PSERS-011-015

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
Office of Chief Counsel
Facsimile: (717) 783-8010

Direct Dial: (717) 720-4685

August 30, 2011

Joseph A. Abadi
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153

RE: Milestone Partners IV, L.P.

Dear Mr. Abadi:

Enclosed are the following documents which have been executed by PSERS relating to the above-referenced fund:

1. Amended and Restated Agreement of Limited Partnership
2. Subscription Booklet

If you have any questions, please call Steven Skoff, Esq. at (717) 720-4673.

Sincerely,

Heather Funk

Heather Funk
Administrative Officer

Enclosures

cc: Charles Spiller

bcc: Brian Carl (w/o enclosures)
Andy Fiscus
Terri Mirarchi
Treasury

AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

MILESTONE PARTNERS IV, L.P. 2,

A DELAWARE LIMITED PARTNERSHIP

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

OF

MILESTONE PARTNERS IV, L.P. 2,

A DELAWARE LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of MILESTONE PARTNERS IV, L.P. 2 (the "Partnership") is made and entered into as of this [ ] day of [ ], 2011, by and among Milestone Partners IV GP, L.P., a Delaware limited partnership, as general partner (together with any other Person that becomes a general partner of the Partnership as provided herein, in such Person's capacity as a general partner of the Partnership, the "General Partner"), and each of the Person(s) admitted to the Partnership as Limited Partners.

W I T N E S S E T H :

WHEREAS, the General Partner and Ken Kummerer, as the initial limited partner (the "Initial Limited Partner"), formed the Partnership pursuant to a Certificate of Limited Partnership filed with the Secretary of State of the State of Delaware and entered into an Agreement of Limited Partnership (the "Initial Agreement"); and

WHEREAS, the parties hereto wish to effect the following: (i) the amendment and restatement of the Initial Agreement; (ii) the admission of the Limited Partner(s) listed on the signature pages hereto as limited partner(s) of the Partnership; (iii) the withdrawal of the Initial Limited Partner from the Partnership; and (iv) the continuation of the Partnership on the terms set forth herein.

NOW THEREFORE, in consideration of the mutual promises of the parties hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties agree as follows:

ARTICLE 1

DEFINITIONS

As used in this Agreement, the following terms have the meanings set forth below:

1.1 "Act" means the Delaware Revised Uniform Limited Partnership Act, as it may be amended and in effect from time to time.

1.2 "Additional Funds" means any investment funds (other than Fund II, Fund III, the Partnership, any Parallel Investment Vehicle, any Blocker Corporation, any Feeder Vehicle or any Alternative Investment Vehicle) sponsored, formed or managed by

the General Partner, the Management Company, or any of their respective Affiliates in accordance with Section 4.10 hereof.

1.3 "Additional Limited Partner" has the meaning set forth in Section 4.8(a) hereof.

1.4 "Adjusted Capital Account Deficit" means, with respect to any Partner, a deficit balance in such Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit from such Capital Account the items described in Sections 1.704 - l(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of "Adjusted Capital Account Deficit" is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

1.5 "Advisers Act" means the U.S. Investment Advisers Act of 1940, as amended from time to time, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

1.6 "Affiliate" of a Person means (a) any Person directly or indirectly Controlling, Controlled by or under common Control with such Person and (b) any Person that is a member of the immediate family of such Person ("immediate family" as used herein means spouse, mother, father, brother, sister or lineal descendant). For the avoidance of doubt, (x) no Portfolio Company shall be deemed to be an "Affiliate" of the General Partner or the Management Company and (y) each of the Principals shall be deemed to be an "Affiliate" of the General Partner and the Management Company for so long as such Principal is actively involved in the management of the Management Company.

1.7 "Affiliate Services" has the meaning set forth in Section 4.11(b) hereof.

1.8 "Aggregate Commitments" means the sum of the Commitments of all of the Partners or of the Limited Partners, as the context requires.

1.9 "Agreement" means this Amended and Restated Agreement of Limited Partnership, including all exhibits and schedules hereto, as it may be amended or restated from time to time.

1.10 "Alternative Investment Vehicle" has the meaning set forth in Section 5.1(b) hereof.

