

# Limited Liability Agreement

**Hedonova LLC**

(A Delaware Limited Liability Company)

**Hedonova Advisors LLC**

Investment Advisor

# Disclaimer



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THE LIMITED PARTNERSHIP INTERESTS OF HEDONOVA, (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 FUND OPERATES PURSUANT TO SEC RULE 506(C) OF REGULATION D WHICH PROVIDES EXEMPTIVE RELIEF TO BROADLY SOLICIT AND GENERALLY ADVERTISE THE OFFERING BUT STILL BE DEEMED TO BE UNDERTAKING A PRIVATE OFFERING.

THE INVESTMENT ADVISOR 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(2)(II) 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 ANY INFORMATION DISCLOSED TO PROSPECTIVE PARTICIPANTS IN SUCH A POOL. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED ANY DOCUMENTS OR INFORMATION RELATED TO THIS OFFERING.

AS A CPO THE "GENERALLY SOLICIT AND BROADLY ADVERTISE" EXEMPTIVE RELIEF IS AVAILABLE UNDER RULE 4.7(B) OF THE CEA. 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 LIMITED PARTNERSHIP AGREEMENT.

AN INVESTMENT IN THE FUND INVOLVES A SIGNIFICANT RISK OF LOSS.

THE DELIVERY OF OFFERING DOCUMENTS 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.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON WHO HAS NOT EXECUTED AND RETURNED A SUBSCRIPTION AGREEMENT IN FORM AND SUBSTANCE SATISFACTORY TO THE INVESTMENT ADVISOR, AND WHOSE PURCHASER REPRESENTATIVE, IF ANY, HAS NOT COMPLETED AND RETURNED A PURCHASER REPRESENTATIVE QUESTIONNAIRE IN FORM AND SUBSTANCE SATISFACTORY TO THE INVESTMENT ADVISOR. THIS OFFERING IS MADE ONLY TO A LIMITED NUMBER OF ACCREDITED INVESTORS, AS THAT TERM IS DEFINED IN REGULATION D UNDER THE ACT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION ("SEC"), COMMODITY FUTURES TRADING COMMISSION'S ("CFTC"), NATIONAL FUTURES ASSOCIATION ("NFA") NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE MERITS OF PARTICIPATING IN THE FUND, NOR HAS ANY COMMISSION PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX OR LEGAL ADVICE. THIS MEMORANDUM AND THE OTHER DOCUMENTS DELIVERED IN CONNECTION HERewith SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR OR SUCH INVESTOR'S PURCHASER REPRESENTATIVE, IF ANY, AND SUCH INVESTOR'S FINANCIAL, TAX OR LEGAL COUNSEL.

THE INFORMATION CONTAINED HEREIN IS ACCURATE ONLY AS OF THE DATE OF THIS MEMORANDUM. THE INFORMATION IS SUBJECT TO CHANGE AT ANY TIME.

THE OFFERING IS MADE BY DELIVERY OF A COPY OF THIS MEMORANDUM TO THE PERSON WHOSE NAME APPEARS HEREON AND MEETS THE SUITABILITY INVESTOR QUALIFICATION STANDARDS (PPM, §3.1) SET FORTH IN THIS MEMORANDUM.

ACCORDINGLY, IF YOU PURCHASE AN INTEREST, YOU WILL BE REQUIRED TO - REPRESENT AND WARRANT THAT YOU HAVE READ THIS MEMORANDUM AND ARE AWARE OF AND CAN AFFORD THE RISKS OF AN INVESTMENT IN THE FUND. YOU WILL ALSO BE REQUIRED TO REPRESENT THAT YOU ARE ACQUIRING THE INTEREST FOR YOUR OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY, AND NOT WITH ANY INTENTION TO RESELL OR TRANSFER ALL OR ANY PART OF THE INTEREST. THIS INVESTMENT IS SUITABLE FOR YOU ONLY IF YOU HAVE ADEQUATE MEANS OF PROVIDING FOR YOUR CURRENT AND FUTURE NEEDS AND CAN AFFORD TO LOSE THE ENTIRE AMOUNT OF YOUR INVESTMENT.

ALTHOUGH THIS MEMORANDUM CONTAINS SUMMARIES OF CERTAIN TERMS OF CERTAIN DOCUMENTS, YOU SHOULD REFER TO THE ACTUAL DOCUMENTS (COPIES OF WHICH ARE ATTACHED HERETO OR ARE AVAILABLE FROM THE INVESTMENT ADVISOR) FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO. ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE TERMS OF THE ACTUAL DOCUMENTS. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR FURNISH ANY INFORMATION WITH RESPECT TO THE FUND OR THE INTERESTS, OTHER THAN THE REPRESENTATIONS AND INFORMATION SET FORTH IN THIS MEMORANDUM OR OTHER DOCUMENTS OR INFORMATION FURNISHED BY THE INVESTMENT ADVISOR UPON REQUEST, AS DESCRIBED ABOVE.

NO RULINGS HAVE BEEN SOUGHT FROM THE INTERNAL REVENUE SERVICE ("IRS") WITH RESPECT TO ANY TAX MATTERS DISCUSSED IN THIS MEMORANDUM. YOU ARE CAUTIONED THAT THE VIEWS CONTAINED HEREIN ARE SUBJECT TO MATERIAL QUALIFICATIONS AND SUBJECT TO POSSIBLE CHANGES IN REGULATIONS BY THE IRS OR BY CONGRESS IN EXISTING TAX STATUTES OR IN THE INTERPRETATION OF EXISTING STATUTES AND REGULATIONS.

EXCEPT WHERE OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THE MEMORANDUM NOR ANY SALE OF THE SECURITIES DESCRIBED HEREIN SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND OR THE INVESTMENT ADVISOR SINCE THE DATE HEREOF.

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# Article 1 – Organization And Purpose



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## 1. Formation of the Fund

The Fund was formed upon filing its certificate of formation (the "Certificate of Formation") with the Delaware Secretary of State on 6 January, 2020. The Members (§ 1.3) agree to continue the Fund (§ 2.1) as a limited liability corporation subject to the Delaware Membership Act (the "Act"). The Investment Advisor (§ 3.1) is the Investment Advisor of the Fund. The Members (§ 4.1) shall be those persons that have agreed or hereafter agree to become Members of the Fund by accepting the terms of the private placement memorandum between the Fund and such person (a "Private Placement Memorandum"), by executing a subscription agreement (a "Subscription Agreement"), under which the person requests and the Investment Advisor in its sole discretion approves, the person's admission to the Fund as a Member, until such time, if ever, as such a person ceases to be a Member as provided herein.

