

Form **990-T**

Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

OMB No. 1545-0687

2010

Department of the Treasury
Internal Revenue Service

For calendar year 2010 or other tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011**

Open to Public Inspection for
501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed		Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) McKnight Brain Research Foundation	D Employer identification number (Employees' trust, see instructions.) 65-6301255
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type Number, street, and room or suite no. If a P.O. box, see instructions. 200 South Orange Avenue, SOAB 10 City or town, state, and ZIP code Orlando, FL 32801	E Unrelated business activity codes (See instructions.) 900000	
C Book value of all assets at end of year 39,057,503.	F Group exemption number (See instructions.) N/A G Check organization type <input type="checkbox"/> 501(c) corporation <input checked="" type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

H Describe the organization's primary unrelated business activity. **Investment in partnerships**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of **SunTrust Bank** Telephone number **(407) 237-4485**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4a 227,156.		227,156.
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 <34,618.>	Stmt 15	<34,618.>
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule.)	12		
13 Total. Combine lines 3 through 12	13 192,538.		192,538.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)		14
15 Salaries and wages		15
16 Repairs and maintenance		16
17 Bad debts		17
18 Interest (attach schedule)		18
19 Taxes and licenses		19
20 Charitable contributions (See instructions for limitation rules.)	See Statement 16	20 94,673.
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion		23
24 Contributions to deferred compensation plans		24
25 Employee benefit programs		25
26 Excess exempt expenses (Schedule I)		26
27 Excess readership costs (Schedule J)		27
28 Other deductions (attach schedule)	See Statement 17	28 2,192.
29 Total deductions. Add lines 14 through 28		29 96,865.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30 95,673.
31 Net operating loss deduction (limited to the amount on line 30)		31
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32 95,673.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions.)		33 1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34 94,673.

Part III Tax Computation

Table with 2 columns: Description and Amount. Rows include Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39). Total amount is 16,784.

Part IV Tax and Payments

Table with 2 columns: Description and Amount. Rows include Foreign tax credit (40a-40e), Other taxes (42), Total tax (43), Payments (44a-44g), Total payments (45), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Credited to 2011 estimated tax (49). Total amount is 80,984.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Question, Yes, No. Questions 1, 2, and 3 regarding foreign accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 4 columns: Line number, Description, Amount, and Yes/No. Rows include Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Total.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign Here: Signature of officer, Date, Title. Includes a box for 'May the IRS discuss this return with the preparer shown below?' with Yes checked.

Paid Preparer Use Only: Print/Type preparer's name (Michele M. Wales), Preparer's signature, Date (05/08/12), Check self-employed, PTIN (P00428093), Firm's name (Batts Morrison Wales & Lee, P.A.), Firm's EIN (20-4193611), Firm's address (Orlando, FL 32801), Phone no. (407-770-6000).

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instructions)

1. Description of property

Table with 1 column for description of property, rows (1) through (4).

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions. Rows (1) through (4) and a Total row.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table with 4 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3(a) Straight line depreciation, 3(b) Other deductions. Rows (1) through (4).

Table with 5 columns: 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions. Rows (1) through (4).

Totals Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0. Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

Table for Exempt Controlled Organizations with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income in column 5. Rows (1) through (4).

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income (loss), 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income in column 10. Rows (1) through (4).

Totals Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	0.			0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	0.	0.				0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))	0.	0.				0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	0.	0.				0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

Backup Withholding:

The Foundation is a partner in the following partnerships, for which UBTI is reported on this return. The partnerships also reported on Schedule K-1 the Foundation's share of U.S. taxes withheld, as follows:

Lighthouse Diversified Fund (QP) II, L.P.; EIN 65-1137821	110.
Lighthouse Global Long/Short Fund, L.P.; EIN 59-3789085	0.
Lighthouse Credit Opportunities Fund, L.P.; EIN 57-1140919	0.
Total Backup Withholding	<u>110.</u>

Form 990-T	Income (Loss) from Partnerships	Statement 15
Description		Amount
Lighthouse Global Long/Short Fund, L.P.		<14,092.>
Lighthouse Diversified Fund (QP) II, L.P.		<41,737.>
Lighthouse Credit Opportunities Fund, L.P.		<14,974.>
Lighthouse Credit - disallowed passive activity losses		14,974.
Lighthouse Diversified - disallowed passive activity losses		21,211.
Total to Form 990-T, Page 1, line 5		<34,618.>

Form 990-T	Contributions	Statement 16
Description/Kind of Property	Method Used to Determine FMV	Amount
University of Arizona	N/A	1,000,000.
University of Alabama	N/A	1,500,000.
Foundation for the National Institutes of Health	N/A	1,143,175.
Contribution Carryover from 2009	N/A	3,360,790.
Contribution Carryover from Prior Years	N/A	2,300,000.
Total to Form 990-T, Page 1, line 20		9,303,965.

Form 990-T	Other Deductions	Statement 17
Description		Amount
Legal fees		2,192.
Total to Form 990-T, Page 1, line 28		2,192.

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust

Employer identification number

McKnight Brain Research Foundation

65-6301255

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1 a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	150,518.
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on page 2	5	150,518.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6 a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	76,638.
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on page 2	12	76,638.

Part III Summary of Parts I and II		(1) Beneficiaries'	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13 Net short-term gain or (loss)	13		150,518.	150,518.
14 Net long-term gain or (loss):				
a Total for year	14a		76,638.	76,638.
b Unrecaptured section 1250 gain (see line 18 of the worksheet)	14b			
c 28% rate gain	14c			
15 Total net gain or (loss). Combine lines 13 and 14a ▶	15		227,156.	227,156.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

Part IV Capital Loss Limitation	
16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:	16 ()
a The loss on line 15, column (3) or b \$3,000	

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates	
Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.	
Caution: Skip this part and complete the worksheet on page 8 of the instructions if:	
• Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or	
• Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.	
Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.	

17 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	94,673.
18 Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	76,638.
19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20 Add lines 18 and 19	20	76,638.
21 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21	0.
22 Subtract line 21 from line 20. If zero or less, enter -0-	22	76,638.
23 Subtract line 22 from line 17. If zero or less, enter -0-	23	18,035.
24 Enter the smaller of the amount on line 17 or \$2,300	24	2,300.
25 Is the amount on line 23 equal to or more than the amount on line 24? <input checked="" type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25	
26 Subtract line 25 from line 24	26	
27 Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31. <input checked="" type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	76,638.
28 Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	0.
29 Subtract line 28 from line 27	29	76,638.
30 Multiply line 29 by 15% (.15)	30	11,496.
31 Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	5,288.
32 Add lines 30 and 31	32	16,784.
33 Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	32,111.
34 Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	16,784.

Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No. 1545-0026

Attachment
 Sequence No. **128**

▶ **Attach to your Income tax return for the year of the transfer or distribution.**

Part I U.S. Transferor Information (see instructions)

Name of transferor McKnight Brain Research Foundation	Identifying number (see instructions) 65-6301255
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- 1** If the transferor was a corporation, complete questions 1a through 1d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(5) been made? Yes No

- 2** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.
- a** List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership
Lighthouse Diversified Fund (QP) II, L.P.	65-1137821

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation) FCI Holdings I Ltd.	4 Identifying number, if any 98-0485747
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5 Address (including country)
**c/o Fortress Investment Group, 1345 Avenue of the Americas, 46th Floor
 New York, NY 10105**

6 Country code of country of incorporation or organization
CJ

7 Foreign law characterization (see instructions)
Corporation

- 8** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	01/01/2010		13,782.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before _____ % (b) After _____ %

10 Type of nonrecognition transaction (see instructions) ► IRC Sec. 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

- a Gain recognition under section 904(f)(3) Yes No
- b Gain recognition under section 904(f)(5)(F) Yes No
- c Recapture under section 1503(d) Yes No
- d Exchange gain under section 987 Yes No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property Yes No
- b Depreciation recapture Yes No
- c Branch loss recapture Yes No
- d Any other income recognition provision contained in the above-referenced regulations Yes No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? Yes No

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? Yes No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ► \$ _____

16 Was cash the only property transferred? Yes No

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? Yes No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Return by a U.S. Transferor of Property to a Foreign Corporation

OMB No. 1545-0026

Attachment
 Sequence No. **128**

▶ **Attach to your Income tax return for the year of the transfer or distribution.**

Part I U.S. Transferor Information (see instructions)

Name of transferor McKnight Brain Research Foundation	Identifying number (see instructions) 65-6301255
---	--

- 1** If the transferor was a corporation, complete questions 1a through 1d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No
- b** Did the transferor remain in existence after the transfer? Yes No
- If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
- If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(5) been made? Yes No

- 2** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

- a** List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership
Lighthouse Credit Opportunities Fund, L.P.	57-1140919

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c** Is the partner disposing of its **entire** interest in the partnership? Yes No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation) FCI Holdings I Ltd.	4 Identifying number, if any 98-0485747
---	--

5 Address (including country)
**c/o Fortress Investment Group, 1345 Avenue of the Americas, 46th Floor
 New York, NY 10105**

6 Country code of country of incorporation or organization
CJ

7 Foreign law characterization (see instructions)
Corporation

- 8** Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	01/01/2010		10,670.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before _____ % (b) After _____ %

10 Type of nonrecognition transaction (see instructions) ► IRC Sec. 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

- a Gain recognition under section 904(f)(3) Yes No
- b Gain recognition under section 904(f)(5)(F) Yes No
- c Recapture under section 1503(d) Yes No
- d Exchange gain under section 987 Yes No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property Yes No
- b Depreciation recapture Yes No
- c Branch loss recapture Yes No
- d Any other income recognition provision contained in the above-referenced regulations Yes No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? Yes No

15 a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? Yes No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ► \$ _____

16 Was cash the only property transferred? Yes No

17 a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? Yes No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