1.11 "Applicable Percentage" means 70%; provided, however, that if the Aggregate Commitments and the aggregate commitments of the partners of all Parallel Investment Vehicles exceed $400,000,000, then, "Applicable Percentage" means 80%.

1.12 "Apportioned Expenses" means, with respect to a Partner in connection with the Disposition of a Portfolio Investment, the product of (a) the aggregate amount of Capital Contributions made by such Partner prior to the date of distribution of Investment Proceeds with respect to such Portfolio Investment (or, in the absence of such a distribution, prior to the date of such Disposition) to fund Expenses (including the Management Fee) that are not directly attributable to any Portfolio Investment made by the Partnership, less the amount of any such Capital Contributions previously allocated as Apportioned Expenses to any Portfolio Investments that have previously been the subject of a Disposition, and (b) a fraction, (i) the numerator of which is the amount of the Invested Capital of such Partner with respect to the Portfolio Investment that is the subject of such Disposition, and (ii) the denominator of which is the aggregate amount of the Invested Capital of such Partner with respect to such Portfolio Investment and all other Portfolio Investments, if any, held by the Partnership as of the date of determination. For purposes of the definition of "Apportioned Expenses" only, a Portfolio Investment that has been written down pursuant to Section 6.5 hereof (but only to the extent that such write-down has not been offset by a corresponding write-up) shall be treated as a Portfolio Investment that is the subject of a Disposition to the extent of the portion of such Portfolio Investment that has been written down.

1.13 "Attribution Rules" means the ownership attribution rules of the FCC, including, but not limited to, 47 C.F.R. §§ 20.6(e); 21.912, Note 1; 24.709; 24.720; 26.101(b), (c); 73.3555, Note 2(g); 74.931(j), Note 1; 76.501, Note 2(g); 76.503, Note 2; 76.504, Note 1; 76.505(g); Attribution Reconsideration Order, 58 Radio Regulation 2d 604 (1985); and Further Attribution Reconsideration Order, 1 FCC Rcd 802 (1986), Report and Order, 14 FCC Rcd 12559 (1999); Report and Order, 14 FCC Rcd 19014 (1999); Memorandum Opinion and Second Order on Reconsideration, 16 FCC Rcd 1067 (2001); Memorandum Opinion and Order on Reconsideration, 16 FCC Rcd 1097 (2001), all as the same may be amended or supplemented from time to time.

1.14 "Available Commitment" means, with respect to any Partner, from time to time, an amount equal to (a) such Partner's Commitment, minus (b) the aggregate amount of such Partner's Capital Contributions made at or prior to such time, minus (c) the aggregate amount of capital contributions made by such Partner to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle, plus (d) the aggregate amount of Investment Proceeds or Capital Contributions that the General Partner elects to restore to such Partner's Available Commitment pursuant to Section 5.2 hereof, plus (e) the amount of any Capital Contribution by such Partner that was unused and returned to such Partner pursuant to Section 3.2(e) hereof, plus (f) the amount of any Capital Contribution by such Partner (but not any Notional Interest with respect thereto) which

has been returned to such Partner at or prior to such time pursuant to Section 4.8(d) hereof.

1.15 "Bankruptcy" of a Partner means (a) the filing by a Partner of a voluntary petition seeking liquidation, reorganization, arrangement or readjustment, in any form, of its debts under Title 11 of the U.S. Code, 11 U.S.C. §§ 101-1330 (or corresponding provisions of future laws) or any other Federal or state insolvency law, or a Partner's filing an answer consenting to or acquiescing in any such petition, (b) the making by a Partner of any assignment for the benefit of its creditors or the admission by a Partner in writing of its inability to pay its debts as they mature, or (c) the expiration of 60 days after the filing of an involuntary petition under Title 11 of the U.S. Code, 11 U.S.C. §§ 101-1330 (or corresponding provisions of future laws), seeking an application for the appointment of a receiver for the assets of a Partner, or an involuntary petition seeking liquidation, reorganization, arrangement or readjustment of its debts under any other Federal or state insolvency law, provided that the same shall not have been vacated, set aside or stayed within such 60 day period. With respect to the General Partner, the events set forth in the foregoing definition of "Bankruptcy" are intended to replace and shall supersede the events set forth in Sections 17-402(a)(4) and 17-402(a)(5) of the Act.