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## 2. Name

This Delaware Corporation operates under the name of "Hedonova, LLC" (also called the "Fund").

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## 3. Members

The Members of the Fund are Hedonova, LLC, the Investment Advisor (§ 3.1), and the Member(s) (§ 4.1).

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## 4. Principal Place of Business

The principal place of business of the Fund is 8, The Green, Suite B, City of Dover, Delaware, 19001, or such other place or places as may be approved by the Investment Advisor (§ 3.1). The Investment Advisor shall be responsible for maintaining at the Fund's principal place of business those records required by the Act to be maintained thereat.

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## 5. Registered Agent and Office

The registered agent and the address of the registered office of the Fund in the State of Delaware shall be:

**NORTHWEST REGISTERED AGENT SERVICE, INC.  
8 THE GREEN, STE B  
KENT COUNTY, CITY OF DOVER  
DELAWARE 19901**

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## 6. Documents

The Investment Advisor (§ 3.1), or anyone designated by the Investment Advisor, is hereby authorized to execute any amendment to the Certificate of Membership in accordance with the Act and to cause it to be filed with the Delaware 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.

## 7. Fiscal Year

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The Fiscal Year for Hedonova LLC begins on January 1st and ends December 31st of each calendar year.

## 8. Purpose of the Fund

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Hedonova LLC is a private offering organized for the purpose of passing through to the Members (§ 4.1) the gains, losses, Taxes (§ 7.0), and Fees (§ 3.3) of trading the Fund's Methodology (§ 5.1).

## 9. SEC Rule 506(c)

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The fund operates under SEC Rule 506(c). The United States Securities Exchange Commission rule 506 of Regulation D is considered a "safe harbor" for the private offering exemption of Section 4(a)(2) of the Securities Act. Under Rule 506(c), a company can broadly solicit and generally advertise the offering, but still be deemed to be undertaking a private offering within Section 4(a)(2) if:

- The investors in the offering are all Accredited Investors (§ 4.2); and
- The Fund has taken reasonable steps to verify that its investors are accredited investors, which could include reviewing documentation, such as W-2s, tax returns, bank and brokerage statements, credit reports, and the like.

# Article 2 – The Fund



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## 1. The Fund

The Fund (LPA, § 2.1) is a Delaware Limited Liability Company operating under the name of “Hedonova LLC.” The Fund is a pass-through vehicle so all taxes are pass-through (§ 7.1) to the Members (§ 1.3).

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## 2. Non-Interest-Bearing Account

Before being invested in the next Main Trade (§ 5.6), funds of the Fund shall be deposited in a non-interest-bearing account in banks and/or brokerage firms selected by the Investment Advisor (§ 3.1) and designated to Hedonova LLC. Withdrawals from such accounts shall be made only by the Investment Advisor or such other parties as may be approved by the Investment Advisor.

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## 3. Capital Contributions

Upon admission to the Fund, each Member shall make a cash contribution (a “Capital Contribution”) to the Fund in the amount specified as the “Initial Capital Contribution” in the member’s Subscription Agreement (the member’s “Initial Capital Contribution”). The minimum Initial Capital Contribution of a Member (§ 4.1) shall be \$10,000, and the minimum additional Capital Contribution of a Member shall be \$100, subject in each case to the discretion of the Investment Advisor (§ 3.1) to establish a higher or lower minimum for any or all Members. Unless otherwise agreed by a Member and the Investment Advisor, no Member shall have any obligation to make any additional Capital Contribution at any time. Any Capital Contribution from a Member that is not to be invested in the Main Trade (§ 5.6) on the date on which it is received by the Fund (or on the next business day) shall be placed by the Investment Advisor in a non-interest-bearing holding account for the benefit of the contributing Member until the date on which such Capital Contribution is to be invested in the next Main Trade, and on such date the Capital Contribution shall be invested in the Main Trade and credited to the contributing member’s Capital Account (as that term is defined in Section 3.4(a) below). Unless otherwise agreed between the contributing Member and the Investment Advisor in connection with such a Capital Contribution, the contributing Member 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 Main Trade.

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## 4. Ownership Percentages

The Capital Accounts (§ 6.4) of each Member (§ 4.1) represents their equity in the Fund. The Ownership Percentage of a Member is the summation of all Capital Accounts of the Member (§ 6.11) divided by the Net Asset Value (NAV) of the Fund (§ 6.9).

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## 5. Termination of the Fund

Upon the termination of the Fund, all assets of the Fund will be applied and distributed in proportion to the respective Capital Accounts (§ 6.4) of the Members.

The Fund shall be terminated as rapidly as business circumstances will permit. At the direction of the Investment Advisor (§ 3.1) (the "Terminating Member"), 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 Member's Capital Account shall be furnished to all members as soon as reasonably practicable. The Terminating Member 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 Member may sell all of the Fund Assets or distribute the Fund Assets in kind; provided, however, that the Terminating Member shall ascertain the fair market value by appraisal or other reasonable means of all Fund Assets remaining unsold and each member'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 Members in accordance with Article 6 "Accounting". 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 the month, the date of such termination shall be deemed to be the last day of the month for purposes of adjusting the Capital Accounts of the Members pursuant to Section § 6.4.

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 Members, 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 (§ 2.3) and after all resulting items of Fund income, gain, credit, loss, or deduction are credited or debited to the Capital Accounts of the Members, all remaining Fund Assets shall then be distributed among the Members in accordance with the positive balances of their respective Capital Accounts. Upon termination, a Member may not demand and receive cash in return for such Member's Capital Contributions and no Member shall have any obligation to restore any deficit that may then exist in that Member's Capital Account. Distribution on termination may be made by the distribution to each Member of an undivided interest in any asset of the Fund that has not been sold at the time of termination of the Fund.

# Artical 3 – Investment Advisor



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## 1. Investment Advisor

The Investment Advisor of the Fund is a Delaware Limited Liability Company operating under the name of “Hedonova Advisors LLC”. As an Investment Advisor, Hedonova Advisors LLC is responsible for the management of the Fund and is liable for the company’s obligations and administrative costs, as more specifically set forth in Expenses (§ 3.14).

The Investment Advisor solely advises Hedonova LLC and is exempt from federal and state registration. The Investment Advisor is exempt from federal registration under Section 203(m) of the Investment Advisers Act of 1940 which directs the Securities and Exchange Commission to exempt the registration for all investment advisors solely advising private funds with an aggregate value of assets that are less than \$150 million. The Investment Advisor shall be duly registered under federal or state law during all periods when such registration is required.