McKnight Brain Research Foundation
 EIN 65-6301255
 Form 990-T
 Year ended June 30, 2011

Passive Activity Loss Limitations

Lighthouse Diversified Fund (QP) II, LP; EIN 65-1137821	(21,211)
Lighthouse Credit Opportunities Fund, LP; EIN 57-1140919	(14,974)
Total disallowed losses - current year	<u>\$ (36,185)</u>

Reconciliation of UBI per 990-T and 990-PF

	Ordinary Income (Loss)	Capital Gain (Loss)	Total
Lighthouse Diversified Fund (QP) II, LP; EIN 65-1137821 - UBI	\$ (41,737)	\$ 126,142	\$ 84,405
Lighthouse Global Long/Short Fund, LP; EIN 59-3789085 - UBI	(14,092)	88,346	74,254
Lighthouse Credit Opportunities Fund, LP; EIN 57-1140919 - UBI	(14,974)	12,668	(2,306)
Disallowed passive activity losses from above	36,185	-	36,185
Total UBI	<u>(34,618)</u>	<u>227,156</u>	<u>192,538</u>
Other UBI deductions reported on 990-T	(97,865)	-	(97,865)
Total UBI per 990-T	<u>\$ (132,483)</u>	<u>\$ 227,156</u>	<u>\$ 94,673</u>

Schedule K-1 (Form 1065)

2010

Department of the Treasury Internal Revenue Service

For calendar year 2010, or tax year beginning _____, 2010 ending _____, 20_____

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 65-1137821
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE DIVERSIFIED FUND (QP) II, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #229
F Partner's name, address, city, state, and ZIP code EVELYN MCKNIGHT BRAIN RESEARCH FOUNDATION C/O SUNTRUST BANK P.O. BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? EXEMPT ORGANIZATION
J Partner's share of profit, loss, and capital (see instructions): Beginning Ending
Profit 0.797278 % 0.634056 %
Loss 0.797278 % 0.634056 %
Capital 0.805869 % 0.560033 %
K Partner's share of liabilities at year end: Nonrecourse \$ 3,998,430 Qualified nonrecourse financing \$ 9,881 Recourse \$

L Partner's capital account analysis: Beginning capital account \$ 5,160,605 Capital contributed during the year \$ Current year increase (decrease) \$ 254,150 Withdrawals & distributions \$ (1,950,000) Ending capital account \$ 3,464,755

Tax basis GAAP Section 704(b) book Other (explain)

M Did the partner contribute property with a built-in gain or loss? Yes No If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), Credits, Foreign transactions, Alternative minimum tax (AMT) items, Tax-exempt income and nondeductible expenses, Distributions, and Other information.

*See attached statement for additional information.

For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
- | | |
|-------------------|---|
| Passive loss | Report on
See the Partner's Instructions |
| Passive income | Schedule E, line 28, column (g) |
| Nonpassive loss | Schedule E, line 28, column (h) |
| Nonpassive income | Schedule E, line 28, column (j) |
- 2. Net rental real estate income (loss)** See the Partner's Instructions
- 3. Other net rental income (loss)**
- | | |
|------------|---------------------------------|
| Net income | Schedule E, line 28, column (g) |
| Net loss | See the Partner's Instructions |
- 4. Guaranteed payments** Schedule E, line 28, column (j)
- 5. Interest income** Form 1040, line 8a
- 6a. Ordinary dividends** Form 1040, line 9a
- 6b. Qualified dividends** Form 1040, line 9b
- 7. Royalties** Schedule E, line 4
- 8. Net short-term capital gain (loss)** Schedule D, line 5, column (f)
- 9a. Net long-term capital gain (loss)** Schedule D, line 12, column (f)
- 9b. Collectibles (28%) gain (loss)** 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain** See the Partner's Instructions
- 10. Net section 1231 gain (loss)** See the Partner's Instructions
- 11. Other income (loss)**
- | | |
|---|--------------------------------|
| Code | |
| A Other portfolio income (loss) | See the Partner's Instructions |
| B Involuntary conversions | See the Partner's Instructions |
| C Sec. 1256 contracts & straddles | Form 6781, line 1 |
| D Mining exploration costs recapture | See Pub. 535 |
| E Cancellation of debt | Form 1040, line 21 or Form 982 |
| F Other income (loss) | See the Partner's Instructions |
- 12. Section 179 deduction** See the Partner's Instructions
- 13. Other deductions**
- | | |
|---|--|
| A Cash contributions (50%) | } See the Partner's Instructions |
| B Cash contributions (30%) | |
| C Noncash contributions (50%) | |
| D Noncash contributions (30%) | |
| E Capital gain property to a 50% organization (30%) | |
| F Capital gain property (20%) | |
| G Contributions (100%) | |
| H Investment interest expense | Form 4952, line 1 |
| I Deductions—royalty income | Schedule E, line 18 |
| J Section 59(e)(2) expenditures | See the Partner's Instructions |
| K Deductions—portfolio (2% floor) | Schedule A, line 23 |
| L Deductions—portfolio (other) | Schedule A, line 28 |
| M Amounts paid for medical insurance | Schedule A, line 1 or Form 1040, line 29 |
| N Educational assistance benefits | See the Partner's Instructions |
| O Dependent care benefits | Form 2441, line 12 |
| P Preproductive period expenses | See the Partner's Instructions |
| Q Commercial revitalization deduction from rental real estate activities | See Form 8582 instructions |
| R Pensions and IRAs | See the Partner's Instructions |
| S Reforestation expense deduction | See the Partner's Instructions |
| T Domestic production activities information | See Form 8903 instructions |
| U Qualified production activities income | Form 8903, line 7b |
| V Employer's Form W-2 wages | Form 8903, line 17 |
| W Other deductions | See the Partner's Instructions |

14. Self-employment earnings (loss)

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

- | | |
|---|--------------------------------|
| A Net earnings (loss) from self-employment | Schedule SE, Section A or B |
| B Gross farming or fishing income | See the Partner's Instructions |
| C Gross non-farm income | See the Partner's Instructions |
- 15. Credits**
- | | |
|--|----------------------------------|
| A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings | See the Partner's Instructions |
| B Low-income housing credit (other) from pre-2008 buildings | See the Partner's Instructions |
| C Low-income housing credit (section 42(j)(5)) from post-2007 buildings | Form 8586, line 11 |
| D Low-income housing credit (other) from post-2007 buildings | Form 8586, line 11 |
| E Qualified rehabilitation expenditures (rental real estate) | } See the Partner's Instructions |
| F Other rental real estate credits | |
| G Other rental credits | |
| H Undistributed capital gains credit | Form 1040, line 71; check box 4 |
| I Alcohol and cellulosic biofuel fuels credit | Form 6478, line 8 |
| J Work opportunity credit | Form 5884, line 3 |

- | | | |
|---|--|--------------------------------|
| Code | | Report on |
| K Disabled access credit | | See the Partner's Instructions |
| L Empowerment zone and renewal community employment credit | | Form 8844, line 3 |
| M Credit for increasing research activities | | See the Partner's Instructions |
| N Credit for employer social security and Medicare taxes | | Form 8846, line 5 |
| O Backup withholding | | Form 1040, line 61 |
| P Other credits | | See the Partner's Instructions |
- 16. Foreign transactions**
- | | |
|---|--------------------------------|
| A Name of country or U.S. possession | } Form 1116, Part I |
| B Gross income from all sources | |
| C Gross income sourced at partner level | |
| <i>Foreign gross income sourced at partnership level</i> | |
| D Passive category | } Form 1116, Part I |
| E General category | |
| F Other | |
| <i>Deductions allocated and apportioned at partner level</i> | |
| G Interest expense | Form 1116, Part I |
| H Other | Form 1116, Part I |
| <i>Deductions allocated and apportioned at partnership level to foreign source income</i> | |
| I Passive category | } Form 1116, Part I |
| J General category | |
| K Other | |
| <i>Other information</i> | |
| L Total foreign taxes paid | Form 1116, Part II |
| M Total foreign taxes accrued | Form 1116, Part II |
| N Reduction in taxes available for credit | Form 1116, line 12 |
| O Foreign trading gross receipts | Form 8873 |
| P Extraterritorial income exclusion | Form 8873 |
| Q Other foreign transactions | See the Partner's Instructions |
- 17. Alternative minimum tax (AMT) items**
- | | |
|--|---|
| A Post-1986 depreciation adjustment | } See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss | |
| C Depletion (other than oil & gas) | |
| D Oil, gas, & geothermal—gross income | |
| E Oil, gas, & geothermal—deductions | |
| F Other AMT items | |
- 18. Tax-exempt income and nondeductible expenses**
- | | |
|-------------------------------------|--------------------------------|
| A Tax-exempt interest income | Form 1040, line 8b |
| B Other tax-exempt income | See the Partner's Instructions |
| C Nondeductible expenses | See the Partner's Instructions |
- 19. Distributions**
- | | |
|--|----------------------------------|
| A Cash and marketable securities | } See the Partner's Instructions |
| B Distribution subject to section 737 | |
| C Other property | |
- 20. Other information**
- | | |
|--|----------------------------------|
| A Investment income | Form 4952, line 4a |
| B Investment expenses | Form 4952, line 5 |
| C Fuel tax credit information | Form 4136 |
| D Qualified rehabilitation expenditures (other than rental real estate) | See the Partner's Instructions |
| E Basis of energy property | See the Partner's Instructions |
| F Recapture of low-income housing credit (section 42(j)(5)) | Form 8611, line 8 |
| G Recapture of low-income housing credit (other) | Form 8611, line 8 |
| H Recapture of investment credit | See Form 4255 |
| I Recapture of other credits | See the Partner's Instructions |
| J Look-back interest—completed long-term contracts | See Form 8697 |
| K Look-back interest—income forecast method | See Form 8866 |
| L Dispositions of property with section 179 deductions | } See the Partner's Instructions |
| M Recapture of section 179 deduction | |
| N Interest expense for corporate partners | |
| O Section 453(l)(3) information | |
| P Section 453A(c) information | |
| Q Section 1260(b) information | |
| R Interest allocable to production expenditures | |
| S CCF nonqualified withdrawals | |
| T Depletion information—oil and gas | |
| U Amortization of reforestation costs | |
| V Unrelated business taxable income | |
| W Precontribution gain (loss) | |
| X Section 108(f) information | |
| Y Other information | |