1.16 "BHC Act" has the meaning set forth in Section 13.2(a) hereof.

1.17 "BHC Affiliate" means "affiliates" as defined in the BHC Act or Regulation Y promulgated by the Board of Governors of the Federal Reserve System.

1.18 "BHC Partner" has the meaning set forth in Section 13.2(a) hereof.

1.19 "BHC Withdrawal Date" has the meaning set forth in Section 13.2(c) hereof.

1.20 "Blocker Corporation" has the meaning set forth in Section 5.1(c) hereof.

1.21 "Book Item" has the meaning set forth in Section 8.1(a)(i) hereof.

1.22 "Break-up Fees" means the remaining portion of break-up or similar fees received by the Management Company, the General Partner or any of their respective Affiliates or employees, as a result of a proposed transaction or investment by the Partnership that is not consummated after (a) first, reimbursing the Management Company, the General Partner or any of their respective Affiliates for any unreimbursed out-of-pocket expenses paid to third parties in connection with the proposed Portfolio Investment to which such break-up or similar fees were earned (to the extent such amounts would be Expenses hereunder), (b) second, reimbursing the Partnership for its Expenses in connection with such proposed Portfolio Investment, and (c) third, reimbursing the Partnership with respect to any outstanding unreimbursed Expenses with respect to prior proposed Portfolio Investments that were not consummated. For purposes of this Agreement, Break-up Fees shall exclude any portion thereof that is

allocable to or is based on a proposed investment contemplated by any Parallel Investment Vehicle, Additional Fund or other co-investor.

1.23 "Bridge Financing" has the meaning set forth in Section 2.6(m) hereof.

1.24 "Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in Philadelphia, Pennsylvania are required or authorized by law, regulation or executive order to close.

1.25 "Capital Account" means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(a) To each Partner's Capital Account, there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Net Income (or items of income or gain) allocated pursuant to Section 7.2 hereof or any item in the nature of income or gain which is specially allocated pursuant to Section 7.3 hereof and the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner;

(b) From each Partner's Capital Account, there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Net Loss (or items of expense or loss) allocated pursuant to Section 7.2 hereof or any item in the nature of expense or loss which is specially allocated pursuant to Section 7.3 hereof and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership;

(c) If all or a portion of an Interest is Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent that it relates to the Transferred Interest; and

(d) In determining the amount of any liability for purposes of subparagraphs (a) and (b), there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and the Regulations.

For the avoidance of doubt, no portion of any Notional Interest shall be credited to the Capital Account of an Additional Limited Partner and no portion shall enter into the computation of Net Income or Net Loss. The foregoing provision and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations.

1.26 "Capital Call Payment Date" means a date specified in a Funding Notice for the payment of a Capital Contribution by one or more Partners to the Partnership or any date on which an Additional Limited Partner makes its initial Capital Contribution to the Partnership.

1.27 "Capital Contribution" means, with respect to any Partner, the amount of money contributed to the Partnership by such Partner at such time with respect to the Interest held by such Partner; "Capital Contributions" means, with respect to any Partner, the aggregate amount of money contributed to the Partnership by such Partner (or its predecessors in interest) with respect to the Interest held by such Partner.

1.28 "Carried Interest" means the distributions actually received or deemed to be received by the General Partner pursuant to Sections 6.1(c) and 6.1(d) hereof. For purposes of this Agreement, "deemed" Carried Interest distributions shall refer to distributions deemed made to the General Partner in respect of any Limited Partner pursuant to Sections 6.4, 9.5 and 10.3 hereof.

1.29 "Carried Interest Percentage" means a fraction, expressed as a percentage, the numerator of which is (a) the sum of (i) the product of 17.5% and 30,000,000 and (ii) the product of (A) 20% and (B) (x) PSERS' Commitment less (y) 30,000,000, and the denominator of which is (b) PSERS' Commitment.

1.30 "Cause" means any act of the General Partner, the Management Company or any Principal that (a) constitutes fraud, gross negligence or willful misconduct and (b) materially and adversely affects the Partnership.

1.31 "Certificate" means the Certificate of Limited Partnership of the Partnership as filed with the Secretary of State of the State of Delaware pursuant to the Act as set forth in the recitals hereof, as it may be amended or restated from time to time.