## 2. Affiliates of Investment Advisor

Affiliates of Investment Advisor (§ 3.1) are defined as any members, Advisors, directors, officers, employees, agents, or owners of the Investment Advisor (§ 3.1).

## 3. Activity of the Investment Advisor

The Investment Advisor (§ 3.1) shall be required to devote such time as it reasonably deems necessary for the proper conduct of the Fund's affairs. Neither the Investment Advisor nor Affiliates of the Investment Advisor (§ 3.2) shall be obligated to perform any act in connection with the business of the Fund not expressly set forth herein. Nothing contained in this shall preclude the Investment Advisor 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 for or providing investment advice to, an account of such person, a family member of such person, or any other person or entity. No Member (§ 4.1) shall, by reason of being a Member, have any right to participate in any manner in any profits or income earned by the Investment Advisor 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 Investment Advisor or any of its Affiliates for any account other than a Fund account.

## 4. Liability of the Investment Advisor

The Investment Advisor (§ 3.1) nor any Affiliates of the Investment Advisor (§ 3.2) shall be personally liable for the return of the Capital Contributions (§ 2.3) of any Member, and such return shall be made solely from available Fund Assets if any, and each Member (§ 4.1) hereby waives any and all claims it may have against any Investment Advisor or any such Affiliate in such regard.

## 5. Investment Advisor Investments

The Investment Advisor (§ 3.1) may make investments alongside the Members (§ 4.1) in the Fund in such amounts as it may determine; provided that the Investment Advisor will not be charged a Management Fee (§ 3.11) or a with respect to any of its Capital Account.



## 6. Authority over the Fund

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The Investment Advisor shall act on behalf of and in the name of Hedonova LLC and without notice to the Members;

1. open, maintain and close accounts with brokers, which power shall include the authority to issue all instructions and authorizations to brokers regarding securities and money therein and to pay, or authorize the payment and reimbursement of, brokerage commissions;
2. open, maintain and close bank accounts and authorize the drawing of checks or other orders for the payment of monies;
3. bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against Hedonova LLC;
4. deposit, withdraw, invest, pay, retain and distribute Hedonova LLC's funds in a manner consistent with the provisions of this Agreement;
5. engage one or more custodians, attorneys, independent accountants, consultants and any other persons that the Investment Advisor deems necessary or advisable;
6. accept or refuse new Subscriptions and/or Additions of capital to the Fund;
7. terminate the Fund and return its capital to the Member(s).

The Investment Advisor is solely responsible for any investment decisions of the Fund and shall act on behalf of and in the name of Hedonova LLC and without notice to the Members:

1. act as Investment Advisor of the Fund and direct the formulation of investment and trading policies and strategies for the Fund;
2. return capital to the Member(s) in order to rebalance the Assets Under Management of the Fund.

## 7. High Water Mark

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The High Water Mark is the highest Net Asset Value (§ 6.9) obtained at the end of a previous Fiscal Year (§ 1.7), which becomes the beginning balance of the following year, after any Additions and Subscriptions (§ 6.13) and Withdrawals and Redemptions (§ 6.14). Specifically, the High Water Mark is the highest beginning balance among previous fiscal years. The High Water Mark is used to determine Performance (§ 6.12) and ensures that the Investment Advisor (§ 3.6) only charges fees on actual profits.

## 8. Management Fee

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The Investment Advisor will charge a management fee of 1% of the capital that the Member has invested over the year. This fee will be charged at the end of the year. In the event that a Member withdraws money during the year, the 1% management fee will be charged at the time of the withdrawal based on the amount of capital that was invested at the time of the withdrawal. The management fee will be calculated based on the net asset value of the Member's investment account at the time of the fee calculation.

## 9. Indemnification of Investment Advisor

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In the absence of willful misfeasance, bad faith or gross negligence on the part of the Investment Advisor (§ 3.6), or reckless disregard of its obligations and duties hereunder, the Investment Advisor shall not be subject to any liability to the Fund or to any member of the Fund, for any act or omission in the course of, or connected with, rendering services hereunder.

The Fund shall, to the fullest extent permitted by law, indemnify and save the Investment Advisor, its affiliates, and any of their respective members, directors, employees or shareholders (the “Indemnitees”) from and against any and all claims, liabilities, damages, losses, costs, and expenses, that are incurred by any Indemnitee and that arise out of or in connection with the performance or nonperformance of or by the Indemnitee of any of the Investment Advisor’s responsibilities hereunder. An Indemnitee shall be entitled to indemnification hereunder only if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Fund.

## 10. Expenses

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The Investment Advisor (§ 3.1) shall be responsible for all expenses relating to its own operations (“Membership Expenses”), excluding fees, costs, and expenses directly related to the purchase and sale of securities, but including expenses of custodians, counsel, and accountants, any insurance, indemnity or litigation expenses, all costs of the Membership’s administration, including preparation of its financial statements and reports to Members (§ 4.1), costs of holding any meetings of Members, and any taxes, fees or other governmental charges levied against the Membership. In addition, the Investment Advisor shall be responsible for all fees and expenses due to any legal, financial, accounting, consulting, or other advisors or any lenders, investment banks, and other financing sources in connection with transactions that are not consummated (“Broken-Deal Expenses”). At last, the Investment Advisor shall be responsible for all of their day-to-day operating expenses, including office overhead and compensation of employees.

In an event of, aside from the Fund’s normal operational expenses:

1. an individual Member causes any direct out-of-pocket expense incurred by the Fund, the individual Member shall be liable for all out-of-pocket expenses.
2. an admission of a Substituted Member (§ 8.3), the individual Member shall be liable for all fees and costs necessary to effect any such transfer and admission

## 1. Member

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A Member does not have any management responsibility or voting rights in Hedonova LLC. Members are not personally liable. Members are only liable to the extent of the amount of money that each member has invested in the Fund. All the gains, losses, and Taxes (§ 7.1) of the Fund are passed through to the Members at their respective Position Participation (§ 6.3) percentages.

Each Member shall only have access to records relating to their own Capital Accounts (§ 6.4).

## 2. Accredited Investor

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Pursuant to SEC Rule 506(c) under Regulation D, all Members (§ 4.1) of the Fund must be Accredited Investors. An Accredited Investor is defined to include but is not limited to any natural person whose individual net worth, or joint net worth with that person's spouse exceeds \$1 million, excluding the value of their primary residence; or who has an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year. An Accredited Investor can also be any trust, institution, endowment plan or business with total assets in excess of \$5 million. Refer to Securities Exchange Commission for more detailed information and/or current definitions of Accredited Investor.

