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## LIMITED PARTNERSHIP AGREEMENT

*BREACH INSURANCE I, A SERIES OF REPUBLIC DEAL ROOM MASTER FUND, LP*

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NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THIS LIMITED PARTNERSHIP AGREEMENT (THIS "**AGREEMENT**") OR THE LIMITED PARTNER INTERESTS PROVIDED FOR HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE SECURITIES REPRESENTED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. THESE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS REGISTERED AND QUALIFIED UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE FUND, SUCH REGISTRATION AND QUALIFICATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, THE TERMS AND CONDITIONS OF WHICH ARE SET FORTH IN THIS AGREEMENT.

THE SECURITIES REPRESENTED BY THIS AGREEMENT ARE SUBJECT TO AND MAY ONLY BE SOLD, DISPOSED OF OR OTHERWISE TRANSFERRED IN COMPLIANCE WITH CERTAIN RIGHTS OF FIRST REFUSAL AND RIGHTS OF CO-SALE. THE RIGHTS OF FIRST REFUSAL AND RIGHTS OF CO-SALE ARE BINDING ON CERTAIN TRANSFERREES OF THESE SECURITIES.

PURCHASERS OF SECURITIES REPRESENTED BY THIS AGREEMENT SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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# LIMITED PARTNERSHIP AGREEMENT

OF

## BREACH INSURANCE I, A SERIES OF REPUBLIC DEAL ROOM MASTER FUND, LP

This Limited Partnership Agreement is made as of the Effective Date by and among the General Partner, the Investment Adviser, the Limited Partners, and those Persons who have or may become parties to this Agreement in the future, in accordance with the terms of this Agreement (collectively the "*Parties*") of the Fund. In consideration of the mutual covenants in this Agreement the Parties agree as follows:

### ARTICLE I. DEFINITIONS

**1.1 Definitions.** When used in this Agreement, the following terms have the meanings specified in this Article I:

"*Act*" means the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. § 17-101, et seq.

"*Administrative Manager*" means Assure Fund Management II, LLC (or any other Person retained by the General Partner as administrative manager of the Fund).

"*Advisory Agreement*" means an Investment Advisory Agreement among the Fund, the General Partner and the Investment Adviser substantially in the form attached as Exhibit A to this Agreement.

"*Affiliate*" of another Person means (i) a Person directly or indirectly (through one or more intermediaries) controlling, controlled by or under common control with that other Person; (ii) a Person owning or controlling 10% or more of the outstanding voting securities or beneficial interests of that other Person; or (iii) an officer, manager, director, partner or member of that other Person. For purposes of this Agreement, "control" of a Person means the possession, directly or indirectly, of the power to direct the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, no Partner will be deemed, solely by virtue of that Partnership Interest, to be an Affiliate of the Fund.

"*Agreement*" means this Limited Partnership Agreement of the Fund.

"*Arbitration Location*" means Newark, Delaware.

"*Attorney*" has the meaning assigned to it in Section 13.1.

"*BBA*" means the Bipartisan Budget Act of 2015.

"*Business Day*" means any day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required to close.

"**Capital Account**" has the meaning assigned to it in Section 1.3 of Exhibit B to this Agreement.

"**Capital Contribution**" has the meaning assigned to it in Section 1.4 of Exhibit B to this Agreement.

"**Carry Percentage**" means twenty percent (20%).

"**Certificate of Cancellation**" has the meaning assigned to it in Section 10.8.

"**Certificate of Limited Partnership**" means the Certificate of Limited Partnership of the Master LP filed under the Act.

"**Closing**" means the issuance of Interests, at the sole discretion of the General Partner, in connection with the Fund's purchase of Portfolio Company Securities.

"**Closing Conditions**" means the conditions of the Closing, as determined by the General Partner.

"**Code**" means the Internal Revenue Code of 1986.

"**Consent**" means the approval of a Person to do the act or thing for which the approval is solicited, or the act of granting the approval, as the context may require.

"**Covered Losses**" has the meaning assigned to it in Section 11.3.

"**Covered Person**" means the General Partner, the Investment Adviser, the Administrative Manager, each of the Special Administrators, the Partnership Representative, the Liquidating Trustee, and their respective Affiliates and each of their respective officers, directors, managers, employees, shareholders, partners, members, agents, and consultants and any director, officer, or manager of any entity in which the Fund invests serving in such capacity at the request of the General Partner or the Investment Adviser.

"**Disability**" of an individual means the incapacity of the individual to engage in any substantial gainful activity with the Fund by reason of any medically determinable physical or mental impairment that reasonably can be expected to last for a continuous period of not less than 12 months as determined by a competent physician chosen by the Fund and Consented to by the individual or his legal representative, which Consent will not be unreasonably withheld, conditioned or delayed.

"**Distributable Cash**" at any time means that amount of the cash then on hand or in bank accounts of the Fund which the General Partner determines is available for Distribution, taking into account (i) the amount of cash required for the payment of all current expenses, liabilities and obligations of the Fund and (ii) the amount of cash which the General Partner deems necessary or appropriate to establish reserves for the payment of future expenses, liabilities, or obligations, including liabilities which may be incurred in litigation and liabilities undertaken pursuant to the indemnification provisions of this Agreement.

"**Distribution**" means the transfer of money or property by the Fund to one or more Partners with respect to their Interests, without separate consideration.

"**Distribution Expenses**" has the meaning assigned to it in Section 7.1.

"**Effective Date**" means the date of the Initial Closing.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**ERISA Member**" means any Partner that is an employee benefit plan subject to ERISA or a "benefit plan investor" within the meaning of the Plan Asset Regulation.

"**Fair Market Value**" of property means the amount that would be paid for that property in cash at the closing by a hypothetical willing buyer to a hypothetical willing seller, each having knowledge of all relevant facts and neither being under a compulsion to buy or sell, as determined by the General Partner in good faith.

"**Final Closing**" has the meaning assigned to it in Section 4.4.

"**Fiscal Year**" has the meaning assigned to it in Section 1.10 of Exhibit B to this Agreement.

"**Follow-on Investment Rights**" has the meaning assigned to it in Section 4.10.

"**Fund**" means Breach Insurance I, a Series of Republic Deal Room Master Fund, LP.

"**Fund Minimum Gain**" has the meaning assigned to it in Section 1.11 of Exhibit B to this Agreement.

"**Fund Operating Expense**" has the meaning assigned to it in Section 4.7(e).

"**General Partner**" means Republic Deal Room GP LLC, a Delaware limited liability company.

"**Initial Closing**" means the first Closing.

"**Interest**" means with respect to each Partner, as of any date, the fractional ownership interest in the Fund issued by the Fund, which is expressed as a percentage, the numerator of which is that Partners' Capital Contribution and the denominator of which is the sum of the Capital Contributions of all Partners. The Investment Adviser may be a Partner, but in any event will have a deemed Interest of the Carry Percentage. A Partner's Interest represents the totality of the Partner's interests, and the right of that Partner to all benefits (including, without limitation, allocations of Net Income and Net Losses and the receipt of Distributions) to which a Partner may be entitled pursuant to this Agreement and under the Act, together with all obligations of that Partner to comply with the terms and provisions of this Agreement and the Act. If any provision requires the Consent of a specified percentage of Interests, that percentage will be determined by reference to the aggregate Interests of Partners granting Consent on the applicable date.

"**Interest Register**" has the meaning specified in Section 2.8.

**"Internal Rate of Return"** shall mean the compounded annual rate of return (computed on the basis of a 365-day year and the actual number of days elapsed unless provided otherwise in this Agreement) derived with the Microsoft Excel XIRR function.

**"Investment Adviser"** means Republic Deal Advisor LLC, a Delaware limited liability company.

**"Investment Company Act"** means the Investment Company Act of 1940.

**"Limited Partner"** means any Person admitted as a Partner of the Fund pursuant to Section 4.1 that has not ceased to be a Partner pursuant to this Agreement or the Act, having the interests and rights associated with Partnership in a limited partnership pursuant to this Agreement.

**"Liquidating Trustee"** means the General Partner (or its authorized designee) or, if there is none, a Person selected by the Consent of the Partners to act as a liquidating trustee of the Fund.

**"Liquidating Vehicle"** has the meaning assigned to it in Section 10.9.

**"Liquidity Event"** means the receipt by the Fund of a material amount of cash, or non-cash assets that may readily be transferred or liquidated for cash, as more particularly set forth in Section 7.1, received by the Fund in respect of Portfolio Company Securities held by the Fund. A Liquidity Event for the Portfolio Company will be deemed to occur upon the earliest of (i) the effectiveness of a registration statement filed by the Portfolio Company with the SEC on Form S-1 with respect to Portfolio Company Securities held by the Fund, after any applicable Lock-Up Period, and then only after the Investment Adviser determines in its sole discretion that liquidating the shares is in the best interest of the Fund; (ii) a Merger Event, including a sale of all or substantially all of the assets, of the Portfolio Company in which the merger consideration is comprised of (a) equity interests of the acquiring company which are registered under the Securities Act, or which are otherwise readily transferable, or (b) cash or other readily transferable assets; (iii) the bankruptcy, liquidation or dissolution of the Portfolio Company; or (iv) upon the General Partner, in its discretion, determining that the Portfolio Company Securities and any other assets of the Fund in respect of the securities are freely or readily transferable, each as of the date that the consideration is received or the determination of transferability is made.

**"Lock-Up Period"** means the period following an initial public offering of the Portfolio Company, usually approximately 180 days, during which holders of Portfolio Company stock may be precluded from registering or transferring their shares, by transfer restrictions on their shares or agreement with the Portfolio Company.

**"Majority Partners"** has the meaning assigned to it in Section 5.1(c).

**"Management Fee"** shall have the meaning defined in the Advisory Agreement.

**"Master LP"** means Republic Deal Room Master Fund, LP, a State of Delaware series limited partnership.

**"Master LP Agreement"** has the meaning assigned to it in Section 2.2.

A "**Merger Event**" will be deemed to occur in the event that the Portfolio Company merges or consolidates with or into any other entity, and in which the Portfolio Company is not the parent or surviving company, after giving effect to that transaction, the equity owners of the Portfolio Company immediately prior to that transaction cease to own at least a majority of the equity interest of the Portfolio Company.

"**Nonrecourse Deductions**" has the meaning assigned to it in Section 1.13 of Exhibit B to this Agreement.

"**Net Income**" and "**Net Loss**" has the meaning assigned to it in Section 2.2 of Exhibit B to this Agreement.

"**Operations Fee**" means a fee payable to the Investment Advisor or its designee, in addition to the Fund Operating Expenses, in respect of the costs and expenses of the Administrative Manager and the Special Administrators as well as for certain overhead of the Investment Advisor, as described in Section 4.7(b).

"**Partners**" means, as the context may require, some or all of the Limited Partners and the General Partner.

"**Partner Minimum Gain**" has the meaning assigned to it in Section 1.14 of Exhibit B to this Agreement.

"**Partner Nonrecourse Deductions**" has the meaning assigned to it in Section 1.17 of Exhibit B to this Agreement.

"**Partnership Representative**" has the meaning assigned to it in Section 7.1 of Exhibit B to this Agreement.

"**Permitted Transferee**" has the meaning assigned to it in Section 8.3.

"**Person**" means any individual or entity (including any governmental body).

"**Plan Asset Regulation**" means Section 3(42) of ERISA and the regulations issued by the U.S. Department of Labor at Section 2510.3-101 of Part 2510 of Chapter XXV, Title 29 of the Code of Federal Regulations.

"**Portfolio Company**" means, as the context requires, each private company in which the Fund has invested, intends to invest, or that has issued or is issuing securities or digital assets in which the fund has invested or intends to invest, or in good faith is contemplating an investment, in accordance with this Agreement.

"**Portfolio Company Securities**" means the securities or digital assets issued or issuable by the Portfolio Company that are the target of the Fund's investment (or any securities or digital assets into which such Portfolio Company Securities may be exercisable or convertible). The Fund may invest in Portfolio Company Securities indirectly, including through special purpose vehicles or other entities, and in such case references to "Portfolio Company Securities" shall be construed to include or refer solely to securities issued or issuable by any such special purpose vehicles or

entities, as the context may require. The use of the term "Portfolio Company Securities" shall not create implication that any digital assets in which the Fund has invested or may invest in are securities for purposes of applicable securities laws.

**"Principal Office Location"** means 6510 S. Millrock Dr. Suite 400, Holladay, UT 84121.

**"Proceeding"** has the meaning assigned to it in Section 11.3.

**"Principal Amount"** shall mean the sum of a Limited Partner's (i) Capital Contribution, (ii) pro-rated Escrow Fee, (iii) pro-rated Organizational Fee and (iv) Management Fee.

**"Registered Agent"** if applicable, means Legalinc Corporate Services, Inc., 651 N. Broad St., Suite 205, Middletown, DE 19709, County of New Castle, or such other agent as the General Partner may from time to time designate.

**"Series"** has the meaning assigned to it in Section 2.2.

**"Special Administrators"** means Assure Fund Management III, LLC, Assure Fund Management IV, LLC, Assure Fund Management V, LLC, Assure Fund Management VI, LLC, Assure Fund Management VII, LLC, Assure Fund Management VIII, LLC, Assure Fund Management IX, LLC, Assure Fund Management X, LLC, Assure Fund Management XI, LLC, Assure Fund Management XII, LLC, and Assure Fund Management XIII, LLC, with limited power as set forth in Section 5.8.

**"Subscription Agreement"** means each subscription agreement between the Fund and each of the Limited Partners pursuant to which each such Limited Partner subscribes for its Interest in the Fund.

**"Term"** means the date beginning on the Effective Date and ending on last day of the ten-year period beginning on the date of the Final Closing unless the General Partner has extended that period in accordance with Section 10.2, in which case the **"Term"** means the expiration of that extended period.

**"Transfer"** means, with respect to an Interest, the sale, assignment, transfer, other disposition, pledge, hypothecation or other encumbrance, whether direct or indirect, voluntary, involuntary or by operation of law, and whether or not for value, of that Interest. Transfer includes any transfer by gift, devise, intestate succession, sale, operation of law, upon the termination of a trust, because of or in connection with any property settlement or judgment incident to a divorce, dissolution of marriage or separation, by decree of distribution or other court order or otherwise.

**"Treasury Regulations"** has the meaning assigned to it in Section 1.20 of Exhibit B to this Agreement.

**1.2 Construction.** Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement: (i) words importing the singular number include the plural number and words importing the plural number include the singular number; (ii) words of the masculine gender include correlative words of the feminine and neuter genders, and vice-versa; (iii) the headings or captions used in this Agreement are for convenience of reference and

do not constitute a part of this Agreement, nor affect its meaning, construction or effect; (iv) "or" has the inclusive meaning represented by the phrase "and/or"; (v) "including" and "includes" shall be deemed to be followed by "but not limited to" and "but is not limited to," respectively; (vi) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision unless the context otherwise requires; (vii) references to agreements and other documents shall be deemed to include all subsequent amendments, supplements and other modifications thereto and replacements thereof; (viii) references to statutes shall include all rules and regulations promulgated thereunder, references to statutes or regulations shall be construed as including all statutory and regulatory provisions consolidating, amending, modifying or replacing the statute or regulation and executive orders pertaining thereto; (ix) all references in this Agreement to dollars or "\$" means United States dollars; (x) references to any Person shall include all predecessors of such person, as well as all permitted successors and assigns; (xi) all references in this Agreement to days means calendar days unless Business Days are specified; and (xii) any reference in this Agreement to a particular "Article," "Section," or other subdivision shall be to such Article, Section or subdivision of this Agreement unless the context shall otherwise require.