1.32 "Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

1.33 "Commitment" means, (a) with respect to any Limited Partner, the total amount of capital that such Limited Partner has committed to contribute to the Partnership pursuant to such Limited Partner's Subscription Agreement and (b) with respect to the General Partner, the capital commitment of the General Partner to the Partnership as set forth in Section 3.1(a) hereof.

1.34 "Company" means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association or other entity.

1.35 "Compensatory Interests" has the meaning set forth in Section 9.2(e) hereof.

1.36 "Constituent Member" means any Person that is an officer, director, member, partner or shareholder in a Person, or any Person that, indirectly through one or more limited liability companies, partnerships or other entities, is an officer, director, member, partner or shareholder in a Person.

1.37 "Control", "Controlled", and "Controlling" mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities, by contract or otherwise.

1.38 "Credit Facility" has the meaning set forth in Section 3.3 hereof.

1.39 "Default Amount" has the meaning set forth in Section 3.7(a) hereof.

1.40 "Default Loan" has the meaning set forth in Section 3.7(d) hereof.

1.41 "Defaulting Limited Partner" has the meaning set forth in Section 3.7(a) hereof.

1.42 "Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for Federal income tax purposes with respect to an asset for such Fiscal Year, except that (a) with respect to any asset the Gross Asset Value of which differs from its adjusted tax basis for Federal income tax purposes at the beginning of such Fiscal Year and which difference is being eliminated by use of the "remedial allocation method" as defined by Section 1.704-3(d) of the Regulations, Depreciation for such Fiscal Year shall be the amount of book basis recovered for such Fiscal Year under the rules prescribed by Section 1.704-3(d)(2) of the Regulations, and (b) with respect to any other asset the Gross Asset Value of which differs from its adjusted tax basis for Federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the Federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that in the case of clause (b) above, if the adjusted tax basis for Federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

1.43 "Depreciation Recapture" has the meaning set forth in Section 8.1(a)(ii)(B) hereof.

1.44 "Directors' Fees" means all fees (excluding the reimbursement of related expenses) received by the Management Company, the General Partner or any of their respective Affiliates or employees for service as a member of the board of directors (or equivalent governing body) of any Portfolio Company where such Person was elected or appointed to such position as a result, in whole or in part, of a Portfolio Investment by the Partnership in such Portfolio Company. Directors' Fees shall exclude any portion thereof that is allocable to or is based on an investment by any Parallel Investment Vehicle, Alternative Investment Vehicle, Additional Fund or other co-investor.

1.45 "Disclosure Obligations" has the meaning set forth in Section 14.13(d) hereof.

1.46 "Disposition" means any transaction or series of transactions whereby the Partnership sells or otherwise disposes of its right, title and interest in and to any part or all of a Portfolio Investment. For the avoidance of doubt, in the event that any Portfolio Investment is written down to zero pursuant to the provisions of this Agreement, such Portfolio Investment shall be deemed to have been the subject of a "Disposition" for purposes hereof.

1.47 "Distribution Date" means any date of distribution under Sections 6.1 and 10.3 hereof.

1.48 "ECI" means income "effectively connected with the conduct of a trade or business within the United States," as defined in Code Section 864 or that is treated as "effectively connected" under Code Section 897.

1.49 "ECI Investment" means any proposed Portfolio Investment identified by the General Partner, in its discretion, as being reasonably likely to generate ECI from a distributive share of income of the Partnership or from a disposition of such Portfolio Investment, other than any income which arises as a result of, or with respect to, (a) any permanent establishment of a Limited Partner or any activities of a Limited Partner unrelated to its investment in the Partnership, (b) any set-off against the Management Fee paid by the Partnership pursuant to Section 4.3(b) hereof, or (c) the operation of Section 2.6(l) hereof (relating to guarantees).

1.50 "Effective Date" means the date that the General Partner declares that the Partnership is effective, which date shall be no later than the date that Fund III has ceased seeking investments in new portfolio companies.

1.51 "Electing Partner" has the meaning set forth in Section 6.3(f) hereof.