To date, the SEC has released a non-exclusive list of steps that can be taken to prove that investors are accredited. These include but are not limited to:

1. Receiving a written confirmation from a registered broker-dealer, SEC-registered investment advisor, licensed attorney, or certified public accountant that such entity or person has taken reasonable steps to verify the purchaser's accredited status
2. Reviewing copies of any IRS form that reports the income of the purchaser and obtaining a written representation that the purchaser will likely continue to earn the necessary income in the current year.

## 3. Additions and Withdrawals

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Additions and Withdrawals by a Member (§ 4.1) can be made as needed by the Member. Additions must be approved by Hedonova Advisors LLC. Additions are deposited in the Fund's Non-Interest-Bearing Account (§ 2.2) until the next Main Trade (§ 5.6). Withdrawal requests must be in writing to Hedonova Advisors LLC and upon receipt will be available within thirty (30) business days barring any Catastrophic Events (PPM § 2.9). When the Assets Under Management (§ 6.8) of the Member is above \$25,000, the Member may withdraw the difference between that amount and \$25,000. If the amount is below \$25,000, the only Withdrawal allowed is a full Redemption (§ 4.4).

## 4. Redemptions

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A Redemption is a Member's (§ 4.1) total liquidation of an investment in Hedonova LLC. Upon the receipt of a written request of Redemption from the Member, Hedonova Advisors LLC will liquidate the Member's investment in the Fund and will transfer the monies, net of Management Fee (§ 3.11), within thirty (30) days, barring any Catastrophic Events (PPM § 2.9).

## 5. Reporting

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As soon as practicable after an audit as of the end of the Fiscal Year (§ 1.7) conducted pursuant to Independent Accountant (§ 6.2), and in no event later than 120 days after fiscal year-end, the Fund will prepare and mail to each Member (§ 4.1) and, to the extent required, to each former Member (or such Member's legal representatives) a copy of the audited financial statements prepared for the Fund.

1. Within 30 days after the end of each quarter (or at more frequent intervals, in the Investment Advisor's discretion), the Fund (or its accountants) shall provide each Member with a written performance summary. The Fund reserves the rights to make interim reports available solely in electronic form on the website of the Fund or its administrator, and the Members hereby agree to accept such electronic delivery in satisfaction of any regulatory requirements under any applicable law.
2. Each Member 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 14 days' notice to the Investment Advisor (§ 3.1). Such right may be exercised through any agent or employee of such Member designated by him or her or by an independent certified public accountant designated by such Member. Each Member shall bear all expenses incurred in any examination made on behalf of such Member. Notwithstanding any other provision of this Agreement, however, no Member or the Member's representative shall at any time have the right to any information regarding specific Securities held in the Fund's portfolio.
3. Unless prohibited by law or regulation, the General Member may deliver any report required to be delivered to a Member by electronic mail addressed to the most recent email address provided by the Member to the General Member for the purpose of communications on Fund matters.

## 6. Privacy Policy

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Any and all nonpublic personal information received by Hedonova LLC and/or Hedonova Advisors LLC in the course of business with respect to the Members (§ 4.1) including the information provided to the Fund by a Member in the subscription documents, shall not be shared with nonaffiliated third parties. Affiliated third parties such as service providers include but are not limited to the administrator, the auditors, the brokers, and the legal advisors of the Fund. Notwithstanding the foregoing, the Fund and/or the Investment Advisor (§ 3.6) may disclose such nonpublic personal information as required by law. Such policy shall also apply to former Members.

While the Fund and its representatives will use their best reasonable efforts to keep confidential information the Member provides to the Fund, (i) there may be circumstances in which a law or regulation relating to combating terrorism or money laundering may require the release of such information to law enforcement or regulatory officials; (ii) the Fund may present such information to regulatory bodies or other parties as may be appropriate to establish the availability of exemptions from certain securities and similar laws, or the compliance of the Fund and/or the Investment Advisor with applicable laws; and (iii) the Fund may disclose such information relating to the Member's investment in the Fund when required by judicial process, to the extent permitted under privacy laws or to the extent the Fund considers the information relevant to any issue in any lawsuit or similar proceeding to which the Fund is a party or by which it is or may be bound. If the Member has instructed the Fund to send duplicate reports to third parties pursuant to this Agreement, the Member may revoke this instruction at any time by sending a written notice to the Fund indicating that a previously authorized third party is no longer authorized to receive the Member's reports.

## 7. Benefits of Agreement

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Nothing in this Agreement is intended or shall be construed to give to any creditor of the Fund or of any Member (§ 1.3) or of any other person or entity whatsoever, other than the Members 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 Members and the Fund.

## 8. Distribution

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Except for withdrawal distributions, the Investment Advisor (LPA, § 3.1) does not expect to make distributions to the Members. It nevertheless may do so at any time, in any amount, in cash or in-kind, in proportion to the Members' Capital Accounts (§ 6.4) at the time of the distribution.

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## 1. Methodology

All trades made by Hedonova LLC range from a few months to a few years. The Fund does not participate in high frequency trading, day trading and only rarely will find the need to be in a trade for one day. All trades are quantified by the Research members, Proprietary Approach (§ 5.2) and the Investment Advisor (§ 3.7) determines which investments are made. Once an investment is made, the Proprietary Approach (§ 5.2) determines (§ 5.7) reducing the position's exposure to the market, the Risk Management (§ 5.3) for exits, and the Money Management (§ 5.4) for the size of each investment.

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## 2. Proprietary Approach

The Proprietary Approach is based on applied mathematics rooted in the principle that at any one time there are binary forces affecting the market. Applied mathematics quantifies these binary forces and provides finite trading opportunities with specific entry and exit points.

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## 3. Risk Management

Risk Management is meant to both protect profits and mitigate losses. Each investment is measured differently for risk management by the mathematics of the Proprietary Approach (§ 5.2). Although there are no hard stop-losses, no single investment is meant to risk more than 5% of the Net Asset Value of the Fund when measured at cost (§ 6.9) on each Position (§ 5.5), barring any Catastrophic Events (PPM § 2.9).

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## 4. Money Management

Money Management determines the number of Instruments (§ 5.9) needed for each Position (§ 5.5) to risk no more than 5% of the Net Asset Value (§ 6.9). The net effect of Money Management is that it maximizes the Net Asset Value on an absolute dollar basis when the Fund is appreciating while limiting risk when the Fund is depreciating.