## **ARTICLE II. ORGANIZATIONAL MATTERS**

**2.1 Name.** The name of the Fund is set forth on the cover page of this Agreement. The business of the Fund may be conducted under that name or under any other name that the General Partner may determine. The General Partner will notify the Limited Partners of any change in the name of the Fund.

**2.2 Establishment of Series.** Pursuant to Section 17-218 of the Act and the Limited Partnership Agreement of the Master LP (the "*Master LP Agreement*"), the Master LP is authorized to establish separate partners and limited partnership interests with separate and distinct rights, powers, duties, obligations, businesses and objectives (each a "*Series*"). Notice is hereby given that the Fund is hereby established as a Series under the Master LP Agreement. The Series created hereby, and the rights and obligations of the Partners of the Series will be governed by this Agreement. In the event of any inconsistency between this Agreement and the Master LP Agreement, this Agreement will control. The debts, liabilities, obligations and expenses incurred, with respect to the Fund will be enforceable against the assets of the Fund only and not against the assets of the Master, LP generally or any other Series of the Master, and, unless otherwise provided in this Agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the Master LP generally or any other Series of the Master will be enforceable against the assets of the Fund. A Limited Partner participating in one Series will have no rights or interest with respect to any other Series, other than through that Limited Partner's interest in that Series independently acquired by that Limited Partner. This Agreement and all provisions herein will be interpreted in a manner to give full effect to the separateness of each Series. The General Partner shall take reasonable steps as are necessary to implement the provisions of this Section 2.2. Without limitation on the preceding sentence, the General Partner shall maintain separate and distinct records for each Series, shall separately hold and account for the assets of each Series, and shall otherwise comply with the requirements of Section 17-218 of the Act. The Fund will be terminated, and its affairs wound up pursuant to the provisions of this

Agreement. The termination and dissolution of the Fund will not, in and of itself, cause or result in the dissolution or termination of the Master LP or any other Series.

**2.3 Term.** The formation date of the Fund is generally within 30 days prior to the Effective Date, as further reflected on records maintained by the General Partner. The term of the Fund commenced on the Effective Date and will continue in full force and effect until dissolved pursuant to Article X.

**2.4 Office and Agent.** The Fund will maintain its principal office at: the Principal Office Location, or at such other place as the General Partner may determine from time to time. The General Partner will notify the Limited Partners of any change in principal office of the Fund. The Registered Agent, if applicable, is the Fund's registered agent for service of process on the Fund or a Person with a different address as the General Partner may appoint from time to time.

**2.5 Purpose of Fund.** The purpose of the Fund shall be: (i) to invest in Portfolio Company Securities and to engage in any and all activities necessary, incidental, proper, advisable or convenient to the foregoing and (ii) to engage in any and all other lawful activities and transactions as may be necessary, advisable, or desirable, as determined by the General Partner, in its sole discretion, to carry out the foregoing or any reasonably related activities.

**2.6 Intent.** It is the intent of the Partners that the Fund will be treated as a "partnership" for federal income tax purposes. It also is the intent of the Partners that the Fund not be operated or treated as a "partnership" for purposes of Section 303 of the United States Bankruptcy Code. It is the intent of the Partners that the Fund qualify as a Venture Capital Fund at all times and will therefore be operated in a manner necessary and proper to maintain such designation.

**2.7 Qualification.** The General Partner shall cause the Fund to qualify to do business in each jurisdiction where qualification is required. The General Partner has the power and authority to execute, file and publish all certificates, notices, statements or other instruments necessary to permit the Fund to conduct business as a limited partnership in all jurisdictions where the Fund elects to do business.

**2.8 Interest Register.** The General Partner shall enter the name and contact information concerning each Limited Partner on the register of Limited Partners and interest ownership ("**Interest Register**") maintained by the Fund. Each Limited Partner shall promptly provide the General Partner with the information required to be set forth for that Limited Partner on the Interest Register and shall promptly notify the General Partner of any change to that information. The General Partner, or a designee of the General Partner, shall update the Interest Register from time to time as necessary to accurately reflect the information therein as known by the General Partner, including, without limitation, admission of new Limited Partners, but no update will constitute an amendment for purposes of Section 14.1.

**2.9 Maintenance of Separate Existence.** The Fund will do all things necessary to maintain its limited partnership existence separate and apart from the existence of each Partner, any Affiliate of a Partner and any Affiliate of the Fund, including maintaining the Fund's books and records on a current basis separate from that of any Affiliate of the Fund or any other Person. In furtherance of the foregoing, the Fund must (i) maintain or cause to be maintained by an agent

under the Fund's control physical possession of all its books and records (including, as applicable, storage of electronic records online or in "cloud" services), (ii) account for and manage all of its liabilities separately from those of any other Person, and (iii) identify separately all its assets from those of any other Person.

**2.10 Title to Fund Assets.** All assets of the Fund will be deemed to be owned by the Fund as an entity, and no Partner, individually, will have any direct ownership interest in those assets. Each Partner, to the extent permitted by applicable law, hereby waives its rights to a partition of the assets and, to that end, agrees that it will not seek or be entitled to a partition of any assets, whether by way of physical partition, judicial sale or otherwise, except as otherwise expressly provided in Article X.

**2.11 Events Affecting a Partner of the Fund.** The death, bankruptcy, withdrawal, insanity, incompetency, temporary or permanent incapacity, liquidation, dissolution, reorganization, merger, sale of all or substantially all the stock or assets of, or other change in the ownership or nature of a Partner will not terminate the Fund.

**2.12 Events Affecting the General Partner.** The withdrawal, bankruptcy, or dissolution of the General Partner, nor the liquidation, reorganization, merger, sale of all or substantially all the stock or assets of, or other change in the ownership or nature of the General Partner, will not terminate the Fund, and upon the happening of any that event, the affairs of the Fund will be continued without termination by the General Partner.

### **ARTICLE III. CAPITAL CONTRIBUTIONS**

**3.1 Partnership Capital.** Upon Closing, each participating Partner shall make a Capital Contribution in an amount equal to its accepted Commitment (as defined in the Partner's Subscription Agreement) in exchange for an Interest.

(a) No Partner will be paid interest on any Capital Contribution to the Fund or on that Partner's Capital Account.

(b) No Partner has any right to demand the return of its Capital Contribution, except upon termination of the Fund pursuant to Article X.

(c) No Partner has the right to demand property other than Portfolio Company Securities in return for its Capital Contribution, except upon termination of the Fund pursuant to Article VII.

**3.2 No Further Capital Contributions.** No Partner will be required to make any Capital Contribution beyond that Partner's initial Capital Contribution, or lend money to the Fund.

**3.3 Return of Capital Contributions.** Except as otherwise provided in this Agreement, no Partner has any right to withdraw or reduce its Capital Contribution.

**3.4 Waiver of Action for Partition.** Each Partner irrevocably waives, during the term of the Fund and during the period of its liquidation following termination, any right to maintain an action for partition of the Fund's assets.

**3.5 No Priorities of Partners.** Subject to the provisions of this Agreement, no Partner will have a priority over any other Partner as to any Distribution, whether by way of return of capital or by way of profits, or as to any allocation of Net Income, Net Loss or special allocations.

#### **ARTICLE IV. LIMITED PARTNERS; PARTNERSHIP CAPITAL**

**4.1 Admission of Limited Partners.** The General Partner may, at its sole discretion, admit any Person as a Limited Partner upon signing a counterpart of this Agreement (which may be done by power of attorney or by any other document or instrument of the Fund that by its terms is deemed to be an execution of this Agreement). Admission will be effective when the General Partner enters the name of that Person on the Interest Register. The General Partner has the authority, in its sole discretion, to reject any subscription for an Interest in whole or in part. Each Limited Partner will continue to be a Limited Partner of the Fund until it ceases to be a Limited Partner of the Fund in accordance with the provisions of this Agreement.

**4.2 Limited Liability.** No Partner will be liable to the Fund or to any other Partner for (i) the performance, or the omission to perform, any act or duty on behalf of the Fund, (ii) the dissolution of the Fund and this Agreement pursuant to the terms of this Agreement, or (iii) the performance, or the omission to perform, on behalf of the Fund any act in reliance on advice of legal counsel, accountants or other professional advisors to the Fund. In no event will any Partner (or former Partner) have any liability for the repayment or discharge of the debts and obligations of the Fund or be obligated to make any contribution to the Fund; *provided, however*, that

(a) appropriate reserves may be created, accrued and charged against the net assets of the Fund and proportionately against the Capital Accounts of the Partners for contingent liabilities or probable losses or foreseeable expenses that are permitted under this Agreement, the reserves to be in the amounts that the General Partner deems necessary or appropriate, subject to increase or reduction at the General Partner's sole discretion; and

(b) each Partner may have other liabilities as are expressly provided for in this Agreement.

**4.3 Nature of Ownership.** Interests held by Partners constitute personal property.

**4.4 Admission of Partners after Initial Closing.** Except as provided in Article VIII, following the Initial Closing, additional Interests may be issued for up to 6 months after the Initial Closing, after which no new Interests will be issued (the last such Closing, the "*Final Closing*").

**4.5 Dealing with Third Parties.** Unless admitted to the Fund as a Partner, as provided in this Agreement, no Person will be considered a Partner. The Fund and the General Partner need deal only with Persons admitted as Partners. The Fund and the General Partner will not be required to deal with any other Person (other than with respect to distributions to assignees pursuant to assignments in compliance with Article VIII) merely because of an assignment or transfer of any

Interest to that Person whether by reason of the Incapacity of a Partner or otherwise; *provided, however,* that any Distribution by the Fund to the Person shown on the Fund's records as a Partner or to its legal representatives, or to the assignee of the right to receive the Fund's Distributions as provided in this Agreement, will relieve the Fund and the General Partner of all liability to any other Person who may be interested in that Distribution by reason of any other assignment by the Partner or by reason of its Incapacity, or for any other reason.

**4.6 Limited Partners are not Agents.** Pursuant to Article V of this Agreement, the management of the Fund is vested in the General Partner. No Limited Partner has any right to participate in the management of the Fund except as expressly authorized by the Act or this Agreement. No Limited Partner, acting solely in the capacity of a Limited Partner, is an agent of the Fund, nor does any Limited Partner, unless expressly and duly authorized in writing to do so by the General Partner, have any power or authority to bind or act on behalf of the Fund in any way, to pledge its credit, to execute any instrument on its behalf or to render it liable for any purpose.

#### **4.7 Expenses.**

(a) The Fund will pay the General Partner, the Investment Adviser or their respective affiliates a fee of \$9,000 (the "**Organization Fee**") to account for the expenses incurred by them in forming the Fund and the offering of the interests in the Fund, including: (i) legal and accounting fees and expenses; (ii) printing costs; (iii) filing fees; (iv) establishment and registration (if applicable) of the series; and (v) pro-rata expenses related to marketing Interests to prospective investors. The Organization Fee will be borne by the Limited Partners on a pro-rated basis. For the avoidance of doubt, the Organization Fee does not include Fund Operating Expenses, including expenses in connection with identifying, appraising and valuing, underwriting, acquiring, maintaining, financing, hedging, and disposing of Portfolio Company Securities.

(b) In the event any such fees are incurred, in addition to the Organization Fee, the Fund will collect an amount equal to the total cost paid to Prime Trust, LLC or any other escrow agent or payment agent in connection with the Closing (the "**Escrow Fee**"), pro-rated amongst the Limited Partners, in consideration for escrow and payment processing costs associated with the Closing.

(c) The Fund may retain amounts contributed by the Partners toward expenses of the Fund in an account in its name as needed. All organizational and operating expenses of the Fund will be paid by the Fund (excluding any costs incurred by the General Partner or Investment Adviser in connection with charges covered by the Operations Fee, including salary and other payments by the General Partner or the Investment Adviser to its employees or officers).

(d) The Fund will pay (or reimburse the General Partner or its Affiliates for) or will be responsible for operating costs and expenses incurred by it or on its behalf (each, a "**Fund Operating Expense**"), including (i) all costs and expenses associated with maintaining the operations of the Fund and identifying, appraising and valuing, underwriting, acquiring, maintaining, financing, hedging, and disposing of Portfolio Company Securities, including, without limitation, transactions not completed, taxes, fees, software for accounting or asset management and other technological expenses, and governmental charges levied against the Fund,

the General Partner, the Investment Adviser or any of their respective affiliates; (ii) administrative, research, diligence and valuation fees and expenses; (iii) extraordinary expenses, if any (such as certain valuation expenses, litigation and indemnification payments); (iv) interest on borrowed money and any fees, costs or expenses arising out of all financings entered into by the Fund (including, without limitation, those of lenders, investment banks, and other financing sources); (v) investment banking, financing, custodial and brokerage fees, commissions and expenses, if any; (vi) expenses associated with the Fund's tax returns and Schedules K-1 and with any tax audit, investigation, settlement, or review; (vii) insurance expenses; (viii) any taxes, fees or other governmental charges levied against the Fund; (ix) expenses of outside advisors, counsel (including Fund counsel), accountants, auditors (including in respect of audited financial statements), administrators, and other consultants and professionals; (x) regulatory or litigation expenses (including the amount of any judgments, settlements and damages paid in connection therewith); (xi) expenses incurred in connection with the winding up or liquidation of the Fund; (xii) expenses incurred in connection with any amendments to the constituent documents of the Fund and related entities, including the General Partner; (xiii) expenses incurred in connection with the preparation, audit and distribution of reports and financial statements to Limited Partners; (xiv) indemnification and other unreimbursed expenses; (xv) any expenses incurred by the Partnership Representative in carrying out its responsibilities and duties under this Agreement (which may be reimbursed directly to the Partnership Representative) and (xvi) expenses incurred in connection with the distributions to the Partners and in connection with any meetings called by the General Partner. Notwithstanding the foregoing, Fund Operating Expenses shall not include (1) any costs incurred by the General Partner or Investment Adviser in connection with its daily operations, including salary and other payments paid by the General Partner or the Investment Adviser to its employees or (2) fees payable by the Fund to the Administrative Manager or the Special Administrators, which amounts shall be payable solely out of the Operations Fee.

(e) Any fees paid by third parties to the General Partner, the Investment Adviser, any of their respective Affiliates or any of their respective directors, officers, employees, members, partners or agents arising from the Portfolio Company or any of the Fund's investments may be retained by such person and will not offset, pay or reserve for the payment of Fund Operating Expenses or any fees payable by the Fund to the Investment Adviser or its Affiliates.

**4.8 Nature of Obligations between Partners.** Except as otherwise expressly provided, nothing contained in this Agreement will be deemed to constitute any Partner, in that Partner's capacity as a Partner, an agent or legal representative of any other Partner or to create any fiduciary relationship between Partners for any purpose whatsoever, apart from obligations between the Partners of a limited partnership as may be created by the Act. Except as otherwise expressly provided in this Agreement, a Partner has no authority to act for, or to assume any obligation or responsibility on behalf of, any other Partner or the Fund.

**4.9 Status Under the Uniform Commercial Code.** All Interests in the Fund will be securities governed by Article 8 of the Uniform Commercial Code as in effect from time to time in the State of Delaware. The Interests are not evidenced by certificates, and will remain not evidenced by certificates. The Fund is not authorized to issue certificated Interests. The Fund will keep a register of the Partners' Interests, in which it will record all Transfers of Partners' Interests made in accordance with Article VIII of this Agreement.

