the emailed notice was received.

(d) The Partners and any Substituted Partners shall have the right from time to time, and at any time during the term of this Agreement, to change their respective addresses and each shall have the right to specify as such person's address any other address by giving to the other parties at least 30 days' written notice thereof, in the manner prescribed in Section 7.2(b); provided however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

(e) All distributions to any Partner shall be made at the address to which notices are sent unless otherwise specified in writing by any such Partner.

7.3 Amendments to Partnership Agreement.

This Agreement may be amended at any time with the written consent of the General Partner plus Limited Partners having in excess of fifty percent (50%) of the Fund Percentages (which may be obtained by negative consent); provided however, that without the consent of the Limited Partners, the General Partner may amend the Agreement or any Exhibits attached hereto to (i) reflect changes validly made in the Limited Partners of the Fund and the Capital Contributions and Fund Percentages of the Partners; (ii) reflect a change in the name of the Fund; (iii) make a change that is necessary or, in the opinion of the General Partner, advisable to qualify the Fund as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or foreign jurisdiction or ensure that the Fund will not be treated other than as a partnership for federal income tax purposes; (iv) make a change that,

insofar as reasonably appears to the General Partner at the time of such amendment, does not and will not adversely affect the Limited Partners in any material respect; (v) make a change that is necessary or desirable to cure any ambiguity, to correct or supplement any provision in this Agreement that would be inconsistent with any other provision of this Agreement or to make any other provisions with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement, in each case so long as such change does not adversely affect the Limited Partners in any material respect; (vi) make a change that is necessary or desirable to satisfy any requirements, regulations or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any federal, state or foreign governmental entity, so long as such change is made in a manner which minimizes any adverse effect on the Limited Partners, or that is required or contemplated by this Agreement; (vii) make a change in any provision of this Agreement that requires any action to be taken by or on behalf of the General Partner or the Fund pursuant to applicable law if the provisions of applicable law are amended, modified or revoked so that the taking of such action is no longer required; (viii) prevent the Fund or the General Partner from, in any manner, being deemed an "investment company" subject to the Investment Company Act; (ix) make a change that is required or desirable to comply with changes in generally accepted accounting or valuation principles or practices if the Fund is required to comply with such changes or the General Partner, in its sole discretion, deems it advisable for the Fund to do so; or (x) make any other amendments similar to the foregoing. In addition, the General Partner may adopt any other amendment to this Agreement, without the consent of the Limited Partners, provided that (A) each Limited Partner receives at least 30 days' prior written notice of the amendment and (B) each Limited Partner is permitted to withdraw all or part of such Partner's Capital Account, without any penalty, prior to the effective date of the amendment. Except as may be required by law, the General Partner need not give notice to any Limited Partner of any amendment adopted solely by the General Partner as authorized in this Section 7.3.

7.4 Powers of Attorney.

Each Limited Partner hereby constitutes and appoints each General Partner, with full power of substitution, as such Limited Partner's true and lawful attorney-in-fact and empowers and authorizes such attorney, in the name, place and stead of such Limited Partner, to make, execute, sign, swear to, acknowledge and file in all necessary or appropriate places all documents (and all amendments or supplements to or restatements of such documents necessitated by valid amendments to or actions permitted under this Agreement) relating to the Fund and its activities, including, without limitation: (a) this Agreement and any amendments hereto approved as provided in this Agreement, (b) the Certificate of Limited Partnership and any amendments thereto, under the laws of the State of Oklahoma or in any other state or other jurisdiction, U.S. or foreign, in which such filing is deemed advisable by such General Partner, (c) any applications, forms, certificates, reports or other documents or amendments thereto which may be requested or required by any federal, state, local or foreign governmental agency, securities exchange, securities association, self-regulatory organization or similar institution and which are deemed necessary or advisable by such General Partner, (d) any other instrument which may be required to be filed or recorded in any state or county or by any governmental agency, or which such General Partner deems advisable to file or record, including, without limitation, certificates of assumed name and documents to qualify foreign limited partnerships in other jurisdictions, (e) any documents which may be required to effect the continuation of the

Fund, the admission of New Partners or Substituted Partners, the withdrawal of any Partner or the dissolution and termination of the Fund, (f) making certain elections contained in the Code or state law governing taxation of limited partnerships, and (g) performing any and all other ministerial duties or functions necessary for the conduct of the business of the Fund. Each Limited Partner hereby ratifies, confirms and adopts, as his own, all actions that may be taken by such attorney-in-fact pursuant to this Section 7.4. Each Limited Partner acknowledges that this Agreement permits certain amendments to be made and certain other actions to be taken or omitted to be taken by less than all of the Partners if approved in accordance with the provisions hereof. By a Limited Partner's execution hereof, such Limited Partner also grants the General Partner a power of attorney to execute any and all documents necessary to reflect any action that is approved in accordance with the provisions hereof. This power of attorney is coupled with an interest and shall continue notwithstanding the subsequent incapacity or death of the Limited Partner. Each Limited Partner shall execute and deliver to the General Partner an executed and appropriately notarized power of attorney in such form consistent with this Section 7.4 as the General Partner may request.