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## 5. Position

Given the funding requirements of the Instruments (§ 5.9) used for trading the Fund's Methodology (§ 5.1), Hedonova LLC rarely has more than four Positions open at any one time. Each Position rarely risks more than 2% of the Net Asset Value of the Fund (§ 6.9). Profits are protected by Synthetic Options (§ 5.7) which reduce the risk and funding requirements of the Main Trade (§ 5.6) and provide an opportunity for an Extra Trade (§ 5.8).

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## 6. Main Investments

The Main Investment is identified by the Proprietary Approach (§ 5.2) and is initiated by the Investment Advisor (§ 3.7). Once in the Main Investment, the only exit from the trade is determined by Risk Management (§ 5.3), the Investment Advisor's decision to replace it with a more advantageous trade or through partial Withdrawals and/or Redemptions (§ 6.14). During a Main Trade, there are times when the market provides an opportunity for a Synthetic Option (§ 5.7). This situation allows the Fund to take some profits and temporarily free-up capital that can be used for an Extra Investment (§ 5.8).

## 7. Synthetic Options

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A Synthetic Option is created subsequent to and counter to an existing Main Trade (§ 5.6). It is used to protect profits in the Main Trade and free up capital. Any new money received via Additions and Subscriptions (§ 6.13) does not participate in a Synthetic Option if not already in the Main Trade.

## 8. Extra Trades

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An Extra Investment is created when the capital is freed-up by a Synthetic Option (§ 5.7) and invested in a new trade. An Extra Investment follows the Proprietary Approach (§ 5.2) as to entry points, Risk Management (§ 5.3) and Money Management (§ 5.4). Any new money received via Additions and Subscriptions (§ 6.13) does not participate in an Extra Trade if not already in the Main Trade (§ 5.6).

## 9. Instruments

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The Instruments used for trading the Methodology (§ 5.1) are limited to liquid markets that are open around the clock, Monday through Friday. The Fund can be long and/or short the Instruments.

Normally, the Fund trades futures on global currency markets and equity markets for the purpose of hedging and risk management and 10 year debt instruments and the spot market in currencies.



# Article 6 – Accounting



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## 1. Accounting

The Accounting practice of the Fund (§ 2.1) is based on (“FIFO”) first in, first out accounting method and Position Participation (§ 6.3). The Fund’s accounting optimizes Member’s (§ 4.1) return on investments by not diluting the ownership of existing Positions (§ 5.5) with Additions and Subscriptions (§ 6.13). All Additions and Subscriptions are deposited in the Fund’s Non-Interest-Bearing Account (§ 2.2) until the next Main Trade (§ 5.6).

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## 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 Investment Advisor (§ 3.1). 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.

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## 3. Position Participation

Position Participation is used to express percentage ownership of the Member’s (§ 4.1) interest in the Fund and is maintained in the Capital Accounts (§ 6.4). The Position Participation percentage for each of the Member’s is the balance of their Capital Accounts at the time of the Main Trade (§ 5.6) divided by the Assets Under Management (§ 6.8) of the Fund. The Position Participation of a Member (§ 4.1) for a Synthetic Option (§ 5.7) and an Extra Trade (§ 5.8) is dependent on participation in a specific Main Trade. The distinction arises because a Main Trade employs all available capital in the Non-Interest- Bearing Account (§ 2.2) but a Synthetic Option (§ 5.7) and an Extra Trade only employs the capital already participating in a Main Trade.

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## 4. Capital Accounts

For bookkeeping purposes, Capital Accounts are kept for the Fund and for the members. There are two classes of Capital Accounts for both the Fund and the members; a Yearly Capital Account (§ 6.5) and an Annualized Capital Account (§ 6.6). The bookkeeping of the Capital Accounts of 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 Investment Advisor. The Capital Accounts shall be maintained according to Generally Accepted Accounting Principles (“GAAP”), consistently applied, except as may be expressly provided elsewhere in this Agreement, and shall show all items of income and expense.

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## 5. Yearly Capital Account

On the first day of a new Fiscal Year (§ 1.7) all of the Yearly and Annualized Capital Accounts (§ 6.6) from the prior Fiscal Year are combined into a new Yearly Capital Account. The beginning balance of the new Yearly Capital Account will be the closing balances of all the Capital Accounts on the last day of the prior Fiscal Year, less all the Management Fees (§ 3.11). Withdrawals and Redemptions (§ 6.14) affect the balance of the Yearly Capital Accounts. To accurately charge Management Fees on Withdrawals and Redemptions, a new Annualized Capital Account is created to record such transactions and the Yearly Capital Account is debited.



## 6. Annualized Capital Account

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An Annualized Capital Account is created in the month in which Additions and Subscriptions (§ 6.13) or Withdrawals and Redemptions (§ 6.14) are made. For Additions and Subscriptions, the Annualized Capital Account begins in the month it was created. For Withdrawals and Redemptions, the account begins either the first day of the Fiscal Year, if it is debited from the Yearly Capital Account (§ 6.5), or the first day of the month of the earliest Annualized Capital Account if no Yearly Capital Account exists which is consistent with the “First In, First Out” (FIFO) accounting method.

In the case of Additions and Subscriptions, the beginning balance of the Annualized Capital Account is equal to the Additions and Subscriptions made that month. To accurately account for Performance (§ 6.12) in the case of Withdrawals and Redemptions, the beginning balance of the Annualized Capital Account is the Withdrawal and Redemption divided by NAV (§ 6.9) of the debited account and the ending balance is the Withdrawal and Redemption.

## 7. Regulatory Assets Under Management

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Regulatory Assets under Management (“RAUM”) of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4) of that Fiscal Year (§ 4.1) plus all capital in the Fund’s Non-Interest-Bearing Account (§ 2.2).

## 8. Assets Under Management

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Assets under Management (“AUM”) of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4) of that Fiscal Year (§ 1.8) plus all capital in the Fund’s Non-Interest-Bearing Account (§ 2.2).

## 9. Net Asset Value

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The Securities and Exchange Commission (“SEC”) defines Net Asset Value (“NAV”) as the difference between a fund’s Total Assets (§ 6.10) and Total Liabilities (§ 6.11). As the Fund does not have Liabilities, the Fund’s NAV equals Total Assets, which is Assets under Management (“AUM”) (§ 6.8). As the AUM of the Fund is equivalent to Regulatory Assets under Management (“RAUM”) (§ 6. 7), the Fund’s NAV also equals RAUM.

## 10. Total Assets

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The Total Assets of the Fund is the summation of all “ending balances” of the Capital Accounts (§ 6.4), which is the current market value of the Fund’s total holdings. The market value is determined by the closing price of the traded instrument (§ 5.9) on that specific market exchange.