**4.10 Follow-on Investment Rights.** At times the Fund's investment in the Portfolio Company by its terms gives rise to preferential rights, requests to purchase additional shares in that Portfolio Company's future offerings, or a general right of first refusal (collectively, "**Follow-on Investment Rights**"). The Fund hereby assigns and delegates all Follow-on Investment Rights to the Investment Adviser. In the event that the Fund, as a holder of Portfolio Company Securities, is presented with the opportunity or request to make additional or "follow-on" investments in that Portfolio Company, the Fund may make those follow on investments; *provided, however*, the Investment Adviser may, in its sole discretion, organize one or more additional entities with additional Partners for the purpose of making that follow on investment and may extend any investment opportunity to the Partners at its own discretion. All decisions related to the exercise of these rights will belong to the Investment Adviser and will be made at the Investment Adviser's sole discretion. The Fund's Partners acknowledge and agree that the rights described in this Section 4.10 are not actual rights or entitlements exercisable by the Fund or by any Partner of the Fund. Each Partner waives any right or remedy it may have in relation to the Investment Adviser's exercise of these rights on behalf of the Fund. No action or inaction by the Investment Adviser with respect to any Follow-on Investment Rights can be deemed to adversely impact any rights or entitlements vested in the Partner by virtue of their beneficial ownership in the Fund.

**4.11 Management Fee.** The Investment Advisor will receive a management fee as outlined in the Investment Advisory Agreement.

## **ARTICLE V. MANAGEMENT AND CONTROL OF THE FUND**

**5.1 Management.** Management of the Fund is vested in the General Partner. The General Partner will instruct the Fund to follow the advice of the Investment Adviser in accordance with the Advisory Agreement regarding any decisions the Fund may be asked to make as holder of the Portfolio Company Securities. Except as otherwise provided in this Agreement and subject to the provisions of the Act, the General Partner has all power and authority to exclusively manage the Fund and all of its operations. The Fund has also retained the Administrative Manager to perform certain administrative actions on behalf of the Fund. Any power not otherwise delegated pursuant to this Agreement or by the General Partner in accordance with the terms of this Agreement shall remain with the General Partner.

(a) The General Partner may agree to (i) delegate any matters or actions that it is authorized to perform under this Agreement to employees or agents of the General Partner or third Persons and (ii) appoint any Persons, with titles as the General Partner may select, to act on behalf of the Fund, with power and authority as the General Partner may delegate from time to time. Any delegation may be rescinded at any time by the General Partner.

(b) Third parties dealing with the Fund may rely conclusively upon any certificate of the General Partner to the effect that it is acting on behalf of the Fund. The signature of the General Partner will be sufficient to bind the Fund in every manner to any agreement or on any document.

(c) The General Partner may resign at any time upon five days' prior written notice to the Partners and the Investment Adviser. Upon resignation, the Investment Adviser or

the Partners holding a majority of the outstanding equity interests of the Fund ("**Majority Partners**") may appoint a successor General Partner. The resignation or removal of the General Partner will not terminate the Fund. The General Partner will not be required to return any fee previously paid. The provisions of this Section 5.1(c) may not be amended or waived without the written Consent of the Majority Partners. In the event of any conflict between the Investment Adviser and the Majority Partners, the Investment Adviser will control.

## **5.2 Duties and Obligations of the General Partner.**

(a) The General Partner shall take all action that may be necessary or appropriate for the continuation of the Fund's valid existence and authority to do business as a limited partnership under the laws of the State of Delaware and of each other jurisdiction in which authority to do business is, in the judgment of the General Partner, necessary or advisable.

(b) The General Partner shall prepare or cause to be prepared and shall file on or before the due date (or any extension) any federal, state or local tax returns required to be filed by the Fund.

(c) The General Partner shall cause the Fund to pay any taxes or other governmental charges levied against or payable by the Fund; *provided, however*, that the General Partner will not be required to cause the Fund to pay any tax so long as the General Partner or the Fund is in good faith and by appropriate legal proceedings contesting the validity, applicability or amount the tax and the contest does not materially endanger any right or interest of the Fund. If deemed appropriate or necessary by the General Partner, the Fund may establish reasonable reserves to fund its actual or contingent obligations under this Section 5.2(c).

(d) The General Partner shall use its reasonable best efforts to ensure that at no time the equity participation in the Fund by "benefit plan investors" be "significant," within the meaning of the Plan Asset Regulation. If the General Partner becomes aware that the assets of the Fund at any time are likely to include plan assets of a benefit plan investor, the General Partner may require any or all of the ERISA Members to immediately withdraw so much of their capital in the Fund as might be necessary to maintain the investment of those ERISA Members at a level so that the assets of the Fund are not deemed to include plan assets under ERISA.

(e) Notwithstanding any other provision of this Agreement or otherwise applicable provision of law or equity, whenever in this Agreement, the General Partner or the Investment Adviser is permitted or required to make a decision (i) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner or the Investment Adviser will be entitled to consider only those interests and factors as it desires, including its own interests, and will, to the fullest extent permitted by applicable law, have no duty or obligation to give any consideration to any interest of or factors affecting the Fund or the Partners, or (ii) in its "good faith" or under another expressed standard, the General Partner or the Investment Adviser shall act under that express standard and will not be subject to any other or different standards. Unless otherwise expressly stated, for purposes of this Section 5.2(f), the General Partner and the Investment Adviser will each be deemed to be permitted or required to make all decisions hereunder in its sole discretion.

**5.3 Appointment of Administrative Manager.** The General Partner has currently delegated to the Administrative Manager of the Fund the authority to (either directly or indirectly through one or more of the Administrative Manager's Affiliates), among other things, handle all entity and bank account formation tasks, securities law filings, tax reporting matters, and other administrative services relating to the Fund and the Partners. The General Partner may, in its sole discretion, modify or terminate its relationship with the Administrative Manager or its Affiliates and perform such tasks itself or delegate to other third parties all, some, or different responsibilities of the General Partner.

**5.4 Rights or Powers of Limited Partners.** Except as expressly provided otherwise in this Agreement or by operation of law, the Limited Partners (as Limited Partners of the Fund) will have no rights or powers to take part in the management and control of the Fund and its business and affairs and will have no power or authority to act for the Fund, or bind the Fund under agreements or arrangements with third parties as Limited Partners. The Limited Partners will have the right to vote only on the matters explicitly set forth in this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, to the extent that a Partner has any right to vote with respect to its Interest in the Fund, such Partner shall only have a right to vote the equivalent of up to 9.99% of the voting rights held by all Partners (where the voting rights of a Partner are based on such Partner's fractional ownership interest in the Fund, expressed as a percentage, the numerator of which is such Partner's Capital Contribution and the denominator of which is the sum of the Capital Contributions of all Partners); *provided, however*, that solely to give effect to the foregoing, if there are fewer than ten Partners, or any Partner's voting rights otherwise equal or exceed 10.00%, the General Partner shall be deemed to be a Partner with a Capital Contribution sufficient to cause the voting rights of all Partners (other than the General Partner) to be 9.99% or less.

**5.5 The General Partner and the Investment Adviser May Engage in Other Activities.** Subject to the terms of any employment or consulting agreement between the General Partner or the Investment Adviser and the Fund, neither the General Partner nor the Investment Adviser is obligated to devote all of its time or business efforts to the affairs of the Fund, *provided* that the General Partner and the Investment Adviser shall devote the time, effort and skill as it determines in its sole discretion may be necessary or appropriate for the proper operation of the Fund. Subject to the foregoing, the General Partner and the Investment Adviser may have other business interests and may engage in other activities in addition to those related to the Fund. The General Partner, the Investment Adviser and their respective Affiliates may acquire interests in the Fund or other managed or administered by the General Partner or its Affiliates. The General Partner, the Investment Adviser, and their respective Affiliates may acquire or possess interests in the Portfolio Company and the interests may be of a different class or type, with different rights and preferences, than those held by the Fund. Likewise, the General Partner, the Investment Adviser, and their respective Affiliates may acquire or possess interests in other companies or business ventures that are competitive with the Portfolio Company or the Fund. Neither the Fund nor any Partner will have the right, by virtue of this Agreement, to share or participate in other investments or activities of the General Partner or the Investment Adviser or to the income derived therefrom. Except as expressly set forth in this Agreement, the General Partner, the Investment Adviser, and each Limited Partner, and their respective Affiliates may engage in or possess any interest in other business ventures of any kind, nature or description, independently or with others, whether those ventures are competitive with the Fund or otherwise. The General Partner is

permitted to create and manage one or more subsequent funds having a substantially similar investment strategy without any notice or consent of the Limited Partners (a "*Subsequent Fund*"), including a Subsequent Fund in respect of other investments in the Portfolio Company. In addition, the General Partner and its Affiliates and their respective directors, officers, employees, members, partners or agents may provide active, part-time direct operating, management or advisory services to the Portfolio Company and may receive salaries, wages or fees for those services, and those fees will be retained by General Partner and will not offset fees or other expenses of the Fund.

**5.6 The Administrative Manager May Engage in Other Activities.** Subject to the terms of any employment or consulting agreement between the Administrative Manager and the Fund, the Administrative Manager is not obligated to devote all of its time or business efforts to the affairs of the Fund, *provided* that the Administrative Manager shall devote the time, effort and skill as it determines in its sole discretion may be necessary or appropriate for the proper operation of the Fund. Subject to the foregoing, the Administrative Manager may have other business interests and may engage in other activities in addition to those related to the Fund. The Administrative Manager and its Affiliates may acquire interests in the Fund or other Funds managed or administered by the Administrative Manager or its Affiliates. The Administrative Manager and its Affiliates may acquire or possess interests in the Portfolio Company and the interests may be of a different class or type, with different rights and preferences, than those held by the Fund. Likewise, the Administrative Manager and its Affiliates may acquire or possess interests in other companies or business ventures that are competitive with the Portfolio Company or the Fund. Neither the Fund nor any Partner will have the right, by virtue of this Agreement, to share or participate in other investments or activities of the Administrative Manager or to the income derived therefrom. Except as expressly set forth in this Agreement, the Administrative Manager and each Partner, and their respective Affiliates may engage in or possess any interest in other business ventures of any kind, nature or description, independently or with others, whether those ventures are competitive with the Fund or otherwise.

**5.7 Liability for Certain Acts.** The General Partner shall exercise its business judgment in managing the business operations and affairs of the Fund. Neither the General Partner nor the Investment Adviser will be liable or obligated to the Limited Partners for any loss of investment or operations, or mistake of fact or judgement unless gross negligence, willful misconduct, bad faith, fraud, or willful and material breach of a material provision of this Agreement is proven by a court or arbitrator of competent jurisdiction. Neither the General Partner nor the Investment Adviser guarantees, in any way, the return of any Partner's Capital Contribution or a profit for the Partners from the operation of the Fund. Neither the General Partner nor the Investment Adviser will incur any liability to the Fund or to any of the Partners as a result of engaging in any other business or venture.

**5.8 Authority of the Special Administrators.** Each of the Special Administrators is vested with the limited authority to submit regulatory and tax filings on behalf of the Fund, including, an application to secure a federal Employer Identification Number for the Fund. The General Partner in its sole discretion may at any time terminate or remove one or all Special Administrators or appoint a new Special Administrator. Absent written delegation from the General Partner, no Special Administrator may act on behalf of the Fund with respect to any matter other than the submission of regulatory and tax filings. Nothing in this Section 5.8 limits the

General Partner's authority to manage Fund operation and act on behalf of the Fund in its sole discretion without having to secure the Consent of any Special Administrator.

## **ARTICLE VI. TAX MATTERS**

**6.1 Tax Treatment.** The Fund shall at all times be treated as a partnership for U.S. federal tax purposes from the date of the Fund's formation, and no Partner shall take any action that would result in the Fund being treated as an association taxable as a corporation.

**6.2 Tax and Accounting Matters.** Each and all of the provisions of Exhibit B to this Agreement are incorporated herein and shall constitute part of this Agreement. Exhibit B to this Agreement provides among other matters, for the establishment and maintenance of Partners' capital accounts and the allocation of Net Income and Net Loss. The Fund shall be operated as a partnership for state and federal income tax purposes. The General Partner is hereby authorized, upon the advice of the Fund's tax counsel, to amend the Agreement to comply with the Code and the regulations promulgated under Code Section 704(b).

**6.3 Tax Returns and Tax Deficiencies.** Each Limited Partner agrees that such Limited Partner shall not treat any partnership item inconsistently on such Limited Partner's federal, state, foreign, or other income tax return with the treatment of the item on the Fund's return. Any deficiency for taxes imposed on any Limited Partner or former Limited Partner (including penalties, additions to tax or interest imposed with respect to such taxes, and any taxes imposed pursuant to Code Section 6226) shall be paid by such Limited Partner and if required to be paid (and actually paid) by the Fund, will be recoverable from such Limited Partner.

**6.4 Income Tax Elections.** Except as otherwise provided herein, the Partnership Representative shall have sole discretion to make any determination regarding income tax elections it deems advisable on behalf of the Fund; provided that the Partnership Representative shall make an election under Code Section 754, if requested in writing by a Limited Partner, provided the buyer agrees to pay reasonable costs of the Fund to analyze and implement the step-up.

**6.5 Survival.** The obligations of each Limited Partner or former Limited Partner under this Article VI shall survive the transfer or redemption of such Limited Partner's Interest, the termination of this Agreement, or the termination of the Fund.

## **ARTICLE VII. DISTRIBUTIONS**

**7.1 Generally.** The Fund will first use available assets to repay outstanding debts and obligations, if any, of the Fund. Then, subject to Section 7.5, the Fund will make Distributions, at times and intervals as the General Partner will determine but, in no event, earlier than the expiration of the Lock-Up Period in respect of Portfolio Company Securities to be distributed. Amounts initially apportioned to the General Partner will be distributed to the General Partner, and amounts initially apportioned to any Limited Partner will be distributed to that Limited Partner, in the following proportions and order of priority:

(a) First, to the Partners who have made a Capital Contribution pursuant to Section 4.6, pro rata in accordance with Interests held by them, until each Partner has received aggregate Distributions in an amount equal to that Partner's Capital Contribution; and then

(b) The Carry Percentage of the remainder to the General Partner (as defined in this Agreement), if any; and the remainder to the Partners who have made a Capital Contribution, pro rata in accordance with Interests held by them.

(c) The General Partner and the Investment Adviser may, in its sole discretion, share with one or more Persons all or any portion of any Distribution made to them under Section 7.1(b). For the avoidance of doubt, any expenses relating to brokerage commissions, escrow fees, clearing and settlement charges, custodial fees, and any other costs relating to the transfer of Portfolio Company Securities or other assets to the Partners following a Liquidity Event ("***Distribution Expenses***") will be paid by the Fund prior to any Distributions. The amount of assets that are distributable to the Partners will be net of those expenses.

**7.2 Non-Cash Distributions.** Whenever a Distribution provided for in this Section 7.2 is payable in property other than cash, the value of the Distribution will be deemed to be the Fair Market Value of that property as determined in good faith by the General Partner.

**7.3 Return of Distributions.** Any Partner receiving a Distribution in violation of the terms of this Agreement shall return that Distribution (or cash equal to the net fair value of any property so distributed, determined as of the date of Distribution) promptly following the Partner's receipt of a request to return the Distribution from the General Partner or from any other Partner. No third party will be entitled to rely on the obligations to return Distributions set forth in this Agreement or to demand that the Fund or any Partner make any request for any return. The General Partner may also require Partners to return Distributions to the extent necessary in order to permit the Fund to meet its indemnity obligations.