1.52 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.53 "ERISA Partner" means any Limited Partner that (a) is an employee benefit plan subject to the fiduciary responsibility provisions of Title I of ERISA or Section 4975 of the Code, a trust for the benefit of one or more employee benefit plans subject to ERISA, a "benefit plan investor" within the meaning of Section 3(42) of ERISA, or a limited partnership or other entity that has "significant" (as defined in Section 2510.3-101(f)(1) of the Plan Asset Regulations) equity ownership by such "benefit plan investors" as defined in Section 3(42) of ERISA and (b) so indicates on its Subscription Agreement or otherwise in writing to the General Partner on or before the closing at which such Limited Partner is admitted to the Partnership. Any Governmental Plan Partner may be treated as an ERISA Partner that is subject to ERISA for all rights granted hereunder if it indicates in writing to the General Partner on or before the closing at which such Limited Partner is admitted to the Partnership, provided that the General partner shall not be required to treat such Limited Partner as a "benefit plan investor" within the meaning of Section 3(42) of the ERISA for purposes of determining whether

the Fund is "Plan Assets" within the meaning of Section 3(42) of ERISA and the Plan Asset Regulation.

1.54 "ERISA Withdrawal Date" has the meaning set forth in Section 13.1(c) hereof.

1.55 "Excess Distributions" means, with respect to each Limited Partner as of any date, the amount, expressed as a positive number, by which (a) the sum of (i) the aggregate distributions of Investment Proceeds made to the General Partner pursuant to Sections 6.1(c) and 6.1(d) hereof (or deemed made pursuant to Sections 6.4, 9.5 and 10.3 hereof) in respect of such Limited Partner (exclusive of any amounts previously returned to the Partnership by the General Partner in respect of its Carried Interest pursuant to Sections 3.5 and 10.4(a) hereof) and (ii) the aggregate distributions of Investment Proceeds that would be made to the General Partner pursuant to Sections 6.1(c), 6.1(d) and 10.3 hereof in respect of such Limited Partner if each existing Portfolio Investment were realized on such date at such existing Portfolio Investment's Fair Market Value, determined in accordance with Section 6.3(c) hereof, exceeds (b) the product of (x) the Carried Interest Percentage and (y) the excess of (i) the sum of (A) the aggregate distributions of Investment Proceeds made, deemed made, or that would be made to the General Partner in respect of such Limited Partner as described in clause (a) above, (B) the aggregate distributions of Investment Proceeds made to such Limited Partner pursuant to Sections 6.1, 9.5, 10.3 and 10.4(a) hereof and (C) the aggregate distributions of Investment Proceeds that would be made to such Limited Partner pursuant to Sections 6.1 and 10.3 hereof if each existing Portfolio Investment were realized on such date at such existing Portfolio Investment's Fair Market Value, determined in accordance with Section 6.3(c) hereof, over (ii) the aggregate Capital Contributions of such Limited Partner.

1.56 "Expense Contribution Date" means, with respect to a Capital Contribution in respect of Expenses (including the Management Fee) which are not directly attributable to any Portfolio Investment, the Capital Call Payment Date for such Capital Contribution.

1.57 "Expenses" has the meaning set forth in Section 4.4 hereof.

1.58 "Fair Market Value" has the meaning set forth in Section 6.3(c) hereof.

1.59 "FCC" has the meaning set forth in Section 13.3(a) hereof.

1.60 "Federal" has the meaning set forth in Section 14.5 hereof.

1.61 "Feeder Vehicle" has the meaning set forth in Section 5.1(d) hereof.

1.62 "Final Clawback" has the meaning set forth in Section 10.4(b)(ii)(B) hereof.

1.63 "Final Clawback Determination Date" means (a) the date of the completion of the dissolution and winding up of the Partnership and the final distribution of the Partnership's assets among the Partners and (b) any date, after the date of the completion of the dissolution and winding up of the Partnership and the final distribution of the Partnership's assets among the Partners, upon which the Partners are required to return distributions received from the Partnership pursuant to Section 3.5 hereof.

1.64 "Final Closing Date" means the final Subsequent Closing Date, which date shall occur no later than the date that is 12 months after the Initial Closing Date.

1.65 "Fiscal Year" means the calendar year, except that if the Partnership is required under the Code to use a taxable year other than a calendar year, then Fiscal Year shall mean such taxable year.