## 11. Total Liabilities

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The Investment Advisor (§ 3.1) shall be responsible for all Expenses (§ 3.14) relating to the operation of the Fund, excluding trading commissions. The Investment Advisor (§ 3.6) does not engage in any borrowing nor incur any debt. In an event, aside from the Fund’s normal operations, an individual Member (§ 4.1) causes any direct out-of-pocket expense incurred by the Tax Matters Member (§ 7.2), the individual Member shall be liable for all out-of-pocket expenses.

## 12. Performance

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Performance is determined for each Capital Account.

The Performance for the Yearly Capital Account (§ 6.5) is the ending balance divided by the High Water Mark (§ 3.9) minus one, represented as a percentage:

$$\text{Performance \%} = \left( \frac{\text{Ending Balance}}{\text{High Water Mark}} \right) - 1$$

The Performance for the Annualized Capital Account (§ 6.6) is the ending balance divided by the High Water Mark (§ 3.9) divided by the annualization ratio minus one, represented as a percentage:

$$\text{Performance \%} = \left( \frac{\text{Ending Balance}}{\text{High Water Mark}} \right) - 1$$

$$\text{Annualization Ratio} = \frac{\text{Number Of Months}}{12}$$

$$\text{Annualized Performance\%} = \frac{\text{Performance \%}}{\text{Annualization Ratio}}$$

The Fund's Performance is determined by the Fund's Yearly Capital Account.

## 13. Additions and Subscriptions

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Additions and Subscriptions are deposited in the Fund's Non-Interest-Bearing Account (§ 2.2) and remain unused until the next Main Investment (§ 5.6). For bookkeeping purposes, any Additions and Subscriptions are added to the Capital Accounts (§ 6.4) and become part of the Assets Under Management (§ 6.8) of the Fund. For accounting purposes, Additions and Subscriptions are assumed to be made on the first day of the month.

## 14. Withdrawals and Redemptions

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Withdrawals and Redemptions are transferred from Hedonova LLC accounts to the member's account. For bookkeeping purposes, Withdrawals and Redemptions are debited from Capital Accounts (§ 6.4) and from the Assets Under Management (§ 6.8) of the Fund. Withdrawals and Redemptions for accounting purposes are assumed to be made on the last day of the month.

## 15. Valuation of Assets

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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 Investment Advisor (§ 3.1) 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 the 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. 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.

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. 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.

All values assigned to Securities and other assets by the Investment Advisor shall be final and conclusive as to all of the Members. Notwithstanding the preceding portions of this section, the Investment Advisor 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.

## 1. Taxes

The Fund is a pass-through vehicle so all taxes are pass-through to the Members (§ 1.3). All of the Fund's gains and losses are considered short-term and are taxed as Ordinary Income (§ 7.7). The Fund separately and directly files with the Internal Revenue Service ("IRS") its profits and/or losses on an information return (Form 1065) which attaches a Schedule K-1 detailing each member's share of the Fund's profits and/or losses.

## 2. Tax Matters Member

The Investment Advisor (§ 3.1) shall act as the "Tax Matters Member" for income tax purposes. The Tax Matters Member shall mean the Member (a) designated as the "tax matters Member" 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 which normally include, where appropriate, commencing on behalf of the Fund certain judicial proceedings regarding Fund income tax items and informing all Members of any administrative or judicial proceeding involving income taxes. In exercising its responsibilities as Tax Matters Member, the Investment Advisor shall have final authority in all income tax decisions involving the Fund. In an event, aside from the Fund's normal operations, an individual Member (§ 4.1) causes any direct out-of-pocket expense incurred by the Tax Matters Member, the individual Member shall be liable for all out-of-pocket expenses.

## 3. Tax Treatment of Members

The Fund, as an entity, will not be subject to U.S. federal income tax. A Member (§ 1.3) is responsible for the taxes on their share of the Funds gains and losses and reports these taxes on their individual income tax return. A copy of the Fund's IRS Form 1065 Schedule K-1 is provided to each individual Member (§ 4.1) for their records. The Member's profits and/or losses are considered ordinary income (§ 7.7) for federal tax reporting purposes. Ordinary income is treated differently at the state and local levels. Each Member must check with their tax advisor to determine state and local taxes on ordinary income.

Moreover, a Member may be exempt under the Code and/or applicable state and local tax regulations. Notwithstanding the aforementioned and representations afterward regarding individual ordinary income for tax reporting purposes and/or exemptions, which do not constitute legal or tax advice, every Member should seek independent specialized guidance from their tax advisor to determine any tax liability and/or reporting obligation(s).

## 4. Tax Treatment of Non-Profit Organization

An exempt organization is not taxed on its income from an activity substantially related to the charitable, educational, or other purpose that is the basis for the organization's exemption. Such income is exempt even if the activity is a trade or business. However, if an exempt organization regularly carries on a trade or business not substantially related to its exempt purpose, except that it provides funds to carry out that purpose, the organization is subject to tax on its income from that unrelated trade or business. Please refer to IRS Publication 598, "Tax on Unrelated Business Income of Exempt Organizations". <http://www.irs.gov/pub/irs-pdf/p598.pdf>

Notwithstanding the aforementioned paragraph, which does not constitute legal or tax advice, any Member (§ 4.1) should seek independent specialized guidance from their tax advisor to determine any tax liability and/or reporting obligations even if classified as a Non-Profit Organization.

## 5. Tax Treatment of Foreign Investor

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The rules governing the United States federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships, and other foreign Members (collectively, "Foreign Members") are complex and include special rules relating to foreign investments in the United States. Prospective Foreign Members should consult with their own tax advisors to determine the impact of United States federal, state, and local income and other tax laws with regards to an investment in the Fund, including any reporting requirements.

## 6. Tax Treatment of Investment Advisor

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The Investment Advisor's (§ 3.1) "monthly" Management Fee (§ 3.11) are taxed as Ordinary Income (§ 7.7). The income/loss from ownership in the Fund is considered short-term gains/losses and is taxed as Ordinary Income. The annual allocation of the Fund's profits to the Investment Advisor is considered Carried Interest (§ 7.8) and is taxed when sold. If the Investment Advisor sells any of the ownership held for less than a year, it is taxed as Ordinary Income otherwise taxed as long-term capital gains.

## 7. Ordinary Income

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The Methodology (§ 5.1) followed by the Fund results in asset holding periods of less than one year. The holding period begins the day the asset is bought and extends up to and including the day the asset is sold. Profits earned on an asset held less than one year are considered short-term capital gains for tax purposes and are taxed at the same rate as ordinary income.