**7.4 Form of Distribution.** Distributions pursuant to this Article VII will be comprised of (i) Portfolio Company Securities, or (ii) Distributable Cash or other securities if and to the extent that, in connection with a Liquidity Event, the Fund receives Distributable Cash or other securities in exchange for Portfolio Company Securities. Interim Distributions will be made at times as the General Partner determines in its sole discretion. Notwithstanding the foregoing, no Distribution of securities will be made to any Partner to the extent that Partner would be prohibited by applicable law from holding those securities. Unless otherwise agreed to by the General Partner, Distributions will be made to each Partner's respective brokerage account; provided that any Distributable Cash Distribution may, in the sole discretion of the General Partner, be made, in whole or in part, to the account from which the attributable Capital Contribution was paid.

**7.5 Amounts Withheld.** Any amounts withheld with respect to a Partner pursuant to any federal, state, local or foreign tax law from a Distribution by the Fund to the Partner will be treated as paid or distributed, as the case may be, to the Partner for all purposes of this Agreement. In addition, the Fund may withhold from Distributions amounts deemed necessary, in the sole discretion of the General Partner, to be held in reserve for payment of accrued or foreseeable permitted expenses of the Fund. Each Partner hereby agrees to indemnify and hold harmless the Fund from and against any liability with respect to income attributable to or Distributions or other

payments to that Partner. Any other amount that the General Partner determines is required to be paid by the Fund to a taxing authority with respect to a Partner pursuant to any federal, state, local or foreign tax law in connection with any payment to or tax liability (estimated or otherwise) of the Partner shall be treated as a loan from the Fund to that Partner. If that loan is not repaid within 30 days from the date a General Partner notifies that Partner of that withholding, the loan will bear interest from the date of the applicable notice to the date of repayment at a rate at the lesser of (i) the one-month LIBOR plus 4% or (ii) the maximum legal interest rate under applicable law, compounded annually. In addition to all other remedies the Fund may have, the Fund may withhold Distributions that would otherwise be payable to that Partner and apply that amount toward repayment of the loan and interest. Any payment made by a Partner to the Fund pursuant to this Section 7.5 will not constitute a Capital Contribution

**7.6 Partner Giveback.** Except as required by applicable law, Section 7.3, or Section 7.5, no Partner will be required to repay to the Fund, any Partner, or any creditor of the Fund, all or any part of the Distributions made to that Partner.

**7.7 No Creditor Status.** A Partner will not have the status of, and is not entitled to the remedies available to, a creditor of the Fund with regard to Distributions that the Partner becomes entitled to receive pursuant to this Agreement and the Act.

**7.8 Limitations on Distributions.** Notwithstanding any provision to the contrary contained in this Agreement, the Fund shall not make a Distribution to any Partner on account of its Interest if the Distribution would violate the Act or other applicable law.

## **ARTICLE VIII. TRANSFERS**

### **8.1 Transfers.**

(a) Except as otherwise expressly provided in this Article VIII, no Partner may Transfer all or any portion of its Interests without (i) providing the General Partner with a written opinion of counsel regarding the compliance of the proposed Transfer with all applicable securities laws and (ii) obtaining prior written approval of the General Partner, which approval may be withheld, conditioned or delayed in the General Partner's sole and absolute discretion. Transfers may be subject to reasonable transfer fees, as determined by the General Partner in its sole discretion. Any attempted Transfer in violation of this Article VIII will be null and void *ab initio*, and will not bind the Fund.

(b) The General Partner and the Investment Adviser will be allowed to Transfer their respective Interests to their respective Affiliates, *provided* that the General Partner or the Investment Adviser, as applicable, continue to control the Interests.

(c) The Transferring Limited Partner shall reimburse the Fund for all costs and expenses incurred by the Fund, the General Partner, the Investment Adviser or any of their respective affiliates in connection with the Transfer of any interests hereunder, including the fees and expenses of any counsel to the General Partner, which may be a reasonable fixed fee per Transfer.

**8.2 Further Restrictions on Transfers.** Notwithstanding anything in this Agreement to the contrary, in addition to any other restrictions on a Transfer of an Interest, no Interest may be Transferred (i) without compliance with the Securities Act and any other applicable securities or "blue sky" laws, (ii) if, in the determination of the General Partner, the Transfer could result in the Fund not being classified as a partnership for federal income tax purposes, (iii) if, in the determination of the General Partner, the Transfer could cause the Fund to become subject to the Investment Company Act, (iv) if, in the determination of the General Partner, the Transfer would cause a dissolution of the Fund under Section 708(b)(1)(B) of the Code that would have a material adverse effect on the Fund, or (v) the transferee is a minor or incompetent.

**8.3 Permitted Transfers.** Except for the requirement to receive approval from the General Partner, all other restrictions upon Transfer specified in Section 8.1 will not apply to any Transfer (i) by a Partner who is an individual to (a) that Partner's spouse, ex-spouse or domestic partner; (b) that Partner's or Partner's spouse's lineal descendants; (c) any family partnership or other entity controlled (which for this purpose shall require that the Partner own more than 50% of the equity securities of that entity) by that Partner, (d) a trust established solely for the benefit of that Partner, Partner's spouse or lineal descendants without regard to age, and (e) from any trust to the beneficiaries of that trust; or (ii) by a Partner to another Partner (each transferee, a "*Permitted Transferee*"); *provided, however*, that the Permitted Transferee (other than a Person who is already a Partner) pursuant to the foregoing clauses (i) and (ii) agrees in writing to become a party to this Agreement and to be subject to the terms and conditions of this Agreement. Notwithstanding the foregoing in this Section 8.3, any permitted Transfer must be approved by the General Partner, which approval will not be unreasonably withheld.

**8.4 Admission of Transferee as a Partner.** A Transfer permitted by the General Partner will only transfer the rights of an assignee as set forth in Section 8.6 unless (i) the transferee is a Partner or is admitted as a Partner and (ii) payment to the Fund of a transfer fee in cash which is sufficient, in the General Partner's sole determination, to cover all reasonable expenses incurred by the Fund in connection with the Transfer and admission of the transferee as a Partner.

**8.5 Involuntary Transfer of Interests.** In the event of any involuntary transfer of Interests to a Person, that Person will have only the rights of an assignee set forth in Section 8.6 with respect to those Interests.

**8.6 Rights of Assignee.** An assignee has no right to vote, receive information concerning the business and affairs of the Fund and is entitled only to receive Distributions and allocations attributable to the Interest held by the assignee as determined by the General Partner and in accordance with this Agreement.

**8.7 Enforcement.** The restrictions on Transfer contained in this Agreement are an essential element in the ownership of an Interest. Upon application to any court or arbitrator of competent jurisdiction, a General Partner will be entitled to a decree against any Person violating or about to violate those restrictions, requiring their specific performance, including those prohibiting a Transfer of all or a portion of its Interests.

**8.8 Death or Disability of a Partner.** Upon the Disability or death of a Partner, that Partner will cease to be a Partner of the Fund and that disabled Partner or the legal representative

of that deceased Partner's estate (or the trustee of a living trust established by that deceased Partner if that Partner's Interests have been transferred to a trust) will have the rights only of an assignee.

**8.9 Compulsory Redemption.** The General Partner may, by notice to any Partner, force the sale of all or a portion of that Partner's Interest on terms as the General Partner determines to be fair and reasonable, or take other action as it determines to be fair and reasonable in the event that the General Partner determines or has reason to believe that: (i) that Limited Partner has attempted to effect a Transfer of, or a Transfer has occurred with respect to, any portion of that Partner's Interest in violation of this Agreement; (ii) continued ownership of that Interest by that Partner is reasonably likely to cause the Fund to be in violation of securities laws of the United States or any other relevant jurisdiction or the rules of any self-regulatory organization applicable to the General Partner, the Investment Adviser, or their Affiliates; (iii) continued ownership of that Interest by that Partner may be harmful to the business or reputation of the Fund, the General Partner, or the Investment Adviser, or may subject the Fund or any Partners to a risk of adverse tax or other fiscal consequence, including adverse consequences under ERISA; (iv) any of the representations or warranties made by that Partner under this Agreement or under any Subscription Agreement signed by that Partner in connection with the acquisition of an Interest was not true when made or has ceased to be true; (v) any portion of that Partner's Interest has vested in any other Person by reason of the bankruptcy, dissolution, incompetency or death of that Partner; or (vi) it would not be in the best interests of the Fund, as determined by the General Partner, for that Partner to continue ownership of its Interest.

## **ARTICLE IX. RECORDS, REPORTS AND TAXES**

**9.1 Books and Records.** The General Partner will maintain all of the information required to be maintained by the Act at the Fund's principal office, with copies available at all times during normal business hours for inspection and copying upon reasonable notice by any Partner or its authorized representatives for any purpose reasonably related to that Partner's status as a Partner, including as applicable:

- (a) true and full information regarding the status of the business and financial condition of the Fund;
- (b) promptly after becoming available, a copy of the Fund's federal, state and local income tax returns, if any, for each Fiscal Year;
- (c) a current list of the full name and last known business, residence or mailing address of that Partner and each General Partner;
- (d) a copy of this Agreement and all amendments, together with executed copies of (i) any powers of attorney and (ii) any other document pursuant to which this Agreement or any amendments have been executed or have been deemed to be executed; and
- (e) true and full information regarding the amount of cash contributed by that Partner and the date on which that Partner became a Partner.

### **9.2 Reports.**

(a) *Governmental Reports.* The Fund will file all documents and reports required to be filed with any governmental agency in accordance with the Act.

(b) *Tax Reports.* The Fund will prepare and duly and timely file, at the Fund's expense, all tax returns required to be filed by the Fund. The General Partner will send or cause to be sent to each Limited Partner within 90 days after the end of each Fiscal Year, or a later date as determined in the discretion of the General Partner, information relating to the Fund as is necessary for the Limited Partner to complete its federal, state and local income tax returns that include that Fiscal Year.

**9.3 Bank Accounts.** All funds of the Fund will be deposited with banks, exchanges, money transmitters or other financial institutions in the account or accounts of the Master LP or the Fund as may be determined by the General Partner who will ensure records are maintained for the Fund assets associated with the Fund separately from the assets of any other Person.

**9.4 Confidentiality.** All information concerning the business, affairs and properties of the Fund and all of the terms and provisions of this Agreement will be held in confidence by each Party and its respective Affiliates, subject to any obligation to comply with (i) any applicable law, (ii) any rule or regulation of any legal authority or securities exchange, (iii) any subpoena or other legal process to make information available to the Persons entitled thereto or (iv) the enforcement of that Party's rights under this Agreement (or under any employment agreement with that Partner, if any) in any legal process, arbitration, as a Partner, Investment Adviser, General Partner, Administrative Manager, or employee, as applicable. Confidentiality will be maintained until that time, if any, as the confidential information either is, or becomes, published or a matter of public knowledge (other than as a result of a breach of this Section 9.4); provided that each Party recognizes that the privilege each has to maintain, in its sole discretion, the confidentiality of a communication relating to the transactions, including a confidential communication with its attorney or a confidential communication with a federally authorized tax practitioner under Section 7525 of the Code, is not intended to be affected by the foregoing provisions of this sentence, provided further that a Limited Partner may disclose any such information if such Limited Partner is a private fund of funds, to its partners or members, but such fund of funds may only disclose to its partners or members (A) the name, address, investment focus, year of organization and vintage year of the Fund, (B) summary financial information excerpted from the Fund's audited annual financial statements (if any), (C) the name and a brief description of each Portfolio Company, (D) the amount of the Fund's investment in each Portfolio Company, (E) the amount of such Limited Partner's Commitment (as defined in the Partner's Subscription Agreement) and the unpaid portion of such Commitment, (F) the total amount of distributions received from the Fund, (G) the net asset value of such Limited Partner's interest in the Fund (calculated by such Limited Partner), (H) such ratios and performance information (calculated by such Limited Partner) using the information in clauses (E) through (G) above, including the ratio of net asset value plus distributions to contributions and such Limited Partner's Internal Rate of Return with respect to its investment in the Fund, *provided* that such fund of funds shall notify its partners or members that such information described in clauses (A) through (G) above is confidential and must be kept confidential and each such partner or member shall have agreed to keep such information confidential, and *provided, further*, that in connection with any disclosure of information by such fund of funds concerning the valuation of its interest in the Fund or any performance data regarding the Fund, such Limited Partner shall provide a representation to the

effect that such data (1) does not necessarily accurately reflect the current or expected future performance of the Fund or the fair value of its interest in the Fund, (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the General Partner or the Investment Adviser. Notwithstanding this Section 9.4, the General Partner and the Administrative Manager may use confidential information about the Fund and its Partners in data aggregation, so long as the data use does not include the disclosure of information that could reasonably be used to identify any Partner.

## **ARTICLE X. TERMINATION AND LIQUIDATION**

**10.1 Termination.** The Fund will be terminated, its assets disposed of and its affairs wound up upon any of the following:

- (a) the expiration of the Term;
- (b) the final Distribution of the net assets of the Fund to the Partners or a Liquidating Vehicle in accordance with Section 10.9;
- (c) the dissolution of the Master LP;
- (d) determination by the General Partner in its sole discretion to terminate the Fund; or
- (e) entry of a judicial decree of termination of the Fund pursuant to the Act.

**10.2 Date of Termination.** Termination of the Fund will be effective on the day on which the event occurs giving rise to the termination, but the Fund will not dissolve until the assets of the Fund have been liquidated and distributed as provided in this Agreement. Prior to a termination pursuant to Section 10.1, the General Partner, in its sole discretion, may extend the Term of the Fund by unlimited successive one-year periods. Notwithstanding the termination of the Fund, prior to the dissolution of the Fund, the business of the Fund and the rights and obligations of the Partners will continue to be governed by this Agreement.

**10.3 Winding Up.** Upon the occurrence of any event specified in Section 10.1, the Fund will continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets, satisfying the claims of its creditors, and distributing any remaining assets in cash or in kind, to the Partners in accordance with this Agreement. The Liquidating Trustee will be responsible for overseeing the winding up and liquidation of the Fund and will cause the Fund to sell or otherwise liquidate all of the Fund's assets except to the extent the Liquidating Trustee determines to distribute any assets to the Partners in kind, discharge or make provision for all liabilities of the Fund and all costs relating to the termination, winding up, and liquidation and distribution of assets, establish reserves as may be necessary to provide for contingent liabilities of the Fund (for purposes of determining the Capital Accounts of the Partners, the amounts of those reserves will be deemed to be an expense of the Fund and will be deemed income to the extent it ceases to be reserved), and distribute the remaining assets to the Partners, in the manner specified in Section 10.4. The Liquidating Trustee will be allowed a reasonable time for the orderly

liquidation of the Fund's assets and discharge of its liabilities, so as to preserve and upon disposition maximize, to the extent possible, the value of the Fund's assets.