SCH K-1 SUPPORTING SCHEDULES**ITEM L - RECONCILIATION OF INCOME**

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	463,188
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	307,968

TOTAL INCOME PER SCHEDULE K-1	155,220
	=====
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NONDEDUCTIBLE EXPENSES	238
U.S. TAXES WITHHELD	110
PLUS: INCOME RECORDED ON BOOKS, NOT INCL. ON SCH. K-1:	
NET TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	98,124
TAX-EXEMPT INTEREST INCOME	1,151
OTHER TAX-EXEMPT INCOME	3

TOTAL INCOME PER ITEM L, CURRENT YEAR INCR(DEC)	254,150
	=====

ITEM L - WITHDRAWALS AND DISTRIBUTIONS

1,950,000

LINE 5 - INTEREST INCOME

INTEREST INCOME FROM U.S. OBLIGATIONS	658
OTHER INTEREST INCOME	137,598

TOTAL INTEREST INCOME	138,256
	=====

LINE 11 - OTHER INCOME (LOSS)**A - OTHER PORTFOLIO INCOME (LOSS)**

NET IRC SEC. 988 GAIN/(LOSS)	-685
SWAP INCOME	730
ORDINARY EARNINGS FROM PFIC	149
OTHER PORTFOLIO INCOME/(LOSS)	15,999

TOTAL BOX A	16,193
	=====

C - SEC. 1256 CONTRACTS & STRADDLES

86,059

E - CANCELLATION OF DEBT

12,580

F - OTHER INCOME (LOSS)

INTEREST INCOME FROM U.S. OBLIGATIONS	2,551
OTHER INTEREST INCOME	5,033
QUALIFIED DIVIDEND INCOME	651
NON-QUALIFIED DIVIDEND INCOME	8,951
NET IRC SEC. 988 GAIN/(LOSS)	24,940
NET IRC SEC. 475(F) INCOME/(LOSS)	80,988
NET SWAP INCOME/(EXPENSE)	564
OTHER ORDINARY INCOME/(LOSS)	-6,155
OTHER INCOME/(LOSS)	2,089
NET IRC SEC. 987 GAIN/(LOSS)	42
ORDINARY EARNINGS FROM PFIC	81
OTHER TRADE OR BUSINESS EXPENSE	-22,050

SCH K-1 SUPPORTING SCHEDULES

INCOME/(LOSS) FROM LENDING ACTIVITIES	-18,300
SHORT-TERM CAPITAL GAIN/(LOSS)	-20,627
LONG-TERM CAPITAL GAIN/(LOSS)	20,879

TOTAL BOX F	79,637
	=====

LINE 13 - OTHER DEDUCTIONSH - INVESTMENT INTEREST EXPENSE

INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	6,789
INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	86,074

TOTAL BOX H92,863
=====

I - DEDUCTIONS - ROYALTY INCOME	165
J - SECTION 59(E) (2) EXPENDITURES	2,088
K - DEDUCTIONS - PORTFOLIO (2% FLOOR)	95,638
L - DEDUCTIONS - PORTFOLIO (OTHER)	328
<u>T - DOMESTIC PRODUCTION ACTIVITIES INFORMATION</u>	
DOMESTIC PRODUCTION GROSS RECEIPTS	54,137
GROSS RECEIPTS FROM ALL SOURCES	118,262
COST OF GOODS SOLD ALLOCABLE TO DPGR	32,826
COST OF GOODS SOLD FROM ALL SOURCES	74,333
TOTAL DED, EXP, AND LOSS DIRECTLY ALLOCABLE TO A DPGR	14,910
TOTAL DED, EXP, AND LOSS DIRECTLY ALLOCABLE TO A NON DPGR	6,774
TOTAL DED, EXP, AND LOSS NOT DIRECTLY ALLOCABLE TO A DPGR	12,174
ASSETS ALLOCABLE TO QPA	845
ASSETS ALLOCABLE TO NON-QPA	1,419

V - EMPLOYER'S FORM W-2 WAGES 6,170

W - OTHER DEDUCTIONS

OTHER TRADE OR BUSINESS EXPENSE	114,373

TOTAL BOX W114,373
=====**LINE 15 - CREDITS**

N - CREDIT FOR EMPLOYER SOCIAL SECURITY AND MEDICARE TAXES	1
<u>P - OTHER CREDITS</u>	
U.S. TAXES WITHHELD	110
RENEWABLE ENERGY CREDIT	29

TOTAL BOX P139
=====**LINE 16 - FOREIGN TRANSACTIONS**

G - INTEREST EXPENSE	92,346
H - OTHER	3,483,552
I - PASSIVE CATEGORY	7,444
J - GENERAL CATEGORY	3,182
K - OTHER	-12
L - TOTAL FOREIGN TAXES PAID	2,442
M - TOTAL FOREIGN TAXES ACCRUED	30

SCH K-1 SUPPORTING SCHEDULES

LINE 17 - ALTERNATIVE MINIMUM TAX (AMT) ITEMS

C - DEPLETION (OTHER THAN OIL & GAS)	1,094
D - OIL, GAS, & GEOTHERMAL-GROSS INCOME	9,303
E - OIL, GAS, & GEOTHERMAL-DEDUCTIONS	6,093
F - OTHER AMT ITEMS	1,405

SCH K-1 SUPPORTING SCHEDULES

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, LINE 1
=====

AMOUNTS REPORTED ON LINE 1 BELOW WERE PASS-THROUGH TO THE FUND FROM ITS UNDERLYING INVESTMENTS IN PARTNERSHIPS.

ORDINARY TRADE OR BUSINESS INCOME/(LOSS)	-35,149
OTHER INTEREST INCOME	1,697
OTHER TRADE OR BUSINESS EXPENSE	-54
<hr/>	
TOTAL	-33,506

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, LINE 16
=====

L. TOTAL FOREIGN TAXES PAID

IN ACCORDANCE WITH INTERNAL REVENUE CODE SECTIONS 901(K) (1) (A) AND 901(L) (1) (A), THE FOLLOWING AMOUNTS COMPRISING ON LINE 16L OF YOUR SCHEDULE K-1 SHOULD BE DEDUCTED AND NOT TAKEN AS A CREDIT ON YOUR 2010 INCOME TAX RETURN. PLEASE CONSULT YOUR TAX ADVISOR.

30

STATEMENT TO SCHEDULE K-1, LINES 16B AND 16C
=====

FOR PURPOSES OF DETERMINING YOUR FOREIGN TAX CREDIT, THE AMOUNTS ON LINES 1-11 MUST BE CONSIDERED WHEN DETERMINING GROSS INCOME FROM ALL SOURCES AND GROSS INCOME SOURCED AT THE PARTNER LEVEL. PLEASE CONSULT YOUR TAX ADVISOR.

STATEMENT TO SCHEDULE K-1, LINES 16G THRU 16K
=====

FOR PURPOSES OF DETERMINING YOUR FOREIGN TAX CREDIT, THE AMOUNTS ON LINES 13H AND 13W MUST BE CONSIDERED WHEN ALLOCATING AND APPORTIONING EXPENSES TO GROSS INCOME FROM SOURCES OUTSIDE THE UNITED STATES. PLEASE CONSULT YOUR TAX ADVISOR.

PARTIAL REDEMPTION PAYABLE:
=====

THE AMOUNT REPORTED ON YOUR SCHEDULE K-1 LINE 19A REFLECTS THE ACTUAL CASH DISTRIBUTED TO YOU DURING THIS TAXABLE YEAR. THIS AMOUNT WILL REDUCE YOUR TAX BASIS IN YOUR PARTNERSHIP INTEREST FOR THE CURRENT YEAR. THE TAX RULES RELATED TO PARTNERSHIP DISTRIBUTIONS ARE COMPLEX. PLEASE CONSULT YOUR TAX ADVISOR.

PARTNER FOOTNOTE ASSOCIATED W/ SCH. K-1, LINE 20
=====

T. DEPLETION INFORMATION - OIL AND GAS

(A) TOTAL SUSTAINED - ASSUMED ALLOWABLE DEPLETION	2,489
(B) COST DEPLETION	3,687

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX EXEMPT ORGANIZATIONS ONLY:
=====

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1 DISTRIBUTIVE SHARE ITEMS IS AS FOLLOWS:

NET UBTI ORDINARY INCOME/(LOSS):	-41,737
NET UBTI CAPITAL GAIN/(LOSS):	126,142

Y. OTHER INFORMATION

SCH K-1 SUPPORTING SCHEDULES

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON LINES 6A AND 11F THAT QUALIFIES FOR THE DIVIDEND RECEIVED DEDUCTION UNDER IRC SEC. 243 IS: 18,294

THE FOLLOWING AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON LINES 6B AND 11F IS FROM FOREIGN SOURCES: 5,811

THE AMOUNT OF INTEREST EXPENSE INCLUDED ON YOUR SCHEDULE K-1, RELATED TO THE PRODUCTION OF U.S. GOVERNMENT INTEREST INCOME IS: 609

THE AMOUNT OF EXPENSE (OTHER THAN INTEREST EXPENSE) INCLUDED ON YOUR SCHEDULE K-1, RELATED TO THE PRODUCTION OF U.S. GOVERNMENT INTEREST INCOME IS: 79

DIRECT EQUITY-FINANCED LENDING ACTIVITIES
=====

LIGHTHOUSE DIVERSIFIED FUND (QP)II, L.P. INDIRECTLY INVESTS IN FORTRESS VALUE RECOVERY FUND I LLC WHICH ENGAGES IN DIRECT EQUITY-FINANCED LENDING ACTIVITIES. THIS INCOME/(LOSS) FROM THESE ACTIVITIES MAY OR MAY NOT BE PASSIVE DEPENDING ON THE PARTICULAR FACTS AND CIRCUMSTANCES OF EACH PARTNER PURSUANT TO TREAS. REG. 1.468-2T(F) (4).