## 8. Carried Interest

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The Carried Interest is the share of the Funds profits allocated to the Investment Advisor (§ 3.1). On the last day of the Fiscal Year (§ 1.8), the Investment Advisor collects Management Fees (§ 3.11). If the Investment Advisor sells any of the ownership, it is taxed as ordinary income (§ 7.7) if held for less than a year but taxed as long-term capital gains if held over a year. All profits made from Carried Interest are considered short-term capital gains and are taxed as ordinary income.

## 9. Allocations for Tax Purposes

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1. All Allocations for Tax Purpose are short-term and considered ordinary income.
2. Net realized and unrealized appreciation or depreciation in the value of Fund assets will be allocated at the end of each Accounting Period (generally, the last day of each month) in proportion to the relative values of the Members' Capital Accounts as of the beginning of the Accounting Period.
3. For each Fiscal Year (§ 1.7), items of income, deduction, gain, loss, or credit shall be allocated for income tax purposes among the Members (§1.3) in such manner as to reflect equitably amounts credited or debited to each member's Capital Account for the current and prior fiscal years (or relevant portions thereof). Allocations under this Section § 7.9 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.
4. If the Code or Treasury Regulations require a withholding or other adjustment to the Capital Account of a Member or some other interim year event occurs necessitating in the Investment Advisor's judgment an equitable adjustment, the Investment Advisor shall make such adjustments in the determination and allocation among the Members of Net Capital Appreciation, Net Capital Depreciation, Capital Accounts, Fund Percentages, 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 Investment Advisor shall be final and conclusive as to all Members.

# Article 9 – Assignment



## 1. Assignment

Except as specifically provided in this Article 8, no Member (§ 4.1) may sell, transfer, assign, mortgage, hypothecate or otherwise encumber or permit or suffer any encumbrance of all or any part of such Member's interest in the Fund (§ 2.1) or upon death unless prior written consent is obtained from the Investment Advisor (§ 3.1), which may be granted or withheld in the Investment Advisor's sole discretion. Any attempt so to transfer or encumber any such interest shall be null and void ab initio. The Members will be excused from accepting the performance of and rendering performance to any person other than the Member hereunder (including any trustee or assignee of or for such Member) as to whom such prior written consent has been rendered.

## 2. Further Restrictions on Transfer

In the event of any transfer permitted under this Article,

1. 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 Investment Advisor (§ 3.1). Until such transferee or assignee (other than an existing Member) is admitted to the Fund as a Substituted Member (§ 8.3), the Member or the member's estate 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 Member, such transferor Member 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 Member, unless such transferor Member is released in writing from such obligations or liabilities by the Investment.
2. Any Member (§1.3) 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 Members from and against any costs, damages, claims, suits or fees suffered or incurred by the Fund or any such other Member 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.

## 3. Substituted Member

An assignee or transferee (other than an existing Member) of the interest of a Member (§ 1.3) may be admitted as a substitute Member ("Substituted Member"), at any time, only with the written consent of the Investment Advisor (§ 3.1), which such consent may be granted or denied in the sole discretion of the Investment Advisor. Unless the assignee is already an Investment Advisor, 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 Member (§ 4.1) and the assigned Fund interest shall thereafter be a Member's interest.

Upon the receipt by the Investment Advisor of an appropriate supplement to the Agreement pursuant to which such Substituted Member agrees to be bound by this Agreement, the Investment Advisor shall reflect the admission of a Substituted Member and the withdrawal of the transferring Member, 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 Member shall, if required by the Investment Advisor prior to such admission, also execute any other documents requested by the Investment Advisor, including, without limitation, a Subscription Agreement and an irrevocable power of attorney in a form satisfactory to the Investment Advisor appointing the Investment Advisor as such person's attorney-in-fact with full power to execute, swear to, acknowledge and file all certificates and other instruments (§ 5.9) necessary to carry out the provisions of this Agreement, including, without limitation, such undertakings as the Investment Advisor may require for the payment of all fees and costs necessary to effect any such transfer and admission. Upon admission, such Substituted Member shall be subject to all provisions of the Agreement in the place and stead of his assignor as if the Substituted Member originally was a party to this Agreement.

#### **4. Basis Adjustment**

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The basis of partnership property shall not be adjusted as the result of a transfer of an interest in the Fund by sale or exchange or on the death of a Member unless the election provided by section 754 of the Code and the Treasury Regulations is in effect with respect to such partnership or unless the partnership has a substantial built-in loss immediately after such transfer. The Tax Matters Member (§ 7.2) 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.

##### Admission of Additional Members

1. The Investment Advisor (§ 3.1) may admit a new Member (§ 4.1) to the Fund at any time. Each such new Member, by accepting the terms of the Private Placement Memorandum, and executing the Subscription Agreement, pursuant to which such new Member agrees to be bound by this Agreement and satisfy any other requirements set by the Investment Advisor.
2. Upon satisfaction of the conditions stated in Section § 8.5(a), the Investment Advisor shall reflect the admission of the new Member and deposit the new money in a Non- Interest Bearing Account (§ 2.2). The admission of a new Member shall not cause the dissolution of the Fund. Upon the admission of a new Member pursuant to Section § 8.5(a), a new Capital Account (§ 4.1) shall begin as set forth in Section VI.

#### **5. Other Restricted Transfers**

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Notwithstanding any other provision herein to the contrary, unless prior written consent is given by Investment Advisor (§ 3.1), 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.

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## 1. Member Representations

All representations, warranties, and covenants of a Member (§ 4.1) set forth in the Subscription Agreement pursuant to which the Member 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 Member shall remain a Member, subject to provisions in the Member's Subscription Agreement permitting and requiring the Member to correct certain representations or warranties which become inaccurate because of changes occurring after the effective date of such representations and warranties.

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## 2. Notices

1. All notices, demands, or requests provided for or permitted to be given pursuant to this Agreement must be in writing.
2. All notices, demands, and requests to be sent to a Member (§ 4.1), any successor(s) to the interest of a Member (§ 1.3) or any Substituted Member (§ 8.3) 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 Member, (iii) deposited in the United States mail, addressed to such Member, prepaid and registered or certified with return receipt requested, (iv) electronically mailed (emailed) to the Member at the email address provided by the Member 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 devices to the attention of such Member.
3. 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 that incorporates the emailed notice or otherwise clearly indicates that the emailed notice was received.
4. The Members and any Substituted Members 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 § 9.2(b); provided, however, that to be effective, any such notice must be actually received (as evidenced by a return receipt).