7.5 *Confidentiality.*

(a) Each Limited Partner acknowledges that, during the period of such Limited Partner's investment in the Fund, such Limited Partner may have access to confidential and proprietary information of the Fund, including, but not limited to, information regarding investment and trading strategies and investments made and positions held by the Fund (but see Section 7.5(d)).

(b) During the period of a Limited Partner's investment in the Fund or at any time thereafter, confidential information of the Fund may not be used in any way by such Limited Partner or former Limited Partner for such Limited Partner's own private or commercial purposes (other than in connection with such Limited Partner's evaluation of the Fund) or, directly or indirectly, disclosed to or discussed with any other person or entity, except those owners, directors, officers, employees, accountants, attorneys or agents of the Limited Partner whose access to such information is reasonably necessary for such Limited Partner's operations and who are bound by similar obligations as to non-disclosure of confidential information, or except as required by law.

(c) Each Limited Partner acknowledges and agrees that the Fund and the General Partner may be harmed irreparably by a violation of this Section 7.5 and that the Fund and the General Partner shall be entitled to injunctive relief, to enforcement of this Section 7.5 by specific performance and to damages in the event of any such breach. Each Limited Partner agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.

(d) Notwithstanding the preceding portions of this Section 7.5 or any other provision of this Agreement, each Limited Partner acknowledges that the past, present and future investment positions of the Fund, and the investment strategies of the General Partner, are proprietary information of the General Partner and will not be disclosed to any Limited Partner at any time except as the General Partner may choose, or as may be required by law. The General Partner's election to disclose any of such information to one or more Limited Partners or other

persons shall not obligate the General Partner to disclose the same or other information to any other Limited Partner or other person. The General Partner's election to disclose any of such information on one or more occasions shall not obligate the General Partner to disclose the same or other information on any other occasion.

7.6 *Certification of Non-Foreign Status.*

Each Limited Partner or transferee of an interest in the Fund shall certify, upon request of the General Partner, whether he or she is a "United States Person" within the meaning of Section 7701(a)(30) of the Code on forms to be provided by the Fund, and shall notify the Fund within 30 days of any change in such Limited Partner's status.

7.7 *Governing Laws.*

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTNERS HEREUNDER SHALL BE INTERPRETED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OKLAHOMA. NOTWITHSTANDING THE PRECEDING SENTENCE, NOTHING IN THIS AGREEMENT SHALL LIMIT THE APPLICABILITY OF THE INVESTMENT ADVISERS ACT OF 1940 OR REGULATIONS THEREUNDER (AT ANY TIME WHEN THE INVESTMENT MANAGER IS REGISTERED OR REQUIRED TO BE REGISTERED AS AN INVESTMENT ADVISER WITH THE SECURITIES AND EXCHANGE COMMISSION) OR THE APPLICABILITY OF THE ANALOGOUS INVESTMENT ADVISER LAWS OF ANY STATE AND REGULATIONS THEREUNDER (AT ANY TIME WHEN THE INVESTMENT MANAGER IS REGISTERED OR REQUIRED TO BE REGISTERED AS AN INVESTMENT ADVISER WITH SUCH STATE) TO THE EXTENT THAT SUCH LAWS APPLY TO THE CONSTRUCTION OR INTERPRETATION OF INVESTMENT ADVISORY AGREEMENTS.

7.8 *Rule of Construction.*

The general rule of construction for interpreting a contract, which provides that the provisions of a contract should be construed against the party preparing the contract, is waived by the parties. Each party acknowledges that he or it was represented by separate legal counsel in this matter who participated in the preparation of this Agreement or he or it had the opportunity to retain counsel to participate in the preparation of this Agreement but chose not to do so.

7.9 *Entire Agreement.*

This Agreement, including all exhibits to this Agreement and, if any, exhibits to such exhibits, contains the entire agreement among the parties relative to the matters contained in this Agreement.

7.10 *Waiver.*

No consent or waiver, express or implied, by any Partner to or for any breach or default by any other Partner in the performance by such other Partner of his or its obligations under this Agreement shall be deemed to be a consent or waiver to or of any other breach or default in the performance by such other Partner of the same or any other obligations of such other Partner

under this Agreement. Failure on the part of any Partner to complain of any act or failure to act of any of the other Partners or to declare any of the other Partners in default, regardless of how long such failure continues, shall not constitute a waiver by such Partner of his or its rights hereunder.