**10.4 Liquidation.** The Fund's assets, or the proceeds from the liquidation of the Fund's assets, will be paid or distributed in the following order:

(a) first, to creditors to the extent otherwise permitted by applicable law in satisfaction of all liabilities and obligations of the Fund, including expenses of the liquidation (whether by payment or the making of reasonable provision for payment), other than liabilities for which reasonable provision for payment has been made and liabilities, if any, for Distributions to Partners;

(b) next, to the establishment of those reserves for contingent liabilities of the Fund as are deemed necessary by the Liquidating Trustee (other than liabilities for which reasonable provision for payment has been made and liabilities, if any, for Distribution to Partners and former Partners under the Act);

(c) next, to Partners and former Partners in satisfaction of any liabilities for Distributions under the Act, if any;

(d) next, to the Partners, on a pro rata basis in the order of priority set forth in Section 7.1.

**10.5 Distributions in Kind.** Any non-cash asset distributed to one or more Partners will first be valued by the General Partner at its Fair Market Value to determine the Net Income, Net Loss and special allocations that would have resulted if that asset had been sold for that value, which amounts will be allocated pursuant to Article VI, and the Partners' Capital Accounts will be adjusted to reflect those allocations. The amount distributed and charged to the Capital Account of each Partner receiving an interest in the distributed asset will be the Fair Market Value of that interest as determined in good faith by the General Partner (net of any liability secured by the asset that the Partner assumes or takes subject to).

**10.6 No Liability.** Notwithstanding anything in this Agreement to the contrary, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations, if any Partner has a negative Capital Account balance (after giving effect to all contributions, Distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the Year in which that liquidation occurs), neither that Partner nor any General Partner will have any obligation to make any contribution to the capital of the Fund, and the negative balance of that Partner's Capital Account will not be considered a debt owed by that Partner or any General Partner to the Fund or to any other Person for any purpose; *provided, however*, that nothing in this Section 10.6 will relieve any Partner from any liability under any promissory note or other affirmative commitment that Partner has made to contribute capital to the Fund.

**10.7 Limitations on Payments Made in Termination.** Except as otherwise specifically provided in this Agreement, each Partner will be entitled to look only to the assets of the Fund for Distributions (including Distributions in liquidation) and the Parties will have no personal liability for any Distributions.

**10.8 Certificate of Cancellation.** Upon completion of the winding up of the Fund's affairs, the General Partner will file a Certificate of Cancellation, as applicable.

**10.9 Conversion to a Trust.** If a Liquidity Event has not occurred prior to the liquidation of the Fund, the General Partner may appoint a third-party liquidator or custodian at the expense of the Fund or distribute the assets of the Fund to a liquidating trust for the benefit of the Partners (a "*Liquidating Vehicle*"). Interests in any Liquidating Vehicle will generally be subject to terms comparable to Interests (including, for the avoidance of doubt, Distribution Expenses); provided that, in addition to other expenses contemplated in this Agreement, interests in a Liquidating Vehicle may be subject to actual expenses incurred in connection with the ongoing operations of the liquidating vehicle. The General Partner or the liquidating trustee, in its sole discretion, may establish reserves for contingencies under this Section 10.9, including with respect to interests in any Liquidating Vehicle.

## **ARTICLE XI.**

### **LIMITATION OF LIABILITY; STANDARD OF CARE; INDEMNIFICATION**

**11.1 Limitation of Liability.** Unless explicitly agreed upon, the debts, obligations and liabilities of the Fund, whether arising in contract, tort or otherwise, will be solely the debts, obligations and liabilities of the Fund, and will not be those of the Partners, or the Covered Persons.

**11.2 Standard of Care.** Neither the Partners nor the Covered Persons will have any personal liability whatsoever to the Fund, any Partner, or their Affiliates on account of that Person's role within the Fund, or by reason of that Person's acts or omissions in connection with the conduct of the business of the Fund so long as that Person acts in good faith for a purpose which the Person reasonably believes to be in, or not opposed to, the best interests of the Fund. Notwithstanding the preceding, nothing contained in this Agreement will protect that Person against any liability to which that Person would otherwise be subject by reason of any act or omission of that Person that involves gross negligence, willful misconduct, bad faith, fraud, or willful and material breach of a material provision of this Agreement as determined by a court of competent jurisdiction.

**11.3 Indemnification.** To the fullest extent permitted by applicable law, the Covered Persons will be entitled, out of the Fund assets, to be indemnified against and held harmless from any and all liabilities, judgments, obligations, losses, damages, claims, actions, suits or other proceedings (whether under the Securities Act, the Commodity Exchange Act, or otherwise, civil or criminal, pending or threatened, before any court or administrative or legislative body, and as the same are accrued, in which an Indemnitee may be or may have been involved as a party or otherwise or with which he, she or it may be or may have been threatened, while in office or thereafter (a "*Proceeding*")) and reasonable costs, expenses and disbursements (including legal and accounting fees and expenses) of any kind and nature whatsoever (collectively, "*Covered Losses*") that may be imposed on, incurred by, or asserted at any time against an Indemnitee (whether or not indemnified against by other parties) in any way related to or arising out of this Agreement, the administration of the Fund, or the action or inaction of an Indemnitee (including actions or inactions pursuant to Article X on the Fund's termination or dissolution) or under contracts with the Fund, except that the Covered Persons will not be entitled to indemnity for Covered Losses with respect to any matter as to which an Indemnitee has been finally adjudicated in any action, suit, or other proceeding, or otherwise by a court or arbitrator of competent

jurisdiction, to have committed an act or omission involving his, her or its own gross negligence, willful misconduct, bad faith, fraud, or willful and material breach of a material provision of this Agreement. The indemnities contained in this Article XI will survive the termination of this Agreement.

**11.4 Contract Right; Expenses.** The right to indemnification conferred in this Article XI will be a contract right. A Covered Person's right to indemnification under this Agreement includes the right to require the Fund to advance the expenses incurred by that Covered Person in defending any Proceeding in advance of its final disposition subject to an understanding to return the amount so advanced if found by final adjudication that the Covered Person has not met the standard of conduct required for indemnification.

**11.5 Nonexclusive Right.** The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Article XI will not be exclusive of any other right which any Person may have or later acquire under any statute or agreement, or under any insurance policy obtained for the benefit of any General Partner, Administrative Manager, Partnership Representative or officer of the Fund.

**11.6 Severability.** If any provision of this Article XI is determined to be unenforceable in whole or in part, that provision will nonetheless be enforced to the fullest extent permissible, it being the intent of this Article XI to provide indemnification to all Persons eligible under this Agreement to the fullest extent permitted by applicable law.

**11.7 Insurance.** The Fund may obtain insurance for (at the Fund's expense), the Indemnitees for any Covered Losses incurred by them in connection with the Fund, its business, properties and affairs, except for Covered Losses which are primarily attributable to their gross negligence, willful misconduct, bad faith, fraud, or willful and material breach of a material provision of this Agreement.

## **ARTICLE XII. REPRESENTATIONS, WARRANTIES AND COVENANTS**

**12.1 Representations and Warranties of the Partners.** Each Partner is fully aware that (i) the Fund and the General Partner are relying upon the exemption from registration provided by Section 4(a)(2) of the 1933 Act and Regulation D promulgated thereunder, and (ii) the Fund will not register as an investment company under the Investment Company Act, by reason of the provisions of Section 3(c)(1) of that Act, and the Fund must comply with certain requirements to rely on those Sections. Each Partner also is fully aware that the Fund and the General Partner are relying upon the truth and accuracy of the following representations by each of the Partners and in the representations made in its respective Subscription Agreement. Each of the Limited Partners hereby represents, warrants and covenants to the General Partner and the Fund that:

(a) In the case of (i) any entity, it has been duly formed and is validly existing and in good standing under the laws of its jurisdiction of organization with full power and authority to enter into and to perform this Agreement in accordance with its terms or (ii) an individual, he or she has the full legal capacity to enter into and to perform this Agreement in accordance with its terms;

(b) This Agreement is a legal, valid and binding obligation of that Partner, enforceable against that Partner in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights, and subject, as to enforceability, to the effect of general principles of equity;

(c) Its Interest is being acquired for its own account, for investment and not with a view to the distribution or resale, subject, however, to any requirement of law that the disposition of its property will at all times be within its control;

(d) In the case of any entity (including, for the avoidance of doubt, any trust), it was not organized for the purpose of acquiring an Interest;

(e) In the case of any entity (including, for the avoidance of doubt, any trust), the Partner's investment in the Fund will not constitute more than forty percent (40%) of the committed capital of the Partner;

(f) It is an "*accredited investor*" (as defined in rule 501 of the Securities Act);

(g) It is not a participant-directed defined contribution plan;

(h) It is not an "*investment company*" registered under the Investment Company Act or required to be registered under the Investment Company Act;

(i) If it is a "*benefit plan investor*" under Section 3(42) of ERISA, it has identified itself as the same in writing to the General Partner, its purchase and holding of its Interest is permissible under the documents governing the investment of its assets and under ERISA and the Code;

(j) It will conduct its business and affairs (including its investment activities) in a manner that it will be able to honor its obligations under this Agreement;

(k) It understands and acknowledges that the investments contemplated by the Fund involve a high degree of risk. The Partner, or its management, has substantial experience in evaluating and investing in Portfolio Company Securities and is capable of evaluating the merits and risks of its investments and has the capacity to protect its own interests. The Partner, by reason of its, or its management's, business or financial experience, has the capacity to protect its own interests in connection with proposed investments. The Partner has sufficient resources to bear the economic risk of any investments made, including any diminution in value, and will solely bear the economic risk of any investment;

(l) It has undertaken its own independent investigation, and formed its own independent business judgment, based on its own conclusions, as to the merits of the Portfolio Company Securities and investing in the Fund. The Partner is not relying and has not relied on the General Partner, the Investment Adviser or any of their Affiliates for any evaluation or other investment advice in respect of the Portfolio Company Securities or the advisability of investing in the Fund and has had all questions answered and requests fulfilled that the Partner has deemed to be material to the Partner's decision to invest in the Fund.

(m) It has had the opportunity to consult with legal counsel of its choice and has read and understands this Agreement and the Subscription Agreement and the Fund's confidential private placement memorandum.

**12.2 Derivative Transactions.** No Partner may, without providing the General Partner with a written opinion of counsel regarding the compliance of the proposed transfer with all applicable securities laws, and the prior written Consent of the General Partner (which may be granted, withheld, conditioned or delayed in its sole discretion), directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise assign, transfer or dispose of any Interests or Portfolio Company Securities, or publicly disclose the intention to make any offer, sale, pledge or disposition, or (ii) engage in any short selling of any Interests or Portfolio Company Securities. Notwithstanding the foregoing, any permitted transfers of Interests that are approved by the General Partner will be governed by Article VIII.

**12.3 Further Instruments and Cooperation of Limited Partners.** Each Limited Partner will furnish, from time to time, to the General Partner within five days after receipt of the General Partner's request (or other amounts of time as specified by the General Partner) any further instruments (including any designations, representations, warranties, and covenants), documentation and information as the General Partner deems to be reasonably necessary, appropriate or convenient: (i) to facilitate the Closing or satisfy any Closing Conditions; (ii) to satisfy applicable anti-money laundering requirements; (iii) for any tax purpose; or (iv) for any other purpose that is consistent with the terms of this Agreement.

### **ARTICLE XIII. POWER OF ATTORNEY**

**13.1 Function of Power of Attorney.** Each Limited Partner, by its execution of this Agreement, hereby irrevocably makes, constitutes and appoints each of the General Partner and the Liquidating Trustee, if any, in the capacity as Liquidating Trustee (each is referred to as the "*Attorney*"), as its true and lawful agent and attorney-in-fact, with full power of substitution and full power and authority in its name, place and stead, to make, execute, sign, acknowledge, swear to, record and file (i) this Agreement and any amendment to this Agreement that has been adopted as provided in this Agreement; (ii) the original Certificate of Limited Partnership and all amendments required or permitted by law or the provisions of this Agreement; (iii) all instruments or documents required to effect a transfer of Interest; (iv) all certificates and other instruments deemed advisable by the General Partner or the Liquidating Trustee, if any, to carry out the provisions of this Agreement, and applicable law or to permit the Fund to become or to continue as a limited partnership wherein the Limited Partners have limited liability in each jurisdiction where the Fund may be doing business; (v) all instruments that the General Partner or the Liquidating Trustee, if any, deems appropriate to reflect a change, modification or termination of this Agreement or the Fund in accordance with this Agreement including, the admission of additional Partners or substituted partners pursuant to the provisions of this Agreement, as applicable; (vi) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Fund; (vii) all conveyances and other instruments or papers deemed advisable by the General Partner or the Liquidating Trustee, if any, including, those to effect the termination and dissolution of the Fund (including a Certificate of Cancellation); (viii) all other agreements and

instruments necessary or advisable to consummate any purchase of Portfolio Company Securities; and (ix) all other instruments or papers that may be required or permitted by law to be filed on behalf of the Fund.

**13.2 Additional Functions.** The foregoing power of attorney:

(a) is coupled with an interest, is irrevocable and will survive the subsequent death, disability or Incapacity of any Partner or any subsequent power of attorney executed by a Partner;

(b) may be exercised by the Attorney, either by signing separately as attorney-in-fact for each Partner or by a single signature of the Attorney, acting as attorney-in-fact for all of them;

(c) will survive the delivery of an assignment by a Partner of all or any portion of its Interest; except that, where the assignee of all of that Partner's Interest has been approved by the General Partner for admission to the Fund, as a Substituted Partner, the power of attorney of the assignor will survive the delivery of that assignment for the sole purpose of enabling the Attorney to execute, swear to, acknowledge and file any instrument necessary or appropriate to effect that substitution; and

(d) is in addition to any power of attorney that may be delivered by a Partner in accordance with its Subscription Agreement entered into in connection with its acquisition of Interest.

**13.3 Delivery of Power of Attorney.** Each Limited Partner must execute and deliver to the General Partner within 5 days after receipt of the General Partner's request, any further designations, powers-of-attorney and other instruments as the General Partner reasonably deems necessary to carry out the terms of this Agreement.

**ARTICLE XIV.  
MISCELLANEOUS**

**14.1 Amendments.** This Agreement is subject to amendment only with the written Consent of the General Partner and either (i) the Investment Adviser or (ii) the Majority Partners; *provided, however,* that no amendment to this Agreement may:

(a) Modify the limited liability of a Partner; modify the indemnification and exculpation rights of the Covered Persons or increase in any material respect the liabilities or responsibilities of, or diminish in any material respect the rights or protections of, any Partner under this Agreement, in each case, without the Consent of each affected Partner or Covered Person, as the case may be;

(b) Alter the interest of any Partner in income, gains and losses or amend any portion of Article IV without the Consent of each Partner adversely affected by that amendment; *provided, however,* that the admission of additional Partners in accordance with the terms of this Agreement will not constitute an alteration or amendment;

(c) Amend any provisions of this Agreement that require the Consent, action or approval of Partners without the Consent of those Partners; or

(d) Amend or waive any provision of this Section 14.1 or Section 5.1.

**14.2 Ministerial and Administrative Amendments.** Notwithstanding the limitations of Section 14.1, ministerial or administrative amendments as may in the discretion of the General Partner or the Administrative Manager, be necessary or appropriate and those amendments as may be required by law may be made from time to time without the Consent of any of the Limited Partners; *provided, however*, that no amendment will be adopted pursuant to this Section 14.2 unless that amendment would not alter, or result in the alteration of, the limited liability of the Limited Partners or the status of the Fund as a "partnership" for federal income tax purposes.

**14.3 Amendment Recordation.** Upon the adoption of any amendment to this Agreement, the amendment will be executed by the General Partner and, if required, will be recorded in the proper records of each jurisdiction in which recordation is necessary for the Fund to conduct business. Any adopted amendment may be executed by the General Partner on behalf of the Partners pursuant to the power of attorney granted in Section 13.1.