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## 3. Amendments to Membership Agreement

The Investment Advisor may amend the Membership Agreement or any Exhibits to make a change that is necessary or desirable or 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 Members. In addition, the Investment Advisor may adopt any other amendment to this Agreement, without the consent of the Members, provided that each Member is permitted to withdraw all or part of such Member's Capital Account, without any penalty, prior to the effective date of the amendment.



#### 4. Powers of Attorney

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Each Member (§ 4.1) hereby constitutes and appoints the Investment Advisor (§ 3.1), with the full power of substitution, as such Member's true and lawful attorney-in-fact and empowers and authorizes such attorney, in the name, place, and stead of such Member, 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 Membership and any amendments thereto, under the laws of the State of Delaware or in any other state or other jurisdiction, U.S. or foreign, in which such filing is deemed advisable by such Investment Advisor, (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 Investment Advisor, (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 Investment Advisor 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 affect the continuation of the Fund, the admission of new Members or Substituted Members (§ 8.3), the withdrawal of any Member 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 Member hereby ratifies, confirms and adopts, as his own, all actions that may be taken by such attorney-in-fact pursuant to this Section § 9.4. Each Member 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 Members if approved in accordance with the provisions hereof. By a Member's execution hereof, such Member also grants the Investment Advisor 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 Member. Each Member shall execute and deliver to the Investment Advisor an executed and appropriately notarized power of attorney in such form consistent with this Section § 9.4 as the Investment Advisor may request.

#### 5. Confidentiality

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1. Each Member (§ 9.4) acknowledges that, during the period of such Member's investment in the Fund, such Member 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 (§ 5.5) held by the Fund (but see Section 9.5(d)).
2. During the period of a Member's investment in the Fund or at any time thereafter, confidential information of the Fund may not be used in any way by such Member or former Member for such Member's own private or commercial purposes (other than in connection with such Member'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 Member whose access to such information is reasonably necessary for such Member's operations and who are bound by similar obligations as to non-disclosure of confidential information, or except as required by law.
3. Each Member acknowledges and agrees that the Fund and the Investment Advisor (§ 3.1) may be harmed irreparably by a violation of this Section § 9.5 and that the Fund and the Investment Advisor shall be entitled to injunctive relief, to enforcement of this Section § 5 by specific performance and to damages in the event of any such breach. Each Member agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.

4. Notwithstanding the preceding portions of this Section § 9.5 or any other provision of this Agreement, each Member acknowledges that the past, present, and future investment positions of the Fund, and the investment strategies of the Investment Advisor, are the proprietary information of the Investment Advisor and will not be disclosed to any Member at any time except as the Investment Advisor may choose, or as may be required by law. The Investment Advisor's election to disclose any of such information to one or more Members or other persons shall not obligate the Investment Advisor to disclose the same or other information to any other Member or other person. The Investment Advisor's election to disclose any of such information on one or more occasions shall not obligate the Investment Advisor to disclose the same or other information on any other occasion.

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## 6. Certification of Non-Foreign Status

Each Member (§ 4.1) or transferee of an interest in the Fund shall certify in the Subscription 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 Member's status.

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## 7. Governing Laws

This agreement and the rights and obligations of the members hereunder shall be interpreted, construed, and enforced in accordance with the laws of the state of Delaware. Notwithstanding the preceding sentence, nothing in this agreement shall limit the applicability of the investment advisors act of 1940 or regulations thereunder (at any time when the investment Advisor is registered or required to be registered as an investment advisor with the securities and exchange commission) or the applicability of the analogous investment advisor laws of any state and regulations thereunder (at any time when the investment Advisor is registered or required to be registered as an investment advisor with such state) to the extent that such laws apply to the construction or interpretation of investment advisory agreements.

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## 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.

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## 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.

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## 10. Waiver

No consent or waiver, express or implied, by any Member (§ 1.3) to or for any breach or default by any other Member in the performance by such other Member 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 Member of the same or any other obligations of such other Member under this Agreement. Failure on the part of any Member to complain of any act or failure to act of any of the other Members or to declare any of the other Members in default, regardless of how long such failure continues, shall not constitute a waiver by such Member of his or its rights hereunder.

## 11. Severability

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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.

## 12. Binding Agreement

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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 Members and their respective legal representatives, successors, and assigns. Whenever, in this Agreement, a reference to any party or Member (§ 1.3) is made, such reference shall be deemed to include a reference to the legal representatives, successors, and assigns of such party or Member.

## 13. Tense and Gender

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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.

## 14. Captions

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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.

## 15. Counterparts; Execution of Subscription Agreement

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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 Investment Advisor (§ 3.1) may approve from time to time, by the Investment Advisor on behalf of the Fund and by a subscriber for limited Member 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 Member of the Fund on the terms and conditions of the Membership 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.

## 16. Assignment of Agreement

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Notwithstanding any other provision of this Agreement, the Investment Advisor (§ 3.1) 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 Investment Advisor in its status as Investment Advisor to the Fund and that would restrict or impose conditions upon such an assignment, unless the Investment Advisor 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 Members. Such consent by a Member (§ 4.1) shall be effective if given in any manner then authorized under this Agreement. Without limiting the preceding sentence, a Member shall be deemed to have consented to such an assignment if the Investment Advisor has given written notice to the Member that (1) identifies the proposed assignee and describes the proposed assignment in reasonable detail; (2) asks that the Member consent to the assignment; (3) specifies a deadline by which the Member may give or withhold such consent (which deadline shall not be less than 15 days after the date of such notice to the Member); and (4) states that the Member shall be deemed to have consented to the assignment unless the Member has given express written notice to the Investment Advisor by such deadline that the Member withholds consent – unless the Member shall have given such express written notice of non-consent by the specified deadline.

## 17. Changes in Applicable Laws and Regulations

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The Fund must comply with a wide variety of laws and regulations as defined in Regulatory Matters (§ 9.1). If any of these laws or regulations change or if new laws or regulations applicable to the Fund should come into force, the Fund may experience an adverse consequence and may even be required to cease its operations and to liquidate. Such events may negatively impact the value of the member's NAV. Even without new legislation, the Internal Revenue Service, SEC, and other governmental agencies might issue new regulations, possibly with retroactive effect, which could result in adverse consequences to the Fund and its investors.

IN WITNESS WHEREOF, this Agreement is in effect as of the date first stated on the first page hereof.

INVESTMENT ADVISOR  
Hedonova Advisors LLC

By: /s/ \_\_\_\_\_

Name: Alexander Cavendish  
Managing Member