YOUR SHARE OF INCOME/(LOSS) DERIVED FROM THESE ACTIVITIES IS REPORTED TO YOU ON LINE 11F, "INCOME/(LOSS) FROM LENDING ACTIVITIES."

PLEASE NOTE (WITH THE EXCEPTION OF ITEMS INDICATED BELOW AND THE PASSIVE ACTIVITY LOSS FROM FORTRESS ABOVE), NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E) (6).

THE PARTNERSHIP HAS INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE INCOME/(LOSS) ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAIL BELOW. PASSIVE LOSSES MAY BE SUBJECT TO LIMITATION PURSUANT TO IRC SEC. 469. PLEASE CONSULT YOUR TAX ADVISOR.

LINE 1 - ORDINARY TRADE OR BUSINESS INCOME/(LOSS) FROM PASSIVE ACTIVITIES	-28,542
LINE 2 - NET RENTAL REAL ESTATE INCOME/(LOSS)	-1,144
LINE 3 - OTHER NET RENTAL INCOME/(LOSS)	1,358
LINE 5 - OTHER INTEREST INCOME	43
LINE 7 - ROYALTIES	247
LINE 8 - NET SHORT-TERM CAPITAL GAIN/(LOSS)	17,807
LINE 10 - NET SECTION 1231 GAIN/(LOSS)	1,261
LINE 11E - CANCELLATION OF DEBT	-820
LINE 11F - OTHER PASSIVE INCOME	-14,837
LINE 13I - DEDUCTIONS - ROYALTY INCOME	-11
LINE 13J - SECTION 59(E) (2) EXPENDITURES	-1,932
LINE 13W - OTHER TRADE OR BUSINESS EXPENSE	-45

THE AMOUNT REPORTED ON LINE 20A INCLUDES INVESTMENT INCOME FROM LINES 5, 6A, 7 AND 11A OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINES 8, 9A, 11B, 11C, 11E AND 11F MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON LINE 20B INCLUDES INVESTMENT EXPENSE FROM LINES 13I, 13K, AND 13L OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINES 13J AND 13W MAY ALSO

SCH K-1 SUPPORTING SCHEDULES

BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON LINES 1 AND 13H ARE SUBJECT TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

TRANSFERS TO FOREIGN CORPORATIONS:

DURING THE TAXABLE YEAR, THE PARTNERSHIP MADE INDIRECT TRANSFERS OF PROPERTY TO FOREIGN CORPORATIONS THAT MAY REQUIRE REPORTING UNDER IRC SEC. 6038B. THE FOLLOWING INFORMATION IS BEING FURNISHED AS YOU MAY BE REQUIRED TO FILE FORM 926, RETURN BY A U.S. TRANSFEROR OF PROPERTY TO A FOREIGN CORPORATION. PLEASE CONSULT YOUR TAX ADVISOR.

NAME: FCI HOLDINGS I LTD.
IDENTIFYING NUMBER: 98-0485747
ADDRESS: C/O FORTRESS INVESTMENT GROUP
1345 AVENUE OF THE AMERICAS, 46TH FLOOR
NEW YORK, NY 10105
COUNTRY OF INCORPORATION OR ORGANIZATION: CAYMAN ISLANDS
FOREIGN LAW CHARACTERIZATION: CORPORATION
CONTROLLED FOREIGN CORPORATION: YES
DATE OF TRANSFER: 01/01/2010
TYPE OF NONRECOGNITION TRANSACTION: IRC SEC. 351
DESCRIPTION OF PROPERTY TRANSFERRED: CASH
AMOUNT TRANSFERRED:

13,782

EFFECTIVELY CONNECTED INCOME ("ECI")

LIGHTHOUSE DIVERSIFIED FUND (QP) II, L.P. MAY HAVE EFFECTIVELY CONNECTED INCOME PASS THROUGH FROM ITS UNDERLYING INVESTMENTS. DETAILS TO THIS INFORMATION ARE AVAILABLE UPON REQUEST.

THE MUNICIPAL INTEREST REPORTED ON LINE 18A OF YOUR K-1 IS DERIVED FROM THE FOLLOWING JURISDICTIONS IN THE FOLLOWING AMOUNTS:

ALASKA	NONE	MISSOURI	45
ARIZONA	2	MISSISSIPPI	5
CALIFORNIA	136	NORTH CAROLINA	7
COLORADO	61	NEW JERSEY	59
CONNECTICUT	25	NEVADA	48
DISTRICT OF COLUMBIA	7	NEW YORK	31
FLORIDA	86	NEW YORK CITY	53
GEORGIA	6	OHIO	78
HAWAII	NONE	OKLAHOMA	6
IDAHO	1	PENNSYLVANIA	4
ILLINOIS	67	PUERTO RICO	5
INDIANA	5	SOUTH DAKOTA	1
IOWA	12	TENNESSEE	4
LOUISIANA	10	TEXAS	51
MAINE	68	UTAH	13
MASSACHUSETTS	3	VIRGINIA	3
MICHIGAN	49	WASHINGTON	37
MINNESOTA	9	WEST VIRGINIA	1

LIGHTHOUSE DIVERSIFIED FUND (QP) II, L.P.

65-1137821
PTR #229-EVELYN MCKNIGHT

SCH K-1 SUPPORTING SCHEDULES

Schedule K-1 (Form 1065)

2010

Department of the Treasury Internal Revenue Service

For calendar year 2010, or tax year beginning _____, 2010 ending _____, 20_____

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 59-3789085
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE GLOBAL LONG/SHORT FUND, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #68
F Partner's name, address, city, state, and ZIP code EVELYN F. MCKNIGHT BRIAN RESEARCH FOUNDATION C/O SUNTRUST BANK P.O. BOX 62005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? TRUST
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 1.752628 % 1.440177 %
Loss 1.752628 % 1.440177 %
Capital 1.793692 % 1.270066 %
K Partner's share of liabilities at year end:
Nonrecourse \$ 5,769,678
Qualified nonrecourse financing \$
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 4,897,904
Capital contributed during the year \$
Current year increase (decrease) \$ 249,759
Withdrawals & distributions \$ (750,000)
Ending capital account \$ 4,397,663
Tax basis GAAP Section 704(b) book
Other (explain)
M Did the partner contribute property with a built-in gain or loss?
Yes No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), and Distributions.

*See attached statement for additional information.
For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
- | | |
|-------------------|---|
| Passive loss | Report on
See the Partner's Instructions |
| Passive income | Schedule E, line 28, column (g) |
| Nonpassive loss | Schedule E, line 28, column (h) |
| Nonpassive income | Schedule E, line 28, column (j) |
- 2. Net rental real estate income (loss)** See the Partner's Instructions
- 3. Other net rental income (loss)**
- | | |
|------------|---------------------------------|
| Net income | Schedule E, line 28, column (g) |
| Net loss | See the Partner's Instructions |
- 4. Guaranteed payments** Schedule E, line 28, column (j)
- 5. Interest income** Form 1040, line 8a
- 6a. Ordinary dividends** Form 1040, line 9a
- 6b. Qualified dividends** Form 1040, line 9b
- 7. Royalties** Schedule E, line 4
- 8. Net short-term capital gain (loss)** Schedule D, line 5, column (f)
- 9a. Net long-term capital gain (loss)** Schedule D, line 12, column (f)
- 9b. Collectibles (28%) gain (loss)** 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain** See the Partner's Instructions
- 10. Net section 1231 gain (loss)** See the Partner's Instructions
- 11. Other income (loss)**
- | | |
|---|--------------------------------|
| Code | |
| A Other portfolio income (loss) | See the Partner's Instructions |
| B Involuntary conversions | See the Partner's Instructions |
| C Sec. 1256 contracts & straddles | Form 6781, line 1 |
| D Mining exploration costs recapture | See Pub. 535 |
| E Cancellation of debt | Form 1040, line 21 or Form 982 |
| F Other income (loss) | See the Partner's Instructions |
- 12. Section 179 deduction** See the Partner's Instructions
- 13. Other deductions**
- | | |
|---|--|
| A Cash contributions (50%) | } See the Partner's Instructions |
| B Cash contributions (30%) | |
| C Noncash contributions (50%) | |
| D Noncash contributions (30%) | |
| E Capital gain property to a 50% organization (30%) | |
| F Capital gain property (20%) | |
| G Contributions (100%) | |
| H Investment interest expense | Form 4952, line 1 |
| I Deductions—royalty income | Schedule E, line 18 |
| J Section 59(e)(2) expenditures | See the Partner's Instructions |
| K Deductions—portfolio (2% floor) | Schedule A, line 23 |
| L Deductions—portfolio (other) | Schedule A, line 28 |
| M Amounts paid for medical insurance | Schedule A, line 1 or Form 1040, line 29 |
| N Educational assistance benefits | See the Partner's Instructions |
| O Dependent care benefits | Form 2441, line 12 |
| P Preproductive period expenses | See the Partner's Instructions |
| Q Commercial revitalization deduction from rental real estate activities | See Form 8582 instructions |
| R Pensions and IRAs | See the Partner's Instructions |
| S Reforestation expense deduction | See the Partner's Instructions |
| T Domestic production activities information | See Form 8903 instructions |
| U Qualified production activities income | Form 8903, line 7b |
| V Employer's Form W-2 wages | Form 8903, line 17 |
| W Other deductions | See the Partner's Instructions |