7.11 *Severability.*

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby, and the intent of this Agreement shall be enforced to the greatest extent permitted by law.

7.12 *Binding Agreement.*

Subject to the restrictions on transfers and encumbrances set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the undersigned Partners and their respective legal representatives, successors and assigns. Whenever, in this Agreement, a reference to any party or Partner is made, such reference shall be deemed to include a reference to the legal representatives, successors and assigns of such party or Partner.

7.13 *Tense and Gender.*

Unless the context clearly indicates otherwise, the singular shall include the plural and vice versa. Whenever the masculine, feminine, or neuter gender is used incorrectly in this Agreement, this Agreement shall be read as if the appropriate gender was used.

7.14 *Captions.*

Captions are included solely for convenience of reference and, if there is any conflict between captions and the text of this Agreement, the text shall control.

7.15 *Counterparts; Execution of Subscription Agreement.*

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. This Agreement may also be executed, with equal effect, by the execution of a Subscription Agreement, in one or multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument, in such form as the General Partner may approve from time to time, by the General Partner on behalf of the Fund and by a subscriber for limited partner interests in the Fund (a "***Subscriber***"), provided that such Subscription Agreement expressly refers to this Agreement and provides that it is being executed for the purpose of admitting the Subscriber as a Limited Partner of the Fund on the terms and conditions of the Limited Partnership Agreement of the Fund. Executed signature pages to any such counterpart may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto shall constitute the original counterpart instrument. All of these counterpart pages shall

be read as though they are one and they shall have the same force and effect as if all of the parties had executed a single signature page.

7.16 *Assignment of Agreement.*

Notwithstanding any other provision of this Agreement, the General Partner shall not take any action that would constitute an "assignment" of this Agreement within the meaning of such term under any law or regulation that applies to the General Partner in its status as investment adviser to the Fund and that would restrict or impose conditions upon such an assignment, unless the General Partner has first complied with all of such restrictions and/or conditions, and no such assignment shall be effective absent such compliance. If any such applicable law or regulation requires that consent to such an assignment be given by the other party to the contract being assigned, such consent shall be effective only if given by a Majority in Interest of the Limited Partners. Such a consent by a Limited Partner shall be effective if given in any manner then authorized under this Agreement. Without limiting the preceding sentence, a Limited Partner shall be deemed to have consented to such an assignment if the General Partner has given a written notice to the Limited Partner that (1) identifies the proposed assignee and describes the proposed assignment in reasonable detail; (2) asks that the Limited Partner consent to the assignment; (3) specifies a deadline by which the Limited Partner may give or withhold such consent (which deadline shall not be less than 15 days after the date of such notice to the Limited Partner); and (4) states that the Limited Partner shall be deemed to have consented to the assignment unless the Limited Partner has given express written notice to the General Partner by such deadline that the Limited Partner withholds consent – unless the Limited Partner shall have given such express written notice of non-consent by the specified deadline.

7.17 *Performance Allocations Shall Comply With Applicable Laws and Regulations.*

Notwithstanding any other provision of this Agreement, in no event will a Performance Allocation be made from a Limited Partner's Capital Account, or any other form of performance-based compensation be charged to a Limited Partner, except in compliance with all applicable requirements of the Securities and Exchange Commission, state agencies with which the General Partner or Investment Manager is registered as an investment adviser, and other regulatory authorities (including self-regulatory organizations) having jurisdiction over the General Partner or Investment Manager.

Paramount Capital, LP

IN WITNESS WHEREOF, this Agreement is executed by, and is or shall become effective (i) as to the General Partner and the Initial Limited Partner, as of the date first set forth above; and (ii) as to each other Limited Partner, as of the Admission Date specified in the Limited Partner's Subscription Agreement under which the Limited Partner agrees to become a Limited Partner pursuant to all of the terms and conditions of this Agreement.

Subscription Agreement

I hereby certify that I am a Sophisticated Investor as required by SEC Rule 506b and that I have suitable experience and risk tolerance to invest the fund. I understand that the investment involves high risk and that I might lose some or all of my investment. I have an understanding of VIX futures ETF's and VIX 2x ETF's and understand the nature of how they trade. I have read the offering memorandum and understand it.

New Limited Partner

signature

_____/___/ date
Typed

GENERAL PARTNER

Paramount Capital LLC

By: /s/_____
Name: Christopher A. Meek
Title: Manager

INITIAL LIMITED PARTNER

By: /s/_____
Christopher A. Meek