**14.4 Offset Privilege.** The Fund may offset against any monetary obligation owing from the Fund to any Limited Partners or General Partner any monetary obligation then owing from that Limited Partner or General Partner to the Fund; *provided, however*, that the offset right will only apply to any monetary obligation owed to that Limited Partner or General Partner in their capacity as a Limited Partner or General Partner.

#### **14.5 Notices.**

(a) Any notice or other communication to be given to the Fund, the General Partner or any Limited Partner in connection with this Agreement will be in writing and will be delivered or mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand or messenger.

(b) Each Partner hereby acknowledges that the General Partner is entitled to transmit to that Partner exclusively by e-mail (or other means of electronic messaging) all notices, correspondence and reports, including that Partner's Schedule K-1s.

(c) Each notice or other communication to the General Partner will for purposes of this Agreement be treated as effective or having been given upon the earlier of (i) receipt, (ii) the date transmitted by email, with evidence of transmission from the transmitting device, (iii) acknowledged receipt, (iv) when delivered in person, (v) when sent by electronic facsimile transfer or electronic mail at the number or address set forth below and receipt is acknowledged by the General Partner, (vi) one Business Day after having been dispatched by a nationally recognized overnight courier service if receipt is evidenced by a signature of a person regularly employed or residing at the address set forth below for that Party or (vii) three Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid.

(d) Any notice must be given, if (x) to the Fund, to the Fund's Principal Office Location, facsimile number or email address, to the attention of the General Partner and (y) to any

Limited Partner or General Partner, to that Limited Partner's or General Partner's address or number specified in the records of the Fund. Any Party may by notice pursuant to this Section 14.5 designate any other physical address or email address to which notice to that Party must be given.

**14.6 Waiver.** No course of dealing or omission or delay on the part of any Party in asserting or exercising any right under this Agreement will constitute or operate as a waiver of any right. No waiver of any provision of this Agreement will be effective, unless in writing and signed by or on behalf of the Party to be charged with the waiver. No waiver will be deemed a continuing waiver or future waiver or waiver in respect of any other breach or default, unless expressly so stated in writing.

**14.7 Governing Law.** This Agreement will be construed, performed, enforced and arbitrated in accordance with the internal laws of the State of Delaware, without giving effect to its conflict of laws principles to the extent those principles or rules would require or permit the application of the laws of another jurisdiction.

**14.8 Dispute Resolution.** Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, except for any claim or action that the General Partner or Fund may elect to commence to enforce any of its rights or the Partners obligations under this Agreement or the Subscription Agreement, will be settled by binding arbitration, before three arbitrators, administered by the American Arbitration Association under and in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(a) *Location.* Any arbitration will be held in the Arbitration Location.

(b) *Costs.* Each of the Parties will equally bear any arbitration fees and administrative costs associated with the arbitration. The prevailing Party, as determined by the arbitrators, will be awarded its costs and reasonable attorneys' fees incurred in connection with the arbitration.

(c) *Number of Arbitrators.* Claims shall be heard by a single arbitrator who shall be a person experienced in the law of venture capital funds organized in the State of Delaware.

(d) *Timing of Award.* The award shall be made within six months of the filing of the notice of intention to arbitrate (demand), and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by the arbitrator for good cause shown, or by mutual agreement of the parties.

(e) *Remedies.* The arbitrators will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute. The arbitrator shall not award consequential damages in any arbitration initiated under this section. Any award in an arbitration initiated under this clause shall be limited to monetary damages and shall include no injunction or direction to any party other than the direction to pay a monetary amount.

(f) *Class Actions.* No person will bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against the other party that

has initiated in court a putative class action or that is a member of a putative class that has not opted out of the class with respect to any claims encompassed by the putative class action until (i) the class certification is denied, (ii) the class is decertified or (iii) the other party is excluded from the class by the court. Any forbearance to enforce an agreement to arbitrate will not constitute a waiver of any rights under this Agreement except if stated herein.

(g) *Consent to Jurisdiction.* The Parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Arbitration Location, for recognition or enforcement of any award determined pursuant to this **Section 14.8**.

(h) *Confidentiality.* Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

**14.9 Remedies.** In the event of any actual or prospective breach or default of this Agreement by any Party, the other parties will be entitled to seek equitable relief, including remedies in the nature of injunction and specific performance (without being required to post a bond or other security or to establish any actual damages). In this regard, the Parties acknowledge that they will be irreparably damaged in the event this Agreement is not specifically enforced, since (among other things) the Interests are not readily marketable. All remedies under this Agreement are cumulative and not exclusive, may be exercised concurrently and nothing in this Agreement will be deemed to prohibit or limit any Party from pursuing any other remedy or relief available at law or in equity for any actual or prospective breach or default, including the recovery of damages.

**14.10 Severability.** The provisions of this Agreement are severable and in the event that any provision of this Agreement is determined to be illegal, invalid or unenforceable in any respect by a court or arbitrator of competent jurisdiction, the remaining provisions of this Agreement will not be affected, but will, subject to the discretion of that court, remain in full force and effect, and any illegal, invalid or unenforceable provision will be deemed, without further action on the part of the Parties, amended and limited to the extent necessary to render that provision, as so amended and limited, legal, valid and enforceable, it being the intention of the Parties that this Agreement and each provision will be legal, valid and enforceable to the fullest extent permitted by applicable law.

**14.11 Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. A facsimile, PDF or DocuSign (or similar service) signature will be deemed an original. The Parties hereby Consent to transact business with the Fund and each of the other via electronic signature (including via DocuSign, eSignLive, or a similar service). Each Party understands and agrees that their signature page may be disassembled and attached to the final version of this Agreement.

**14.12 Further Assurances.** Each Party shall promptly execute, deliver, file or record those agreements, instruments, certificates and other documents and take other actions as the General Partner may reasonably request or as may otherwise be necessary or proper to carry out

the terms and provisions of this Agreement and to consummate and perfect the transactions contemplated hereby.

**14.13 Assignment.** Except as otherwise provided in this Agreement, and any right, interest or obligation may not be assigned by any Party without the prior written Consent of the General Partner as set forth in Article VIII. Any purported assignment without Consent will be *ab initio* null and void and without effect. Notwithstanding the foregoing, the Majority Partners may consent to the assignment of this Agreement, the Investment Advisory Agreement or any change in control of the Investment Adviser for purposes of the Investment Advisers Act of 1940.

**14.14 Binding Effect.** This Agreement will be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns. This Agreement is not intended, and will not be deemed, to create or confer any right or interest for the benefit of any Person not a party to this Agreement.

**14.15 Titles and Captions.** The titles and captions of the Articles and Sections of this Agreement are for convenience of reference only and do not in any way define or interpret the intent of the Parties or modify or otherwise affect any of the provisions hereof and shall not have any effect on the construction or interpretation of this Agreement.

**14.16 Construction.** This Agreement will not be construed against any party by reason of that party having caused this Agreement to be drafted.

**14.17 Entire Agreement.** This Agreement constitutes the entire understanding and agreement among the Parties and supersedes all prior and contemporaneous understandings and agreements whether written or oral.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the undersigned has executed this Agreement effective as of the Effective Date.

**FUND:**

**Breach Insurance I, a Series of Republic Deal Room Master Fund, LP**, a Delaware limited partnership

By: **Republic Deal Room GP LLC**, General Partner

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

*The signatories above hereby Consent to transact business via electronic signature (including via DocuSign, eSignLive, or an equivalent) and understand and agree that its signature page may be disassembled herefrom and attached to the final version of this Agreement.*

*Signature Page to Limited Partnership Agreement*

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the Effective Date.

**GENERAL PARTNER:**

**Republic Deal Room GP LLC**, a Delaware limited liability company

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

**INVESTMENT ADVISER:**

**Republic Deal Advisor LLC**, a Delaware limited liability company

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

*The signatories above hereby Consent to transact business via electronic signature (including via DocuSign, eSignLive, or an equivalent) and understand and agree that its signature page may be disassembled herefrom and attached to the final version of this Agreement.*

*Signature Page to Limited Partnership Agreement*

## Partner Signature Page

The undersigned Partner hereby executes the Limited Partnership Agreement of the Fund, dated as of the Effective Date, and hereby authorizes this signature page to be attached to a counterpart of that document executed by the General Partner of the Fund.

\_\_\_\_\_  
(Print Name of Partner)

\_\_\_\_\_  
(Signature of Partner or Authorized Signatory) Dated: \_\_\_\_\_

**If Partner is acting through an Authorized Signatory, Partner must complete the fields below.**

\_\_\_\_\_  
(Name of Authorized Signatory)

\_\_\_\_\_  
(Title of Authorized Signatory)

**If Partner has a spouse or domestic partner and lives in a community property state (Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington and Wisconsin, and Alaska if opted-in to the community property regime), or if Partner is purchasing an interest jointly with its spouse or domestic partner, that spouse or domestic partner confirms and agrees that it is bound by the terms of this Agreement.**

\_\_\_\_\_  
(Print Name of Spouse or Domestic Partner)

\_\_\_\_\_  
(Signature of Spouse or Domestic Partner or Authorized Signatory) Dated: \_\_\_\_\_

***The signatories above hereby Consent to transact business via electronic signature (including via DocuSign, eSignLive, or an equivalent) and understand and agree that its signature page may be disassembled herefrom and attached to the final version of this Agreement.***

## EXHIBIT A

### INVESTMENT ADVISORY AGREEMENT

This **Investment Advisory Agreement** is between Breach Insurance I, a Series of Republic Deal Room Master Fund, LP, a Delaware limited partnership (the "**Fund**"), Republic Deal Room GP LLC, a Delaware limited liability company (the "**General Partner**") and Republic Deal Advisor LLC, a Delaware limited liability company (the "**Investment Adviser**").

The parties agree as follows:

- 1) **Definitions.** Terms defined in the Limited Partnership Agreement of the Fund (the "**Partnership Agreement**") and not otherwise defined in this Agreement have the meanings assigned to them in the Partnership Agreement.
- 2) **Services to be Rendered by Investment Adviser to the Fund.** As contemplated by the Partnership Agreement, the General Partner hereby, in accordance with the terms hereof and of the Partnership Agreement, retains the Investment Adviser, as agent, to manage the investments and day-to-day business and affairs of the Fund and its subsidiaries, subject at all times to applicable law, including to:
  - i. serve as discretionary investment adviser to the Fund
  - ii. furnish advice to the Fund regarding whether to form an investment vehicle, whether the Fund should make an investment in a particular Portfolio Company, when and on what terms to dispose of the Fund's investment in the Portfolio Company, and how to exercise the Fund's voting rights with respect to the Portfolio Company;
  - iii. furnish advice to the General Partner regarding how the Fund should vote in respect of the Portfolio Company Securities; and
  - iv. negotiate and structure investments on behalf of the Fund, review and assist in the preparation of all Fund documentation and attempt to consummate investments that the Investment Adviser recommends the Fund pursue.
- 3) **Delegation of Responsibilities.** The Investment Adviser agrees to be bound by all of the terms and provisions of the Partnership Agreement (including any side letter agreements thereto) applicable to it, as delegatee of the General Partner, as though expressly made a party thereto, and will be governed by the same standard of care applicable to the General Partner in connection therewith. The General Partner on behalf of the Fund agrees that the Investment Adviser will be entitled to all of the benefits of the Partnership Agreement applicable to it as a delegatee of the General Partner, including, without limitation, the right to reimbursement of expenses and the right to indemnification.

- 4) **Relationship of the Parties.** The Investment Adviser is an independent contractor. Nothing contained in this Agreement will be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, or employment relationship between the parties.
- 5) **Fees for Management Services.** The Fund shall pay the Investment Adviser a management fee calculated by multiplying the aggregate amount of Capital Commitments by two (2) percent (the "**Management Fee**"). This is a one-time, upfront management fee due when the Fund's initial investment is consummated. The Investment Adviser may not collect interest or penalties for any late payments if the Investment Adviser fails to timely send the Fund an invoice each time a payment becomes due.
- 6) **Service Providers.** In addition to the services of its own staff, the Investment Adviser m arrange for and coordinate the services of other professionals and consultants, including accountants, attorneys and insurers; provided that, except as otherwise set forth in the Limited Partnership Agreement, the provision and cost of such services are on arm's length terms and competitive market rates in relation to terms that are then customary for agreements regarding the provision of such services to companies that have assets similar in type, quality and value to the assets of the Fund and its subsidiaries.
- 7) **Effective Period.** This Agreement is effective upon its execution and will remain in effect until the Fund is terminated, the Investment Adviser resigns, or the Partners of the Fund holding a majority of the votes vote to terminate this Agreement.
- 8) **Attorney-in-Fact.** The Fund and the General Partner hereby constitute and appoint the Investment Adviser, on behalf of the Fund and the General Partner, as attorney-in-fact with full power and authority to act on behalf of the Fund to the extent necessary to satisfy its obligations pursuant to this Agreement. This power of attorney is coupled with an interest and will be irrevocable and will survive and not be affected by the dissolution, bankruptcy, incapacity, disability or death of any Partner, the Fund or the General Partner and will terminate only on the termination of this Agreement.
- 9) **Amendments.** The parties may not amend this Agreement unless the amendment is in writing and signed by each party.
- 10) **Successors and Assigns.** This Agreement binds the Parties and inures to the benefit of each Party's respective heirs, successors, and assigns. However, the Investment Adviser may not assign this Investment Advisory Agreement unless the Fund approves the assignment and the assignee agrees in writing to be bound by and assume all the Investment Adviser's obligations under this Agreement; *provided* Investment Adviser may assign this Agreement to any controlled affiliate of Investment Adviser without the Fund's consent by providing written notice to the General Partner. The Majority Partners may consent to the assignment of this or any change in control of the Investment Adviser for purposes of the Investment Advisers Act of 1940.
- 11) **Entire Agreement.** This Agreement constitutes the entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, whether written or oral.
- 12) **Governing Law.** This Agreement will be governed and construed in accordance with the laws of the State of Delaware.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has executed and delivered this Agreement on the Effective Date.

**INVESTMENT ADVISER:**

Republic Deal Advisor LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

**GENERAL PARTNER:**

Republic Deal Room GP LLC, a Delaware limited liability company

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

**FUND:**

**Breach Insurance I, a Series of Republic Deal Room Master Fund, LP**, a Delaware limited partnership

By: **Republic Deal Room GP LLC**, General Partner

By: \_\_\_\_\_

Name: Kirsten Horning

Title: Managing Director

**EXHIBIT B**  
**CERTAIN TAX AND ACCOUNTING MATTERS**

**ARTICLE I.**  
**DEFINITIONS**

Capitalized terms used in this Exhibit B have the meanings set forth below or in the Section of this Exhibit B referred to below, except as otherwise expressly indicated or limited by the context in which they appear in this Exhibit B. All terms defined in this Article I in the singular have the same meanings when used in the plural and vice versa. Accounting terms used but not otherwise defined shall have the meanings given to them under generally accepted accounting principles. References to Sections and Articles refer to sections and articles of this Exhibit B, unless the context requires otherwise. Capitalized terms that are not defined in this Exhibit B shall have the meaning ascribed to them in the Agreement to which this Exhibit B is attached (the "*Agreement*").