14. Self-employment earnings (loss)

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

- | | |
|---|--------------------------------|
| A Net earnings (loss) from self-employment | Schedule SE, Section A or B |
| B Gross farming or fishing income | See the Partner's Instructions |
| C Gross non-farm income | See the Partner's Instructions |
- 15. Credits**
- | | |
|--|----------------------------------|
| A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings | See the Partner's Instructions |
| B Low-income housing credit (other) from pre-2008 buildings | See the Partner's Instructions |
| C Low-income housing credit (section 42(j)(5)) from post-2007 buildings | Form 8586, line 11 |
| D Low-income housing credit (other) from post-2007 buildings | Form 8586, line 11 |
| E Qualified rehabilitation expenditures (rental real estate) | } See the Partner's Instructions |
| F Other rental real estate credits | |
| G Other rental credits | |
| H Undistributed capital gains credit | Form 1040, line 71; check box 4 |
| I Alcohol and cellulosic biofuel fuels credit | Form 6478, line 8 |
| J Work opportunity credit | Form 5884, line 3 |

- | | | |
|---|--|--------------------------------|
| Code | | Report on |
| K Disabled access credit | | See the Partner's Instructions |
| L Empowerment zone and renewal community employment credit | | Form 8844, line 3 |
| M Credit for increasing research activities | | See the Partner's Instructions |
| N Credit for employer social security and Medicare taxes | | Form 8846, line 5 |
| O Backup withholding | | Form 1040, line 61 |
| P Other credits | | See the Partner's Instructions |
- 16. Foreign transactions**
- | | |
|---|--------------------------------|
| A Name of country or U.S. possession | } Form 1116, Part I |
| B Gross income from all sources | |
| C Gross income sourced at partner level | |
| <i>Foreign gross income sourced at partnership level</i> | |
| D Passive category | } Form 1116, Part I |
| E General category | |
| F Other | |
| <i>Deductions allocated and apportioned at partner level</i> | |
| G Interest expense | Form 1116, Part I |
| H Other | Form 1116, Part I |
| <i>Deductions allocated and apportioned at partnership level to foreign source income</i> | |
| I Passive category | } Form 1116, Part I |
| J General category | |
| K Other | |
| <i>Other information</i> | |
| L Total foreign taxes paid | Form 1116, Part II |
| M Total foreign taxes accrued | Form 1116, Part II |
| N Reduction in taxes available for credit | Form 1116, line 12 |
| O Foreign trading gross receipts | Form 8873 |
| P Extraterritorial income exclusion | Form 8873 |
| Q Other foreign transactions | See the Partner's Instructions |
- 17. Alternative minimum tax (AMT) items**
- | | |
|--|---|
| A Post-1986 depreciation adjustment | } See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss | |
| C Depletion (other than oil & gas) | |
| D Oil, gas, & geothermal—gross income | |
| E Oil, gas, & geothermal—deductions | |
| F Other AMT items | |
- 18. Tax-exempt income and nondeductible expenses**
- | | |
|-------------------------------------|--------------------------------|
| A Tax-exempt interest income | Form 1040, line 8b |
| B Other tax-exempt income | See the Partner's Instructions |
| C Nondeductible expenses | See the Partner's Instructions |
- 19. Distributions**
- | | |
|--|----------------------------------|
| A Cash and marketable securities | } See the Partner's Instructions |
| B Distribution subject to section 737 | |
| C Other property | |
- 20. Other information**
- | | |
|--|----------------------------------|
| A Investment income | Form 4952, line 4a |
| B Investment expenses | Form 4952, line 5 |
| C Fuel tax credit information | Form 4136 |
| D Qualified rehabilitation expenditures (other than rental real estate) | See the Partner's Instructions |
| E Basis of energy property | See the Partner's Instructions |
| F Recapture of low-income housing credit (section 42(j)(5)) | Form 8611, line 8 |
| G Recapture of low-income housing credit (other) | Form 8611, line 8 |
| H Recapture of investment credit | See Form 4255 |
| I Recapture of other credits | See the Partner's Instructions |
| J Look-back interest—completed long-term contracts | See Form 8697 |
| K Look-back interest—income forecast method | See Form 8866 |
| L Dispositions of property with section 179 deductions | } See the Partner's Instructions |
| M Recapture of section 179 deduction | |
| N Interest expense for corporate partners | |
| O Section 453(l)(3) information | |
| P Section 453A(c) information | |
| Q Section 1260(b) information | |
| R Interest allocable to production expenditures | |
| S CCF nonqualified withdrawals | |
| T Depletion information—oil and gas | |
| U Amortization of reforestation costs | |
| V Unrelated business taxable income | |
| W Precontribution gain (loss) | |
| X Section 108(f) information | |
| Y Other information | |

SCH K-1 SUPPORTING SCHEDULES**ITEM L - RECONCILIATION OF INCOME**

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	579,540
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	437,825

TOTAL INCOME PER SCHEDULE K-1	141,715
	=====
PLUS: INCOME RECORDED ON BOOKS, NOT INCL. ON SCH. K-1:	
NET CHANGE IN TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	108,044

TOTAL INCOME PER ITEM L, CURRENT YEAR INCR(DEC)	249,759
	=====

LINE 11 - OTHER INCOME (LOSS)**F - OTHER INCOME (LOSS)**

NET IRC SEC. 475(F) INCOME/(LOSS)	189,571
NET IRC SEC. 988 GAIN/(LOSS)	9,157
NET SWAP INCOME/(EXPENSE)	8,028
OTHER INCOME/ (LOSS)	94
LONG-TERM CAPITAL GAIN/(LOSS)	18,995
SHORT-TERM CAPITAL GAIN/(LOSS)	259,707

TOTAL BOX F	485,552
	=====

LINE 13 - OTHER DEDUCTIONS**H - INVESTMENT INTEREST EXPENSE**

INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	40
INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	109,037

TOTAL BOX H	109,077
	=====

K - DEDUCTIONS - PORTFOLIO (2% FLOOR)

DEDUCTIONS - PORTFOLIO (2% FLOOR)	83,811

TOTAL BOX K	83,811
	=====

W - OTHER DEDUCTIONS

OTHER TRADE OR BUSINESS EXPENSE	238,032

TOTAL BOX W	238,032
	=====

LINE 16 - FOREIGN TRANSACTIONS

I - PASSIVE CATEGORY	16,501
L - TOTAL FOREIGN TAXES PAID	6,905

SCH K-1 SUPPORTING SCHEDULES

FOREIGN INFORMATION
=====

FOR PURPOSES OF DETERMINING YOUR FOREIGN TAX CREDIT, THE AMOUNTS ON LINES 1-11 MUST BE CONSIDERED WHEN DETERMINING GROSS INCOME FROM ALL SOURCES AND GROSS INCOME SOURCED AT THE PARTNER LEVEL.

THE AMOUNTS ON LINES 13H, 13K AND 13W MUST BE CONSIDERED WHEN ALLOCATING AND APPORTIONING EXPENSES TO GROSS INCOME FROM SOURCES OUTSIDE THE UNITED STATES. PLEASE CONSULT YOUR TAX ADVISOR.

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, LINE 20
=====

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX EXEMPT ORGANIZATIONS ONLY

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1 DISTRIBUTIVE SHARE ITEMS IS AS FOLLOWS:

NET UBTI ORDINARY INCOME/(LOSS):	-14,092
NET UBTI CAPITAL GAIN/(LOSS):	88,346

X. OTHER INFORMATION

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON LINE 6A THAT QUALIFIES FOR THE DIVIDENDS RECEIVED DEDUCTION UNDER IRC SEC. 243 IS:	21,358
--	--------

THE FOLLOWING AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON LINE 6B IS FROM FOREIGN SOURCES:	26,052
--	--------

THE AMOUNT REPORTED ON LINE 20A INCLUDES INVESTMENT INCOME FROM LINES 5 AND 6A OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINES 8, 9A, 11C AND 11F MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON LINE 20B INCLUDES INVESTMENT EXPENSE FROM LINE 13K OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINE 13W MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON LINE 13H IS SUBJECT TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

TAXABLE INCOME REPORTED ON YOUR SCHEDULE K-1 IS ALLOCATED CONSISTENT WITH THE PARTNERSHIP AGREEMENT. CHANGE IN OWNERSHIP DURING THE YEAR IS REFLECTED IN THE PROFIT, LOSS, AND CAPITAL PERCENTAGES REPORTED ON YOUR SCHEDULE K-1, ITEM J.

PARTIAL REDEMPTION PAYABLE
=====

THE AMOUNT REPORTED ON YOUR SCHEDULE K-1 LINE 19A REFLECTS THE ACTUAL CASH DISTRIBUTED TO YOU DURING THIS TAXABLE YEAR. THIS AMOUNT WILL REDUCE YOUR TAX BASIS IN YOUR PARTNERSHIP INTEREST FOR THE CURRENT YEAR. THE TAX RULES RELATED TO PARTNERSHIP DISTRIBUTIONS ARE COMPLEX. PLEASE CONSULT YOUR TAX ADVISOR.

PLEASE NOTE, NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS

LIGHTHOUSE GLOBAL LONG/SHORT FUND, L.P.

59-3789085

PTR #68-EVELYN F. MCKNIGHT BRIAN

SCH K-1 SUPPORTING SCHEDULES

DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E) (6).

Schedule K-1 (Form 1065)

2010

Department of the Treasury Internal Revenue Service

For calendar year 2010, or tax year beginning _____, 2010 ending _____, 20_____

Partner's Share of Income, Deductions, Credits, etc.