1.66 "FOIA" means Section 552(a) of Title 5 of the United States Code (commonly known as the Freedom of Information Act) or any public disclosure law, rule or regulation of any governmental or non-governmental entity that could require similar or broader public disclosure of confidential information provided to a Limited Partner.

1.67 "FOIA Limited Partner" has the meaning set forth in Section 14.13(b) hereof.

1.68 "Follow-on Investment" means any additional investment by the Partnership in any Portfolio Company or Affiliate thereof in which the Partnership has made a Portfolio Investment.

1.69 "Fund II" means Milestone Partners II, L.P. together with any parallel, alternative and co-investment vehicles thereof.

1.70 "Fund III" means Milestone Partners III, L.P. together with any parallel, alternative and co-investment vehicles thereof.

1.71 "Funded Commitments" means the lesser of (a) the amount of Capital Contributions invested by the Partnership in Portfolio Investments which, at the date of determination, have not been the subject of a Disposition and (b) the aggregate Fair Market Value, determined in accordance with Section 6.3(c) hereof, of all Portfolio Investments which, at the date of determination, have not been the subject of a Disposition. Solely for purposes of calculating Funded Commitments, in the case of a Disposition of a portion of a Portfolio Investment, the remaining portion of such Portfolio Investment shall be treated as having been a separate Portfolio Investment retained by the Partnership. Except as provided in Section 3.2(e) or Section 4.8 hereof, the amount of "Funded Commitments" at any time shall not take into account any return of Capital Contributions in respect of, or any distribution with respect to, any such Portfolio Investments which have not been the subject of a Disposition.

1.72 "Funding Notice" has the meaning specified in Section 3.2(b) hereof.

1.73 "General Partner" has the meaning specified in the preamble hereof.

1.74 "Governmental Plan Partner" means any Limited Partner, that with respect to (and to the extent) its acquisition or holding of Interests, is treated as a "governmental plan" as defined in Section 3(32) of ERISA.

1.75 "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for Federal income tax purposes, except as follows:

(a) The Gross Asset Value of any asset contributed by a Partner to the Partnership is the gross Fair Market Value of such asset as determined by the General Partner at the time of contribution;

(b) The Gross Asset Value of all Partnership assets may be adjusted to equal their respective gross Fair Market Values, as determined by the General Partner, as of the following times: (i) the acquisition of any additional interest in the Partnership by any new or existing Partner in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Partnership to the Partner of more than a *de minimis* amount of property as consideration for an interest in the Partnership; (iii) the grant of an interest in the Partnership (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner acting in a Partner capacity, or by a new Partner acting in a Partner capacity or in anticipation of becoming a Partner; and (iv) the liquidation of the Partnership within the meaning of Regulation Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (i), (ii) and (iii) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership; and

(c) The Gross Asset Value of any Partnership asset distributed to any Partner shall be adjusted to equal the gross Fair Market Value of such asset on the date of distribution as determined by the General Partner.

If the Gross Asset Value of a Partnership asset has been determined or adjusted pursuant to clause (a) or (b) above, such Gross Asset Value shall thereafter be adjusted by Depreciation taken into account with respect to such asset for purposes of computing Net Income or Net Loss.

1.76 "Holdback Account" has the meaning set forth in Section 6.8(a) hereof.

1.77 "Indemnification Event" has the meaning set forth in Section 4.7(h) hereof.

1.78 "Indemnified Party" means each of the General Partner (including, without limitation, the General Partner in its role as Tax Matters Partner or a similar role under applicable foreign, state or local tax law), the Management Company, each of the Principals, each member of the Limited Partners Advisory Committee (including each

Limited Partner represented by any member of the Limited Partners Advisory Committee), any Affiliate of any of the foregoing, any of their respective Constituent Members, employees, managers, consultants or agents.

1.79 "Initial Agreement" has the meaning set forth in the recitals hereof.

1.80 "Initial Closing Date" means the first date on which any Subscription Agreement is accepted by the General Partner on behalf of the Partnership.

1.81 "Initial Limited Partner" has the meaning set forth in the recitals hereof.

1.82 "Interest" means the partnership interest owned by a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all terms and provisions of the Agreement.