**1.1** "*Adjusted Capital Account Deficit*" means with respect to any Partner, the negative balance, if any, in such Partner's Capital Account as of the end of the relevant Fiscal Year, determined after giving effect to the following adjustments: (i) credit to such Capital Account any portion of such negative balance which such Partner (a) is treated as obligated to restore to the Fund pursuant to the provisions of Treas. Reg. Section 1.704-1(b)(2)(ii)(c), or (b) is deemed to be obligated to restore to the Fund pursuant to the penultimate sentences of Treas. Reg. Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) debit to such Capital Account the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6). This definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treas. Reg. Sections 1.704-1(b)(2)(ii)(d) and 1.704-2 and shall be interpreted consistently therewith.

**1.2** "*Book Gain*" or "*Book Loss*" means the gain or loss recognized by the Fund for Code 704(b) book purposes in any Fiscal Year by reason of the sale or other disposition of any of the assets of the Fund. Such Book Gain or Book Loss shall be computed by reference to the Carrying Value of such property or assets as of the date of such sale or disposition (determined in accordance with Section 1.5 of this Exhibit B), and each and every reference herein to "gain" or "loss" shall be deemed to refer to Book Gain or Book Loss, rather than to tax gain or tax loss, unless the context manifestly otherwise requires.

**1.3** "*Capital Account*" has the meaning ascribed thereto in Section 2.1 of this Exhibit B. To the extent a Partner's Capital Account is greater than zero, such excess is hereinafter referred to as a "positive balance." To the extent that a Partner's Capital Account is less than zero, said amount is hereinafter referred to as a "*deficit balance*."

**1.4** "*Capital Contribution*" means, with respect to any Partner, (i) the amount of money and (ii) the fair market value (as reasonably and jointly determined by the Partners) of any property (net of related liabilities) other than money, contributed to the Fund with respect to the interest in the Fund held by such Partner.

**1.5** "*Carrying Value*" means (i) with respect to any property contributed to the Fund by a Partner, the fair market value of such property (determined in accordance with Code Section 7701(g)), reduced (but not below zero) by all Depreciation with respect to such property charged to the Partners' Capital Accounts and (ii) with respect to any other property of the Fund, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted in accordance with Section 2.3 of this Exhibit B from time to time (including, without limitation, at such times provided in Section 2.3(b) of this Exhibit B) to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Fund property.

**1.6** "*Code*" means the Internal Revenue Code of 1986, and any subsequent federal law of similar import, and, to the extent applicable, any Treasury Regulations promulgated thereunder.

**1.7** "*Depreciation*" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period for federal income tax purposes; provided, that if the Carrying Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of any such year or other period, Depreciation shall be an amount that bears the same relationship to the Carrying Value of such asset as the depreciation, amortization, or other cost recovery deduction computed for federal income tax purposes with respect to such asset for the applicable period bears to the adjusted tax basis of such asset at the beginning of such period, or if such asset has a zero adjusted tax basis, Depreciation shall be an amount determined under any reasonable method selected by the General Partner.

**1.8** "*Economic Risk of Loss*" has the meaning given to such term in Treas. Reg. Section 1.752-2(a).

**1.9** "*Excess Deficit Capital Account Balance*" of any Partner shall mean a deficit Capital Account balance at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Partner is treated as obligated to restore to the Fund pursuant to the provisions of Treas. Reg. Section 1.704-1(b)(2)(ii)(c) and (ii) the amount of such Partner's share of Fund Minimum Gain and any Partner Nonrecourse Debt Minimum Gain. The existence and amount of any Excess Deficit Capital Account Balance at the end of any year shall be determined before any other allocations provided for in Article III of this Exhibit B, for such year have been made.

**1.10** "*Fiscal Year*" means the fiscal year of the Fund, which shall be the same as its taxable year, as determined pursuant to Section 4.2 of this Exhibit B.

**1.11** "*Fund Minimum Gain*" has the meaning given to the term "Partnership Minimum Gain" in Treas. Reg. Section 1.704-2(b)(2) and the amount of Fund Minimum Gain, as well as any net increase or decrease in the Fund Minimum Gain for a Fund taxable year, shall be determined in accordance with the rules of such Treasury Regulations.

**1.12** "*Net Loss*" has the meaning ascribed thereto in Section 2.2 of this Exhibit B.

**1.13** "*Nonrecourse Deductions*" has the meaning given to such term in Treas. Reg. Sections 1.704-2(b) and 1.704-2(c).

**1.14** "*Partner Minimum Gain*" shall have the meaning given to such term in Treas. Reg. Section 1.704-2(d), and shall generally mean the amount by which the nonrecourse liabilities secured by any assets of the Fund exceed the adjusted tax basis of such assets as of the date of determination. A Partner's share of Fund Minimum Gain (and any net decrease thereof) at any time shall be determined in accordance with Treas. Reg. Section 1.704-2(g).

**1.15** "*Partner Nonrecourse Debt*" has the meaning given to such term in Treas. Reg. Section 1.704-2(b)(4).

**1.16** "*Partner Nonrecourse Debt Minimum Gain*" shall have the meaning set given to such term in Treas. Reg. Section 1.704-2(i)(3).

**1.17** "*Partner Nonrecourse Deductions*" has the meaning given to such term in Treas. Reg. Section 1.704-2(i)(2) and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Fund taxable year shall be determined in accordance with the rules of Treas. Reg. Section 1.704-2(i)(2).

**1.18** "*Partnership Nonrecourse Liability*" has the meaning given to such term in Treas. Reg. Section 1.704-2(b)(3).

**1.19** "*Net Income*" has the meaning ascribed thereto in Section 2.2 of this Exhibit B.

**1.20** "*Treasury Regulations*" means the federal income tax regulations, including any temporary or proposed regulations, promulgated under the Code.

**1.21** "*Venture Capital Fund*" means any private fund that: (1) Represents to investors and potential investors that it pursues a venture capital strategy; (2) Immediately after the acquisition of any asset, other than qualifying investments or short-term holdings, holds no more than 20 percent of the amount of the fund's aggregate capital contributions and uncalled committed capital in assets (other than short-term holdings) that are not qualifying investments, valued at cost or fair value, consistently applied by the fund; (3) Does not borrow, issue debt obligations, provide guarantees or otherwise incur leverage, in excess of 15 percent of the private fund's aggregate capital contributions and uncalled committed capital, and any such borrowing, indebtedness, guarantee or leverage is for a non-renewable term of no longer than 120 calendar days, except that any guarantee by the private fund of a qualifying portfolio company's obligations up to the amount of the value of the private fund's investment in the qualifying portfolio company is not subject to the 120 calendar day limit; (4) Only issues securities the terms of which do not provide a holder with any right, except in extraordinary circumstances, to withdraw, redeem or require the repurchase of such securities but may entitle holders to receive distributions made to all holders pro rata; and (5) Is not registered under section 8 of the Investment Company Act of 1940, as may be amended from time to time (15 U.S.C. 80a-8), and has not elected to be treated as a business development company pursuant to section 54 of that Act (15 U.S.C. 80a-53).

## ARTICLE II. CAPITAL ACCOUNTS

**2.1 Capital Account.** A separate capital account (each a "*Capital Account*") shall be maintained for each Partner in accordance with the rules of Treas. Reg. Section 1.704-1(b)(2)(iv), and this Section 2.1 shall be interpreted and applied in a manner consistent therewith. Whenever the Fund would be permitted to adjust the Capital Accounts of the Partners pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Fund property, the Fund may so adjust the Capital Accounts of the Partners. In the event that the Capital Accounts of the Partners are adjusted pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(f) to reflect revaluations of Fund property, (i) the Capital Accounts of the Partners shall be adjusted in accordance with Treas. Reg. Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain or loss, as computed for book purposes, with respect to such property, (ii) the Partners' distributive shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to such property shall be determined so as to take account of the variation between the adjusted tax basis and book value of such property in the same manner as under Code Section 704(c), and (iii) the amount of upward or downward adjustments to the book value of the Fund property shall be treated as income, gain, deduction or loss for purposes of applying the allocation provisions of this Article II. In the event that Code Section 704(c) applies to Fund property, the Capital Accounts of the Partners shall be adjusted in accordance with Treas. Reg Section 1.704-1(b)(2)(iv)(g) for allocations of depreciation, depletion, amortization and gain and loss, as computed for book purposes, with respect to such property.

**2.2 Net Income and Net Loss.** "*Net Income*" and "*Net Loss*" means, for purposes of computing the amount of Net Income or Net Loss to be reflected in the Partners' Capital Accounts, for each Fiscal Year or other period for which allocations to Partners are made, an amount equal to the Fund's taxable income or loss, respectively, as determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in computing such income or loss), but excluding in such calculation items specially allocated under Sections 3.3 and 3.6 of this Exhibit B computed with the following adjustments (to the extent not otherwise taken into account):

(a) any income of the Fund that is exempt from federal income tax shall be added to such taxable income or loss;

(b) any expenditure of the Fund described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Income or Net Loss shall be subtracted from such taxable income or loss;

(c) in the event the Carrying Value of any Fund asset is adjusted pursuant to this Exhibit B, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss, and shall be allocated in accordance with the provisions of Section 3.1 of this Exhibit B;

(d) Book Gain or Book Loss from the sale or other disposition of any Fund asset shall be taken into account in lieu of any tax gain or tax loss recognized by the Fund by reason of such sale or other disposition;

(e) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed as provided in this Exhibit B; and

(f) to the extent an adjustment to the adjusted tax basis of any Fund asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest in the Fund, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the Fund asset) or loss (if the adjustment decreases the basis of the Fund asset) from the disposition of the Fund asset and shall be taken into account for purposes of computing Net Income or Net Loss.

If the Fund's taxable income or loss for such Fiscal Year or other period, as adjusted in the manner provided above, is a positive amount, such amount shall be the Fund's Net Income for such Fiscal Year or other period; and if a negative amount, such amount shall be the Fund's Net Loss for such Fiscal Year or other period.

### **2.3 Adjustments to Carrying Values.**

(a) Consistent with the provisions of Treas. Reg. Section 1.704-1(b)(2)(iv)(f), and as provided in Section 2.3(b) of this Exhibit B, the Carrying Value of each Fund asset shall be adjusted upward or downward to reflect any Book Gain or Book Loss attributable to such Fund asset, as of the times of the adjustments provided in Section 2.3(b) of this Exhibit B, as if such Book Gain or Book Loss had been recognized on an actual sale of each such Fund asset and allocated pursuant to Section 3.1 of this Exhibit B.

(b) Except as otherwise determined by the General Partner, such adjustments shall be made as of any of the following times: (i) immediately prior to the acquisition of an additional interest in the Fund by any new or existing Partner in exchange for more than a *de minimis* Capital Contribution; (ii) immediately prior to the distribution by the Fund to a Partner of more than a *de minimis* amount of money or other property as consideration for an interest in the Fund; (iii) in connection with the liquidation of the Fund within the meaning of Treas. Reg. Section 1.704-1(b)(2)(ii)(g); (iv) the grant of an interest in the Fund as consideration for the provision of services to or for the benefit of the Fund by an existing Partner acting in a Partner capacity or in anticipation of being a Partner; and (v) under generally accepted industry accounting practices within the meaning of Treas. Reg. Section 1.704-1(b)(2)(iv)(f)(5).

(c) In accordance with Treas. Reg. Section 1.704-1(b)(2)(iv)(e), the Carrying Value of each Fund asset distributed in kind shall be adjusted upward or downward to reflect any Book Gain or Book Loss attributable to such Fund asset, as of the time such asset is distributed.

(d) The adjustment under this Section 2.3 (i) shall be based on a reasonable estimate of the fair market value of Fund assets (taking Code Section 7701(g) into account) on the date of adjustment, as conclusively determined by the good faith action of the General Partner, (ii)

shall not require an appraisal and (iii) shall reflect the manner in which the unrealized income, gain, loss or deduction inherent in the assets (that have not previously been reflected in Capital Accounts) would be allocated among the Partners if there were a taxable disposition of the property for fair market value on that date.

**2.4 No Liability for Capital.** No Partner shall have any liability for the return of the Capital Contribution of any other Partner. Further, except as provided in this Agreement, no Partner shall be entitled to demand or receive the return of his capital contributions, nor may any Partner require that a distribution be made to him in any form other than cash. No Partner shall be personally liable for the return or repayment of all or any portion of the capital of any Partner or (except as otherwise provided herein) for the repayment of all or any portion of any loan made by any Partner to the Fund; it being expressly understood that any such return of capital or repayment of any such loan (except as otherwise provided herein) shall be made solely from the assets of the Fund.

**2.5 No Interest on Capital.** Except as specifically provided herein, no interest or additional share of Net Income shall be paid or credited to the Partners on their respective Capital Accounts or on any undistributed Net Income or funds left on deposit with the Fund; *provided, however,* that nothing herein contained shall be construed to prevent or prohibit the payment of interest on account of any Partner Loan by any Partner to the Fund or to any other Partner. Any Partner Loan made to the Fund by a Partner shall not increase his, her or its capital contribution or Percentage Interest in the Net Income, Net Loss or distributions of the Fund, and shall be repaid in accordance with the terms of this Agreement.

### **ARTICLE III. ALLOCATION OF NET INCOME, NET LOSS AND DEDUCTIONS FOR BOOK AND TAX PURPOSES**

**3.1 Allocations of Net Income and Net Loss.** Except as otherwise provided in this Article III, Net Income and Net Loss and, to the extent necessary, individual items of income, gain or loss or deduction of the Fund shall be allocated in a manner such that the Capital Account of each Partner after giving effect to the special allocations set forth in the Agreement and Sections 3.3 and 3.6 of this Exhibit B is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made pursuant to Section 10.4(d) of the Agreement if the Fund were terminated, its affairs wound up and its assets sold for cash equal to their Carrying Value, all Fund liabilities were satisfied (limited with respect to each non-recourse liability to the Carrying Value of the assets securing such liability) and the net assets of the Fund were distributed in accordance with Section 10.4(d) of the Agreement to the Partners immediately after making such allocation, minus (ii) such Partner's share of Fund Minimum Gain and Partner Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets. Notwithstanding the foregoing, the General Partner may make such allocations as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into account such facts and circumstances it deems reasonably necessary for this purpose.

#### **3.2 Tax Allocations.**

(a) Except as otherwise provided in this Section 3.2, items of Fund income, gain, loss and deduction shall be determined in accordance with Code Section 703, and the Partners' distributive shares of such items for purposes of Code Section 702 shall be determined according to their respective shares of Net Income or Net Loss to which such items relate; *provided, however*, that if any such allocation for tax purposes is not permitted by the Code or other applicable Law, the Fund's subsequent income, gains, Net Loss, deductions and credits shall be allocated among the Partners for tax purposes so as to reflect as nearly as possible the allocation set forth in Section 3.1 of this Exhibit B in computing their Capital Accounts.

(b) Items of Fund taxable income, gain, loss and deduction with respect to any Fund property contributed by a Partner shall be allocated among the Partners in accordance with Code Section 704(c), so as to take account of any variation between the adjusted basis of such property to the Fund for federal income tax purposes and its Carrying Value. Notwithstanding the allocations of Net Income and Net Loss, if any property contributed to the Fund has a fair market value (as reasonably and jointly determined by the Partners) that differs from its adjusted basis for federal income tax purposes at the time of such contribution, or if there is a revaluation of or an adjustment to the Carrying Value of any Fund property such that the book value of such property differs from its adjusted basis for federal income tax purposes, items of income, gain, loss, and deduction with respect to any such property shall be allocated among the Partners so as to take account of such difference, in the manner intended by Code Section 704(c) and the Treasury Regulations from time to time promulgated thereunder, using such method permitted by such Treasury Regulations as the General Partner may reasonably determine.