See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number 57-1140919
B Partnership's name, address, city, state, and ZIP code LIGHTHOUSE CREDIT OPPORTUNITIES FUND, L.P. 3801 PGA BOULEVARD, SUITE 500 PALM BEACH GARDENS, FL 33410-2757
C IRS Center where partnership filed return OGDEN, UT
D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number 65-6301255 #148
F Partner's name, address, city, state, and ZIP code EVELYN F. MCKNIGHT BRAIN RESEARCH FOUNDATION, SUNTRUST AS TRUSTEE C/O SUNTRUST BANK P.O. BOX 620005 ORLANDO, FL 32862
G General partner or LLC member-manager Limited partner or other LLC member
H Domestic partner Foreign partner
I What type of entity is this partner? TRUST
J Partner's share of profit, loss, and capital (see instructions):
Beginning Ending
Profit 1.183956 % 1.203874 %
Loss 1.183956 % 1.203874 %
Capital 1.193387 % 1.087294 %
K Partner's share of liabilities at year end:
Nonrecourse \$ 1,225,972
Qualified nonrecourse financing \$ 10,591
Recourse \$

L Partner's capital account analysis:
Beginning capital account \$ 2,247,126
Capital contributed during the year \$
Current year increase (decrease) \$ 351,092
Withdrawals & distributions \$ (500,000)
Ending capital account \$ 2,098,218

Partner's share of liabilities at year end:
Nonrecourse \$ 1,225,972
Qualified nonrecourse financing \$ 10,591
Recourse \$
L Partner's capital account analysis:
Beginning capital account \$ 2,247,126
Capital contributed during the year \$
Current year increase (decrease) \$ 351,092
Withdrawals & distributions \$ (500,000)
Ending capital account \$ 2,098,218
M Did the partner contribute property with a built-in gain or loss?
Yes No
If "Yes", attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Code, and Amount. Rows include Ordinary business income (loss) 12,098, Net rental real estate income (loss) -2,238, Other net rental income (loss) 3,921, Guaranteed payments 278,672, Interest income 162,286, Ordinary dividends 15,125, Qualified dividends 9,295, Royalties 1,442, Net short-term capital gain (loss) -3,259, Net long-term capital gain (loss) 10,651, Collectibles (28%) gain (loss) -906, Unrecaptured section 1250 gain 227, Net section 1231 gain (loss) 7,327, Other income (loss) 5,524, Section 179 deduction 22, Other deductions 30, Self-employment earnings (loss) -2,306.

*See attached statement for additional information.
For IRS Use Only

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1. Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
- | | |
|-------------------|---|
| Passive loss | Report on
See the Partner's Instructions |
| Passive income | Schedule E, line 28, column (g) |
| Nonpassive loss | Schedule E, line 28, column (h) |
| Nonpassive income | Schedule E, line 28, column (j) |
- 2. Net rental real estate income (loss)** See the Partner's Instructions
- 3. Other net rental income (loss)**
- | | |
|------------|---------------------------------|
| Net income | Schedule E, line 28, column (g) |
| Net loss | See the Partner's Instructions |
- 4. Guaranteed payments** Schedule E, line 28, column (j)
- 5. Interest income** Form 1040, line 8a
- 6a. Ordinary dividends** Form 1040, line 9a
- 6b. Qualified dividends** Form 1040, line 9b
- 7. Royalties** Schedule E, line 4
- 8. Net short-term capital gain (loss)** Schedule D, line 5, column (f)
- 9a. Net long-term capital gain (loss)** Schedule D, line 12, column (f)
- 9b. Collectibles (28%) gain (loss)** 28% Rate Gain Worksheet, line 4 (Schedule D instructions)
- 9c. Unrecaptured section 1250 gain** See the Partner's Instructions
- 10. Net section 1231 gain (loss)** See the Partner's Instructions
- 11. Other income (loss)**
- | | |
|---|--------------------------------|
| Code | |
| A Other portfolio income (loss) | See the Partner's Instructions |
| B Involuntary conversions | See the Partner's Instructions |
| C Sec. 1256 contracts & straddles | Form 6781, line 1 |
| D Mining exploration costs recapture | See Pub. 535 |
| E Cancellation of debt | Form 1040, line 21 or Form 982 |
| F Other income (loss) | See the Partner's Instructions |
- 12. Section 179 deduction** See the Partner's Instructions
- 13. Other deductions**
- | | |
|---|--|
| A Cash contributions (50%) | } See the Partner's Instructions |
| B Cash contributions (30%) | |
| C Noncash contributions (50%) | |
| D Noncash contributions (30%) | |
| E Capital gain property to a 50% organization (30%) | |
| F Capital gain property (20%) | |
| G Contributions (100%) | |
| H Investment interest expense | Form 4952, line 1 |
| I Deductions—royalty income | Schedule E, line 18 |
| J Section 59(e)(2) expenditures | See the Partner's Instructions |
| K Deductions—portfolio (2% floor) | Schedule A, line 23 |
| L Deductions—portfolio (other) | Schedule A, line 28 |
| M Amounts paid for medical insurance | Schedule A, line 1 or Form 1040, line 29 |
| N Educational assistance benefits | See the Partner's Instructions |
| O Dependent care benefits | Form 2441, line 12 |
| P Preproductive period expenses | See the Partner's Instructions |
| Q Commercial revitalization deduction from rental real estate activities | See Form 8582 instructions |
| R Pensions and IRAs | See the Partner's Instructions |
| S Reforestation expense deduction | See the Partner's Instructions |
| T Domestic production activities information | See Form 8903 instructions |
| U Qualified production activities income | Form 8903, line 7b |
| V Employer's Form W-2 wages | Form 8903, line 17 |
| W Other deductions | See the Partner's Instructions |

14. Self-employment earnings (loss)

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

- | | |
|---|--------------------------------|
| A Net earnings (loss) from self-employment | Schedule SE, Section A or B |
| B Gross farming or fishing income | See the Partner's Instructions |
| C Gross non-farm income | See the Partner's Instructions |
- 15. Credits**
- | | |
|--|----------------------------------|
| A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings | See the Partner's Instructions |
| B Low-income housing credit (other) from pre-2008 buildings | See the Partner's Instructions |
| C Low-income housing credit (section 42(j)(5)) from post-2007 buildings | Form 8586, line 11 |
| D Low-income housing credit (other) from post-2007 buildings | Form 8586, line 11 |
| E Qualified rehabilitation expenditures (rental real estate) | } See the Partner's Instructions |
| F Other rental real estate credits | |
| G Other rental credits | |
| H Undistributed capital gains credit | Form 1040, line 71; check box 4 |
| I Alcohol and cellulosic biofuel fuels credit | Form 6478, line 8 |
| J Work opportunity credit | Form 5884, line 3 |

- | | | |
|---|--|--------------------------------|
| Code | | Report on |
| K Disabled access credit | | See the Partner's Instructions |
| L Empowerment zone and renewal community employment credit | | Form 8844, line 3 |
| M Credit for increasing research activities | | See the Partner's Instructions |
| N Credit for employer social security and Medicare taxes | | Form 8846, line 5 |
| O Backup withholding | | Form 1040, line 61 |
| P Other credits | | See the Partner's Instructions |
- 16. Foreign transactions**
- | | |
|---|--------------------------------|
| A Name of country or U.S. possession | } Form 1116, Part I |
| B Gross income from all sources | |
| C Gross income sourced at partner level | |
| <i>Foreign gross income sourced at partnership level</i> | |
| D Passive category | } Form 1116, Part I |
| E General category | |
| F Other | |
| <i>Deductions allocated and apportioned at partner level</i> | |
| G Interest expense | Form 1116, Part I |
| H Other | Form 1116, Part I |
| <i>Deductions allocated and apportioned at partnership level to foreign source income</i> | |
| I Passive category | } Form 1116, Part I |
| J General category | |
| K Other | |
| <i>Other information</i> | |
| L Total foreign taxes paid | Form 1116, Part II |
| M Total foreign taxes accrued | Form 1116, Part II |
| N Reduction in taxes available for credit | Form 1116, line 12 |
| O Foreign trading gross receipts | Form 8873 |
| P Extraterritorial income exclusion | Form 8873 |
| Q Other foreign transactions | See the Partner's Instructions |
- 17. Alternative minimum tax (AMT) items**
- | | |
|--|---|
| A Post-1986 depreciation adjustment | } See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss | |
| C Depletion (other than oil & gas) | |
| D Oil, gas, & geothermal—gross income | |
| E Oil, gas, & geothermal—deductions | |
| F Other AMT items | |
- 18. Tax-exempt income and nondeductible expenses**
- | | |
|-------------------------------------|--------------------------------|
| A Tax-exempt interest income | Form 1040, line 8b |
| B Other tax-exempt income | See the Partner's Instructions |
| C Nondeductible expenses | See the Partner's Instructions |
- 19. Distributions**
- | | |
|--|----------------------------------|
| A Cash and marketable securities | } See the Partner's Instructions |
| B Distribution subject to section 737 | |
| C Other property | |
- 20. Other information**
- | | |
|--|----------------------------------|
| A Investment income | Form 4952, line 4a |
| B Investment expenses | Form 4952, line 5 |
| C Fuel tax credit information | Form 4136 |
| D Qualified rehabilitation expenditures (other than rental real estate) | See the Partner's Instructions |
| E Basis of energy property | See the Partner's Instructions |
| F Recapture of low-income housing credit (section 42(j)(5)) | Form 8611, line 8 |
| G Recapture of low-income housing credit (other) | Form 8611, line 8 |
| H Recapture of investment credit | See Form 4255 |
| I Recapture of other credits | See the Partner's Instructions |
| J Look-back interest—completed long-term contracts | See Form 8697 |
| K Look-back interest—income forecast method | See Form 8866 |
| L Dispositions of property with section 179 deductions | } See the Partner's Instructions |
| M Recapture of section 179 deduction | |
| N Interest expense for corporate partners | |
| O Section 453(l)(3) information | |
| P Section 453A(c) information | |
| Q Section 1260(b) information | |
| R Interest allocable to production expenditures | |
| S CCF nonqualified withdrawals | |
| T Depletion information—oil and gas | |
| U Amortization of reforestation costs | |
| V Unrelated business taxable income | |
| W Precontribution gain (loss) | |
| X Section 108(f) information | |
| Y Other information | |