1.83 "Interim Clawback" has the meaning set forth in Section 10.4(a) hereof.

1.84 "Interim Clawback Determination Date" means (a) the last day of the fiscal quarter in which the fifth anniversary of the Effective Date falls, (b) the last day of the fiscal quarter in which the tenth anniversary of the Effective Date falls, and (c) any date, prior to the date of the completion of the dissolution and winding up of the Partnership and the final distribution of the Partnership's assets among the Partners, upon which the Partners are required to return distributions received from the Partnership pursuant to Section 3.5 hereof.

1.85 "Internal Dispute" means any proceeding in which (a) one or more Principals, officers, directors, employees, partners or members of the General Partner or the Management Company are suing one or more other Principals, officers, directors, employees, partners or members of the General Partner, or the Management Company and (b) neither the Partnership nor any Parallel Investment Vehicle, Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle is a plaintiff, defendant or other participant in such proceedings and/or will (or could reasonably be expected to) receive any material monetary benefit from the outcome of such proceeding.

1.86 "Internal Rate of Return" means, with respect to a Partner as of any Distribution Date, the annual percentage rate, which when utilized to calculate the present value of all distributions (*i.e.*, cash inflows) received by such Partner from the Partnership shall cause such present value to equal the present value of all Capital Contributions (*i.e.*, cash outflows) made by such Partner, in each case with respect to all Realized Investments (including Capital Contributions made in respect of Expenses treated as Apportioned Expenses allocable to such Realized Investments). In order for a Partner to receive a positive Internal Rate of Return, a Partner must receive an aggregate amount equal to (a) its aggregate Capital Contributions, with respect to all Realized Investments (including Capital Contributions made in respect of Expenses treated as Apportioned

Expenses allocable to such Realized Investments), plus (b) a return thereon. The Internal Rate of Return with respect to a Partner, at any Distribution Date, shall be computed with annual compounding. For purposes of computing such Internal Rate of Return, (i) all Invested Capital of such Partner with respect to all Realized Investments at such Distribution Date shall be treated as Capital Contributions made on the applicable Investment Contribution Date, (ii) each Capital Contribution made by such Partner in respect of Expenses treated as Apportioned Expenses allocable to a Realized Investment at such Distribution Date shall be treated as Capital Contributions on the applicable Expense Contribution Date, (iii) each distribution or payment of cash received by such Partner (including pursuant to Sections 4.8(d), 6.1 and 10.3 hereof) with respect to a Realized Investment at such Distribution Date shall be treated as a distribution on the date such funds are received by the Partnership and (iv) each distribution or payment of non-cash property received by such Partner (including pursuant to Sections 6.1 and 10.3 hereof) with respect to a Realized Investment at such Distribution Date shall be treated as a distribution on such Distribution Date; provided, however, that, for purposes of calculating the Internal Rate of Return with respect to a Partner, such Partner shall be deemed to have received cash in an amount equal to the Fair Market Value of all non-cash property distributed (or deemed distributed) to such Partner by the Partnership. For purposes of the definition of "Internal Rate of Return" only, a Portfolio Investment that has been written down pursuant to Section 6.5 hereof (but only to the extent that such write-down has not been offset by a corresponding write-up) shall be treated as a Realized Investment to the extent of the portion of such Portfolio Investment that has been written down.

1.87 "Invested Capital" means, with respect to each Portfolio Investment and each Partner as of any time, the sum of (a) all Capital Contributions made by such Partner as of such time for the purpose of investment by the Partnership in such Portfolio Investment (without regard to any Notional Interest) reduced by any Capital Contributions with respect to such Portfolio Investment returned to such Partner pursuant to Section 3.2(e) or 4.8(d) hereof, (b) all Capital Contributions made by such Partner, as of such time, in respect of Expenses that are directly attributable to such Portfolio Investment (which, for the avoidance of doubt, shall not include any Expenses treated as Apportioned Expenses), and (c) all Capital Contributions with respect to such Portfolio Investment to which such Partner has succeeded pursuant to Section 4.8(e) as of such time.

1.88 "Investment Company Act" means the U.S. Investment Company Act of 1940, as amended from time to time, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

1.89 "Investment Contribution Date" means, with respect to a Portfolio Investment, the date or dates upon which capital is actually invested in such Portfolio Investment.