(c) Allocations pursuant to this Section 3.2, unless otherwise expressly stated, are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Loss, distributions or other Fund items pursuant to any provision of the Agreement of this Exhibit B.

**3.3 Special Allocations.** The following special allocations shall be made in the following order:

(a) *General Limitation.* Notwithstanding anything to the contrary contained in this Article III, no allocation shall be made to a Partner, which would cause such Partner to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. If the limitation contained in the preceding sentence would apply to cause an item of loss or deduction to be unavailable for allocation to all Partners, then such item of loss or deduction shall be allocated between or among those Partners who would not have an Adjusted Capital Account Deficit. This Section 3.3(a) is intended to comply with the "alternate test for economic effect" provisions of Treas. Reg. Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(b) *Fund Minimum Gain.* Except to the extent provided in Treas. Reg. Sections 1.704-2(f)(2), (3), (4) and (5), if there is, for any Fiscal Year of the Fund, a net decrease in Fund Minimum Gain, there shall be allocated to each Partner, before any other allocation pursuant to Article III is made under 704(b) of the Code of Fund items for such Fiscal Year, items of income and gain for such year (and, if necessary, for subsequent years) equal to such Partner's share of the net decrease in Fund Minimum Gain. A Partner's share of the net decrease in Fund Minimum Gain shall be determined in accordance with Treas. Reg. Section 1.704-2(g)(2). Items of income and

gain to be allocated pursuant to the foregoing provisions of this Section 3.3(b) shall consist first of gains recognized from the disposition of items of Fund property subject to one or more Partnership Nonrecourse Liabilities of the Fund, and then of a pro rata portion of the other items of Fund income and gain for that year. This Section 3.3(b) is intended to comply with the "minimum gain chargeback" requirement of Treas. Reg. Section 1.704-2(f) and shall be interpreted consistently therewith.

(c) *Partner Minimum Gain.* Except to the extent provided in Treas. Reg. Section 1.704-2(i)(4), if there is, for any Fiscal Year of the Fund, a net decrease in Partner Nonrecourse Debt Minimum Gain attributable to a Partner Nonrecourse Debt, there shall be allocated to each Partner that has a share of Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt before any other allocation pursuant to Article III hereof (other than an allocation required pursuant to Section 3.3(b) of this Exhibit B) is made under 704(b) of the Code of Fund items for such Fiscal Year, items of income and gain for such year (and, if necessary, for subsequent years) equal to such Partner's share of the net decrease in the Partner Nonrecourse Debt Minimum Gain attributable to such Partner Nonrecourse Debt. The determination of a Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain shall be made in a manner consistent with the principles contained in Treas. Reg. Section 1.704-2(g). The determination of which items of income and gain to be allocated pursuant to the foregoing provisions of this Section 3.3(c) shall be made in a manner that is consistent with the principles contained in Treas. Reg. Section 1.704-2(f)(6). This Section 3.3(c) is intended to comply with the "minimum gain chargeback" requirement of Treas. Reg. Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(d) *Qualified Income Offset.* Notwithstanding anything to the contrary contained in this Exhibit B, in the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. Section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), there shall be specially allocated to such Partner such items of Fund income and gain, at such times and in such amounts as will eliminate as quickly as possible the Adjusted Capital Account Deficit of such Partner, provided that an allocation pursuant to this Section 3.3(d) shall be made if and only to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article III had been tentatively made as if this Section 3.3(d) were not in this Exhibit B. This Section 3.3(d) is intended to comply with the "qualified income offset" requirement of Treas. Reg. Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) *Gross Income Allocation.* If at the end of any Fund taxable year, a Partner has an Excess Deficit Capital Account Balance, such Partner shall be specially allocated items of Fund income or gain in an amount and manner sufficient to eliminate such Excess Deficit Capital Account Balance as quickly as possible; provided that an allocation pursuant to this Section 3.3(e) shall be made only if and to the extent that such Partner would have an Excess Deficit Capital Account Balance after all other allocations provided for in this Article III had been tentatively made as if Section 3.3(d) of this Exhibit B and this Section 3.3(e) were not in this Exhibit B.

(f) *Nonrecourse Deductions.* Nonrecourse Deductions for any Fiscal Year shall be allocated to the Partners pro rata based on their relative Capital Contributions.

(g) *Partner Nonrecourse Deductions.* Notwithstanding anything to the contrary contained in this Article III, any Partner Nonrecourse Deductions that are (in accordance with the principles set forth in Treas. Reg. Section 1.704-2(i)(2)) attributable to Partner Nonrecourse Debt shall be allocated to the Partner that bears the Economic Risk of Loss for such Partner Nonrecourse Debt. If more than one Partner bears such Economic Risk of Loss, such Partner Nonrecourse Deductions shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss. If more than one Partner bears such Economic Risk of Loss for different portions of a Partner Nonrecourse Debt, each such portion shall be treated as a separate Partner Nonrecourse Debt.

(h) *Section 754 Adjustment.* To the extent an adjustment to the adjusted tax basis of any Fund asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treas. Reg. Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations.

**3.4 Partners' Interests in Fund Net Income for Purposes of Code Section 752.** Except as required by Treasury Regulations and as provided in the following sentence, pursuant to Treas. Reg. Section 1.752-3(a)(3) excess Partnership Nonrecourse Liabilities of the Fund will be allocated among the Partners based on their relative Capital Contributions, which is the manner in which it is reasonably expected that the deductions attributable to such Partnership Nonrecourse Liabilities will be allocated.

**3.5 Interpretation.** The foregoing provisions of this Article III are intended to comply with Treas. Reg. Sections 1.704-1(b) and 1.704-2 and shall be interpreted consistently with this intention. Any terms used in such provisions that are not specifically defined in this Agreement shall have the meaning, if any, given such terms in the Treasury Regulations cited above.

**3.6 Curative Allocations.** If any allocation of gain, income, loss, expense or any other item is made pursuant to Section 3.3 of this Exhibit B (the "*Regulatory Allocations*") with respect to one or more Partners, then the Regulatory Allocations shall be taken into account in allocating Net Income, Net Loss and other items of income, gain, loss and deduction among the Partners such that, to the extent possible (taking into account the provisions of the applicable Treasury Regulations), the net amount of such allocations of Net Income, Net Loss and other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not been made.

**3.7 Distributions.** To the extent permitted by Treas. Reg. Section 1.704-2(h)(3), the General Partner shall endeavor to treat distributions as having been made from the proceeds of a Partnership Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Partner.

## **ARTICLE IV. CERTAIN TAX AND ACCOUNTING MATTERS**

**4.1 Accounting Method.** Except as otherwise determined by the General Partner or required by Law, the Fund shall use the accrual method of accounting for both tax and financial reporting purposes.

**4.2 Taxable Year.** Except as otherwise determined by the General Partner or required by Law, the taxable year of the Fund shall end on the 31st day of December of each year.

**4.3 Withholding Taxes, Etc.**

(a) The Fund is hereby authorized and directed by each Partner to withhold from distributions or other amounts payable to such Partner such amount or amounts as shall be required by the Code, the Treasury Regulations or applicable provisions of foreign, or U.S. federal, State or local tax law, and to remit such amount or amounts to the Internal Revenue Service or such other applicable foreign or U.S. federal, State or local taxing authority at such time or times as may from time to time be required by the relevant taxing authority. Any amount so withheld shall be treated for purposes of the Agreement and this Exhibit B as a distribution (or other payment, if applicable) by the Fund to such Partner. If at any time the amount required to be withheld with respect to any Partner exceeds the amount distributable (or other amount payable) to such Partner at such time, such Partner shall immediately make a cash contribution (or payment) to the Fund (which contribution or payment shall not constitute a Capital Contribution for purposes of the Agreement) equal to the amount of such excess, which amount, together with any amount actually withheld, shall be remitted by the Fund to the relevant taxing authority or authorities. If the Fund pays taxes that are assessable against the Fund with reference to (or where there is exemption from based upon) the tax status or nature of a Partner, the amount of such payment attributable to each applicable Partner shall reduce the amount of available cash distributable to such Partner and shall be specially allocated to such Partner as an income tax deduction.

(b) The General Partner is authorized to make, on behalf of the Fund, any and all tax elections, filings, decisions or determinations with respect to the Fund.

(c) Any withholdings referred to in this Section 4.3 shall be made at the maximum applicable statutory rate under the applicable tax Law unless the Fund shall have received an opinion of counsel, or other evidence, satisfactory to the General Partner to the effect that a lower rate is applicable or that no withholding is applicable.

**4.4 Code Section 754 Election.** In the event of a distribution of property made in the manner provided in Code Section 734, or in the event of a Transfer of any interest in the Fund permitted herein made in the manner provided in Code Section 743, the General Partner, on behalf of the Fund, may, in its sole discretion, upon the written request of the assigning Partner or his transferee, file an election under Code Section 754 in accordance with the procedures set forth in the applicable regulations promulgated thereunder. At the request of the General Partner, the expense of making such election and the incidental expense, if any, of preparing and filing information and other tax returns in accordance therewith shall be borne by the assigning Partner or his transferee.

**ARTICLE V.**  
**LIQUIDATING DISTRIBUTIONS; NO DEFICIT FUNDING OBLIGATION**

**5.1 Liquidating Distributions.** It is intended that the foregoing tax allocation provisions of this Exhibit B will produce final Capital Account balances of the Partners that would permit liquidating distributions, if such distributions were made in accordance with such final Capital Account balances (instead of being made in the order of priorities set forth in Article 7 of the Agreement) to be made (after unpaid loans and interest thereon, including those owed to Partners have been paid) in a manner identical to the order of priorities set forth in Section 7.1 of the Agreement. To the extent that the foregoing tax allocation provisions of this Exhibit B would fail to produce such final Capital Account balances, Net Income and Net Loss (including items of gross income if required to fulfill the intent of this Section 5.1) will be reallocated among the Partners for the Fiscal Year of the liquidation (and, if necessary, prior Fiscal Years) so that the final Capital Account balances of the Partners will be in the correct amounts. Notwithstanding anything herein to the contrary, in the event the Fund is liquidated within the meaning of Treas. Reg. Section 1.704-1(b)(2)(ii)(g), liquidating distributions shall be made by the end of the taxable year in which the Fund liquidates or, if later, within ninety (90) days of the date of such liquidation. Distributions may be made to a trust for the purposes of an orderly liquidation of the Fund by the trust in accordance with the Act.

**5.2 Deficit Capital Accounts.** Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of Law to the contrary, upon termination of the Fund, the deficit, if any, in the Partner's Capital Accounts, shall not be an asset of the Fund and the Partners shall not be obligated to contribute such amount to the Fund to bring the balance of their Capital Accounts to zero.

**ARTICLE VI.**  
**CLOSING OF FUND BOOKS IN CONNECTION WITH ADMISSION  
OF NEW PARTNER OR TRANSFER OF PARTNER'S INTEREST**

**6.1** Upon the effective date (the "*Admission Date*") (i) of the admission of a new Partner into the Fund (except in connection with the admission of a Partner pursuant to Article V of the Agreement), or (ii) of a valid Transfer of all or part of a Partner's interest in the Fund pursuant to the Agreement, the books of the Fund shall be closed in accordance with 706(d) of the Code, and consistent therewith: (x) items of income, deduction, gain, loss or credit of the Fund that are recognized prior to the Admission Date shall be allocated among those Persons who were Partners in the Fund prior to the Admission Date; and (y) items of income, deduction, gain, loss or credit of the Fund that are recognized after the Admission Date shall be allocated among the Persons who were Partners after the Admission Date. Notwithstanding the foregoing, when, in the reasonable discretion of the General Partner, the admission of a new Partner or Transfer of all or part of a Partner's interest in the Fund will result in only a de minimis change in the interests of the Partners, the General Partner may select any other method provided by Treas. Reg. Section 1.706-4 or otherwise to allocate items of income, deduction, gain, loss or credit or other items of the Fund to the Partners for the year of the admission of the new Partner or Transfer of a Partner's interest in the Fund.

**ARTICLE VII.**  
**PARTNERSHIP REPRESENTATIVE**

**7.1** The General Partner will be the "partnership representative" within the meaning of Code Section 6223 (the "*Partnership Representative*") and the Fund and the Partners shall complete any actions necessary or reasonably appropriate (including any required certificates or other documents) to effect such designation. The Partnership Representative will have all of the powers and authority of a "partnership representative" under the Code.

**7.2** The Partnership Representative is authorized to represent the Fund (at the Fund's expense) in connection with all examinations of the affairs of the Fund by the Internal Revenue Service or any taxing authority and any administrative and judicial proceedings by involving any tax return of the Fund, including any resulting administrative and judicial proceedings, and to expend funds of the Fund for professional services and costs associated therewith. Each Partner agrees to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Partnership Representative with respect to the conduct of examinations by the Internal Revenue Service or any taxing authority and any resulting proceedings. Each Partner agrees that any action taken by the Partnership Representative in connection with audits of the Fund will be binding upon such Partner and that such Partner will not independently act with respect to tax audits or tax litigation affecting the Fund. The Partnership Representative will have sole discretion to determine whether the Fund (either on its own behalf or on behalf of the Partners) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by the Internal Revenue Service or any taxing authority.

**7.3** In the event of an audit of the Fund that is subject to the partnership audit procedures enacted under Section 1101 of the BBA (the "*BBA Procedures*"), the Partnership Representative, in its sole discretion, will have the right to make any and all elections and to take any actions that are available to be made or taken by the Partnership Representative or the Fund under the BBA Procedures (including any election under Code Section 6226). If an election under Code Section 6226(a) is made, the Fund will furnish to each Partner for the year under audit a statement of the Partner's share of any adjustment set forth in the notice of final partnership adjustment, and each Partner will take such adjustment into account as required under Code Section 6226(b).

**7.4** Each Partner agrees that such Partner will not treat any Fund item inconsistently on such Partner's federal, state, foreign, or other income tax return with the treatment of the item on the Fund's return. Any deficiency for taxes imposed on any Partner (including penalties, additions to tax, or interest imposed with respect to such taxes and any tax deficiency imposed pursuant to Code Section 6226) will be paid by such Partner and if required to be paid (and actually paid) by the Fund, will be recoverable from such Partner as provided in Section 6.3 of the Agreement.

**7.5** Each Partner and former Partner shall provide to the Partnership Representative such information (or if applicable, certify as to the filing of initial or amended returns) as is reasonably requested to enable the Partnership Representative (i) to reduce under Code Section 6225 any Fund-level assessment under the BBA Procedures, (ii) to make appropriate adjustments to tax attributes, (iii) to determine a Partner's successors for purposes of the BBA Procedures, (iv) to determine apportionment of responsibility of such a Fund-level assessment among the Partners and former Partners, (v) to make any election permitted under the BBA

Procedures, or (vi) to comply with or be eligible to invoke any aspect of the BBA Procedures in any other respect. Such information shall include, if the Partner is an entity, the type of entity, its income tax classification, the names of its direct and indirect owners and their federal tax identification numbers and similar information with respect to the owners of all such indirect owners. Each Partner shall cooperate with the Partnership Representative in all reasonable respects in connection with all tax filings, tax audits, and its decisions as the Partnership Representative.

**7.6** The Partnership Representative will provide to the Partners notice of any communication to or from or agreements with a federal, state or local authority regarding any return of the Fund, including a summary of the provisions.