**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

ITEM L - RECONCILIATION OF INCOME

INCOME (LOSS) FROM SCH. K-1, LINES 1-11	332,102
LESS: DEDUCTIONS FROM SCH. K-1, LINES 12, 13, 16L AND 16M	142,605

TOTAL INCOME PER SCHEDULE K-1	189,497
	=====
LESS: EXPENSES RECORDED ON BOOKS, NOT INCLUDED ON SCH. K-1:	
NONDEDUCTIBLE EXPENSES	279
PLUS: INCOME RECORDED ON BOOKS, NOT INCL. ON SCH. K-1:	
NET TAX UNREALIZED GAIN/(LOSS) FROM INVESTMENTS	161,241
TAX-EXEMPT INTEREST INCOME	632
OTHER TAX-EXEMPT INCOME	1

TOTAL INCOME PER ITEM L, CURRENT YEAR INCR(DEC)	351,092
	=====

ITEM L - WITHDRAWALS AND DISTRIBUTIONS

DISTRIBUTIONS: CASH	
DISTRIBUTIONS	500,000

TOTAL WITHDRAWALS AND DISTRIBUTIONS	500,000
	=====

LINE 5 - INTEREST INCOME

INTEREST INCOME FROM U.S. OBLIGATIONS	91
OTHER INTEREST INCOME	162,195

TOTAL INTEREST INCOME	162,286
	=====

LINE 11 - OTHER INCOME (LOSS)

<u>A - OTHER PORTFOLIO INCOME (LOSS)</u>	
OTHER PORTFOLIO INCOME/(LOSS)	8,560
NET IRC. SEC. 988 GAIN/(LOSS)	-3,263
SWAP INCOME	227

TOTAL BOX A	5,524
	=====

C - SEC. 1256 CONTRACTS & STRADDLES	817
E - CANCELLATION OF DEBT	24,675
<u>F - OTHER INCOME (LOSS)</u>	
INTEREST INCOME FROM U.S. OBLIGATIONS	2
OTHER INTEREST INCOME	9,658
QUALIFIED DIVIDEND INCOME	115
NON-QUALIFIED DIVIDEND INCOME	1
NET IRC SEC. 988 GAIN/(LOSS)	1,357
NET IRC SEC. 475(F) INCOME/(LOSS)	22,314
NET IRC SEC. 987 GAIN/(LOSS)	-234
NET SWAP INCOME/(EXPENSE)	849
OTHER ORDINARY INCOME/(LOSS)	-708
OTHER INCOME/(LOSS)	4,029
OTHER TRADE OR BUSINESS EXPENSE	-3,541

**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

INCOME/(LOSS) FROM LENDING ACTIVITIES	-47,068
SHORT-TERM CAPITAL GAIN/(LOSS)	65,070
LONG-TERM CAPITAL GAIN/(LOSS)	41,882
MTM LOAN ORIGINATION INCOME/(LOSS)	10

TOTAL BOX F	93,736
	=====
 <u>LINE 13 - OTHER DEDUCTIONS</u>	
<u>H - INVESTMENT INTEREST EXPENSE</u>	
INVESTMENT INTEREST EXPENSE FROM INVESTING ACTIVITIES	4,415
INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES	36,000

TOTAL BOX H	40,415
	=====
I - DEDUCTIONS - ROYALTY INCOME	141
J - SECTION 59(E)(2) EXPENDITURES	5,507
K - DEDUCTIONS - PORTFOLIO (2% FLOOR)	45,547
L - DEDUCTIONS - PORTFOLIO (OTHER)	724
<u>T - DOMESTIC PRODUCTION ACTIVITIES INFORMATION</u>	
DOMESTIC PRODUCTION GROSS RECEIPTS	122,325
GROSS RECEIPTS FROM ALL SOURCES	275,504
COST OF GOODS SOLD ALLOCABLE TO DPGR	77,394
COST OF GOODS SOLD FROM ALL SOURCES	188,068
TOTAL DED, EXP, AND LOSS DIRECTLY ALLOCABLE TO A DPGR	32,118
TOTAL DED, EXP, AND LOSS DIRECTLY ALLOCABLE TO A NON DPGR	15,657
TOTAL DED, EXP, AND LOSS NOT DIRECTLY ALLOCABLE TO A DPGR	28,887
W-2 ALLOCABLE TO DPGR	64
 <u>U - QUALIFIED PRODUCTION ACTIVITIES INCOME</u>	
QUALIFIED PRODUCTION ACTIVITIES INCOME	141

TOTAL BOX U	141
	=====
V - EMPLOYER'S FORM W-2 WAGES	14,176
<u>W - OTHER DEDUCTIONS</u>	
OTHER TRADE OR BUSINESS EXPENSE	49,415

TOTAL BOX W	49,415
	=====
 <u>LINE 15 - CREDITS</u>	
M - CREDIT FOR INCREASING RESEARCH ACTIVITIES	2
N - CREDIT FOR EMPLOYER SOCIAL SECURITY AND MEDICARE TAXES	3
 <u>LINE 16 - FOREIGN TRANSACTIONS</u>	
G - INTEREST EXPENSE	31,078
H - OTHER	81,546
I - PASSIVE CATEGORY	1,796
J - GENERAL CATEGORY	5,720
L - TOTAL FOREIGN TAXES PAID	720
M - TOTAL FOREIGN TAXES ACCRUED	77

LIGHTHOUSE CREDIT OPPORTUNITIES
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SCH K-1 SUPPORTING SCHEDULES

57-1140919
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LINE 17 - ALTERNATIVE MINIMUM TAX (AMT) ITEMS

C - DEPLETION (OTHER THAN OIL & GAS)	2,996
D - OIL, GAS, & GEOTHERMAL-GROSS INCOME	24,848
E - OIL, GAS, & GEOTHERMAL-DEDUCTIONS	15,845
F - OTHER AMT ITEMS	3,371

**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, LINE 1
=====

AMOUNTS REPORTED ON LINE 1 BELOW WERE PASS-THROUGH TO THE FUND FROM ITS
UNDERLYING INVESTMENTS IN PARTNERSHIPS.

ORDINARY TRADE OR BUSINESS INCOME/(LOSS)	10,094
OTHER INTEREST INCOME	2,069
OTHER TRADE OR BUSINESS EXPENSE	-65
<hr/>	
TOTAL	12,098

STATEMENT TO SCHEDULE K-1, LINES 16B AND 16C:
=====

FOR PURPOSES OF DETERMINING YOUR FOREIGN TAX CREDIT, THE AMOUNTS ON LINES 1-11 MUST BE CONSIDERED
WHEN DETERMINING GROSS INCOME FROM ALL SOURCES AND GROSS INCOME SOURCED AT THE PARTNER LEVEL.
PLEASE CONSULT YOUR TAX ADVISOR.

STATEMENT TO SCHEDULE K-1, LINES 16G THRU 16K:
=====

FOR PURPOSES OF DETERMINING YOUR FOREIGN TAX CREDIT, THE AMOUNTS ON LINES 13H AND 13W MUST BE
CONSIDERED WHEN ALLOCATING AND APPORTIONING EXPENSES TO GROSS INCOME FROM SOURCES OUTSIDE THE
UNITED STATES. PLEASE CONSULT YOUR TAX ADVISOR.

PARTNER FOOTNOTES ASSOCIATED W/SCH. K-1, LINE 20
=====

T. DEPLETION INFORMATION

A) TOTAL SUSTAINED - ASSUMED ALLOWABLE DEPLETION	7,106
B) COST DEPLETION	10,366
C) TOTAL COST DEPLETION (WORKING INTEREST)	689
D) TOTAL COST DEPLETION (ROYALTY INTEREST)	32
E) PERCENTAGE DEPLETION IN EXCESS OF COST DEPLETION	380
F) PERCENTAGE DEPLETION IN EXCESS OF BASIS	316
G) NET EQUIVALENT BBLs OF PRODUCTION	417
H) INTANGIBLE DRILLING COSTS	216
I) GROSS INCOME FROM OIL & GAS	615
J) GROSS DEDUCTIONS FROM OIL & GAS	32

V. UNRELATED BUSINESS TAXABLE INCOME

FOR TAX-EXEMPT ORGANIZATIONS ONLY:
=====

UNRELATED BUSINESS TAXABLE INCOME (UBTI) INCLUDED IN YOUR SCHEDULE K-1
DISTRIBUTIVE SHARE ITEMS IS AS FOLLOWS:

NET UBTI ORDINARY INCOME/(LOSS):	-14,974
NET UBTI CAPITAL GAIN/(LOSS):	12,668

Y. OTHER INFORMATION

FOR CORPORATE PARTNERS: THE AMOUNT OF DIVIDEND INCOME REPORTED ON LINES 6A
AND 11F THAT QUALIFIES FOR THE DIVIDEND RECEIVED DEDUCTION UNDER IRC SEC. 243

**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

IS: 6,526

THE FOLLOWING AMOUNT OF QUALIFIED DIVIDEND INCOME REPORTED ON LINES 6B AND 11F IS FROM FOREIGN SOURCES: 494

THE AMOUNT OF INTEREST EXPENSE INCLUDED ON YOUR SCHEDULE K-1, RELATED TO THE PRODUCTION OF U.S. GOVERNMENT INTEREST INCOME IS: 5

DIRECT EQUITY-FINANCED LENDING ACTIVITIES
=====

LIGHTHOUSE CREDIT OPPORTUNITIES FUND, L.P. INVESTS IN FORTRESS VALUE RECOVERY FUND I LLC WHICH ENGAGES IN DIRECT EQUITY-FINANCED LENDING ACTIVITIES. THIS INCOME/(LOSS) FROM THESE ACTIVITIES MAY OR MAY NOT BE PASSIVE DEPENDING ON THE PARTICULAR FACTS AND CIRCUMSTANCES OF EACH PARTNER PURSUANT TO TREAS. REG. 1.468-2T(F) (4).

YOUR SHARE OF INCOME/(LOSS) DERIVED FROM THESE ACTIVITIES IS REPORTED TO YOU ON LINE 11F, "INCOME/(LOSS) FROM LENDING ACTIVITIES."

THE FOLLOWING INFORMATION WAS PASS THROUGH FROM THE FUND'S UNDERLYING INVESTMENT IN SILVER POINT CAPITAL FUND, L.P. ("SILVER POINT") EIN 22-3849631
=====

SILVER POINT HAS DERIVED INCOME AND/OR LOSS FROM VARIOUS TYPES OF LOAN ORIGINATION ACTIVITIES. SILVER POINT HAS TAKEN THE POSITION THAT IT IS ENGAGED IN THE TRADE OR BUSINESS OF LENDING MONEY, AND AS SUCH, THOSE PARTNERS WHO DO NOT MATERIALLY PARTICIPATE IN THE ACTIVITY, UNDER THE RULES OF TREASURY REGULATION SECTION 1.469-5T, MAY HAVE PASSIVE ACTIVITY LOSS LIMITATIONS. UNDER THE PASSIVE ACTIVITY RULES, PASSIVE ACTIVITY LOSSES ARE ONLY DEDUCTIBLE TO THE EXTENT OF PASSIVE ACTIVITY INCOME, AND ANY EXCESS PASSIVE ACTIVITY LOSSES ARE NOT CURRENTLY DEDUCTIBLE BY A PARTNER BUT ARE SUSPENDED AND CARRIED FORWARD TO THE NEXT TAXABLE YEAR WHEN THESE LIMITATIONS ARE APPLIED AGAIN.

AS DESCRIBED IN TREASURY REGULATION SECTION 1.469-2T(F) (4), A TAXPAYER'S EQUITY FINANCED INTEREST INCOME FROM THIS ACTIVITY IS TREATED AS NON-PASSIVE INCOME TO THE EXTENT OF THE NET INCOME FROM SUCH ACTIVITY FOR THE TAX YEAR. HOWEVER, IF THERE IS A NET LOSS FOR SUCH YEAR FROM THIS LENDING ACTIVITY, THE NET LOSS CONTINUES TO BE TREATED AS PASSIVE AND REMAINS SUBJECT TO THE DEDUCTION LIMITATIONS UNDER THE PASSIVE LOSS RULES. THE TAX CONSEQUENCES OF THIS TREATMENT MAY VARY DEPENDING UPON THE PARTICULAR TAX SITUATION OF EACH TAXPAYER. ALL PARTNERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE PASSIVE ACTIVITY RULES.

YOUR SHARE OF INCOME/(LOSS) DERIVED FROM THESE ACTIVITIES IS REPORTED TO YOU ON LINE 11F, "MTM LOAN ORIGINATION INCOME/(LOSS)."

PLEASE NOTE (WITH THE EXCEPTION OF ITEMS INDICATED BELOW AND THE PASSIVE ACTIVITY LOSS FROM SILVER POINT ABOVE), NONE OF THE DISTRIBUTIVE SHARE ITEMS REPORTED ON YOUR SCHEDULE K-1 ARE CONSIDERED AS DERIVED FROM A PASSIVE ACTIVITY UNDER TREASURY REGULATION 1.469-1T(E) (6).

THE PARTNERSHIP HAS DIRECTLY/INDIRECTLY INVESTED IN PASSIVE ACTIVITIES. YOUR DISTRIBUTIVE SHARE OF PASSIVE INCOME/(LOSS) ITEMS INCLUDED ON YOUR SCHEDULE K-1 ARE REPORTED IN DETAILS BELOW. PASSIVE LOSSES MAY BE SUBJECT TO LIMITATION PURSUANT TO IRC SEC. 469. PLEASE CONSULT YOUR TAX ADVISOR.

LINE 1 - ORDINARY TRADE OR BUSINESS INCOME/(LOSS) FROM PASSIVE ACTIVITIES	31,636
LINE 2 - NET RENTAL REAL ESTATE INCOME/(LOSS)	-1,853
LINE 3 - OTHER NET RENTAL INCOME/(LOSS)	3,998
LINE 5 - OTHER INTEREST INCOME	123
LINE 7 - ROYALTIES	727

**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

LINE 10 - NET SECTION 1231 GAIN/(LOSS)	8,076
LINE 11E - CANCELLATION OF DEBT	-1,579
LINE 11F - OTHER INCOME/(LOSS)	-47,059
LINE 13I - DEDUCTIONS - ROYALTY INCOME	-30
LINE 13J - SECTION 59(E) (2) EXPENDITURES	-5,252
LINE 13W - OTHER TRADE OR BUSINESS EXPENSE	-98

THE AMOUNT REPORTED ON LINE 20A INCLUDES INVESTMENT INCOME FROM LINES 5, 6A, 7 AND 11A OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINES 8, 9A, 11C, 11E AND 11F MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

THE AMOUNT REPORTED ON LINE 20B INCLUDES INVESTMENT EXPENSE FROM LINES 13I, 13K, AND 13L OF YOUR SCHEDULE K-1. BASED ON INDIVIDUAL FACTS AND CIRCUMSTANCES, AMOUNTS ON LINES 13J AND 13W MAY ALSO BE INCLUDED IN THE INVESTMENT INTEREST EXPENSE LIMITATION CALCULATION. PLEASE CONSULT YOUR TAX ADVISOR.

NO DETERMINATION HAS BEEN MADE WHETHER YOU MATERIALLY PARTICIPATE IN THE OPERATION OF THE PARTNERSHIP. IF YOU ARE A NON-MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE FROM TRADING ACTIVITIES REPORTED TO YOU ON LINES 1 AND 13H ARE SUBJECTED TO THE NET INVESTMENT INCOME LIMITATION. IF YOU ARE A MATERIALLY PARTICIPATING PARTNER, THE INVESTMENT INTEREST EXPENSE MAY BE TREATED AS TRADE OR BUSINESS INTEREST EXPENSE. PLEASE CONSULT YOUR TAX ADVISOR.

TRANSFERS TO FOREIGN CORPORATIONS:
=====

DURING THE TAXABLE YEAR, THE PARTNERSHIP MADE DIRECT AND/OR INDIRECT TRANSFERS OF PROPERTY TO FOREIGN CORPORATIONS THAT MAY REQUIRE REPORTING UNDER IRC SEC. 6038B. THE FOLLOWING INFORMATION IS BEING FURNISHED AS YOU MAY BE REQUIRED TO FILE FORM 926, RETURN BY A U.S. TRANSFEROR OF PROPERTY TO A FOREIGN CORPORATION. PLEASE CONSULT YOUR TAX ADVISOR.

NAME: FCI HOLDINGS I LTD.
IDENTIFYING NUMBER: 98-0485747
ADDRESS: C/O FORTRESS INVESTMENT GROUP
1345 AVENUE OF THE AMERICAS, 46TH FLOOR
NEW YORK, NY 10105
COUNTRY OF INCORPORATION OR ORGANIZATION: CAYMAN ISLANDS
FOREIGN LAW CHARACTERIZATION: CORPORATION
CONTROLLED FOREIGN CORPORATION: YES
DATE OF TRANSFER: 01/01/2010
TYPE OF NONRECOGNITION TRANSACTION: IRC SEC. 351
DESCRIPTION OF PROPERTY TRANSFERRED: CASH
AMOUNT TRANSFERRED: 10,670

EFFECTIVELY CONNECTED INCOME ("ECI")
=====

LIGHTHOUSE CREDIT OPPORTUNITIES FUND, L.P. MAY HAVE EFFECTIVELY CONNECTED INCOME PASS THROUGH FROM ITS UNDERLYING INVESTMENTS. DETAILS TO THIS INFORMATION ARE AVAILABLE UPON REQUEST.

THE MUNICIPAL INTEREST REPORTED ON LINE 18A OF YOUR K-1 IS DERIVED FROM THE FOLLOWING JURISDICTIONS IN THE FOLLOWING AMOUNTS:

ALASKA	NONE	MISSISSIPPI	1
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**LIGHTHOUSE CREDIT OPPORTUNITIES
FUND, L.P.
SCH K-1 SUPPORTING SCHEDULES**

**57-1140919
PTR #148-EVELYN F. MCKNIGHT BRAIN RESEARCH**

ARIZONA	NONE	MISSOURI	6
CALIFORNIA	17	NEVADA	24
COLORADO	7	NEW JERSEY	7
CONNECTICUT	25	NEW YORK	11
DISTRICT OF COLUMBIA	7	NEW YORK CITY	6
FLORIDA	11	NORTH CAROLINA	1
GEORGIA	1	OHIO	12
HAWAII	NONE	OKLAHOMA	1
IDAHO	NONE	PENNSYLVANIA	1
ILLINOIS	8	SOUTH DAKOTA	NONE
INDIANA	5	TENNESSEE	1
IOWA	11	TEXAS	42
LOUISIANA	1	UTAH	2
MAINE	8	VIRGINIA	NONE
MASSACHUSETTS	3	WASHINGTON	5
MICHIGAN	6	WEST VIRGINIA	NONE
MINNESOTA	1		