1.90 "Investment Management Agreement" means the Investment Management Agreement, dated as of the date hereof, between the Partnership and the Management Company, as it may be amended or restated from time to time.

1.91 "Investment Period" means the period commencing on the Effective Date and ending on the earliest to occur of (a) the fifth anniversary of the later of (i) the Final Closing Date and (ii) the Effective Date, (b) the date of any early termination of the Investment Period pursuant to Section 3.2(h), Section 3.2(i) or, solely with respect to PSERS, Section 4.7(h) hereof and (c) the date that the Partnership has been terminated or dissolved.

1.92 "Investment Proceeds" means all cash proceeds or other cash receipts received by the Partnership (other than Capital Contributions), net of (a) Reserves and (b) amounts necessary to pay Expenses, (to the extent the Partners have not made Capital Contributions in respect of such Expenses).

1.93 "Key Person" has the meaning set forth in Section 3.2(h) hereof.

1.94 "Key Person Event" has the meaning set forth in Section 3.2(h) hereof.

1.95 "Key Person Plan" has the meaning set forth in Section 3.2(h) hereof.

1.96 "Limited Partner" means each of the Person(s) listed from time to time on the books and records of the Partnership as limited partner(s), or any other Person who becomes a limited partner of the Partnership as provided herein, in such Person's capacity as a limited partner of the Partnership. For purposes of the Act, the Limited Partners shall constitute a single class of limited partners.

1.97 "Limited Partners Advisory Committee" has the meaning set forth in Section 4.12(a) hereof.

1.98 "Majority Vote of Limited Partners" means, subject to Section 4.9(f) hereof, the affirmative vote of the Limited Partners who hold Percentage Interests representing greater than 50% of all of the Percentage Interests in the Partnership that are held by the Limited Partners. For purposes of the preceding sentence, (a) Non-Voting Interests and Interests held by the General Partner, the Management Company or any of their respective Affiliates and (b) Interests held by Defaulting Limited Partners shall not be included.

1.99 "Management Company" means Milestone Partners Management Co., LP, a Pennsylvania limited partnership, or any successor thereto or assignee thereof.

1.100 "Management Fee" has the meaning set forth in Section 4.3(a) hereof.

1.101 "Marketable Securities" means Securities that are (a) traded on an established U.S. or foreign securities exchange, (b) reported through the National Association of Securities Dealers, Inc. Automated Quotation System or comparable

foreign established over-the-counter trading system, or (c) actively traded over the counter, as determined in the discretion of the General Partner, in each case that are not subject to any material restrictions on transfer (generally applicable to the distributees thereof) under the Securities Act or other applicable securities laws or as a result of any applicable contractual provisions including, without limitation, any such restrictions on transfer imposed by the General Partner under Section 6.3(g) hereof.

1.102 "Media Company" means any business in which the Partnership has made an equity or debt investment that, directly or indirectly, owns, controls or operates a broadcast radio or television station, a cable television system, a "daily newspaper" (as such term is defined in 47 C.F.R. § 73.3555 of the FCC's rules), a multipoint multichannel distribution system, a local multipoint distribution system, an open video system, a commercial mobile radio service or any other communications facility the operations of which are subject to regulation by the FCC under the Communications Act of 1934, as amended, in addition to the Attribution Rules or the Ownership Rules.

1.103 "Milestone Investors" has the meaning set forth in Section 4.12(a) hereof.

1.104 "Net Income" and "Net Loss" means, for each Fiscal Year or other period, an amount equal to the Partnership's taxable income or loss for such Fiscal Year or period, 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 taxable income or loss) with the following adjustments:

(a) Any income of the Partnership that is exempt from Federal income tax, and to the extent not otherwise taken into account in computing Net Income or Net Loss pursuant to this paragraph, shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and to the extent not otherwise taken into account in computing Net Income or Net Loss pursuant to this paragraph, shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subdivisions (b) or (c) of the definition of "Gross Asset Value" herein, 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;

(d) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of 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, computed in accordance with the definition of "Depreciation"; and

(f) Any items which are specially allocated pursuant to the provisions of Section 7.3 hereof shall not be taken into account in computing Net Income or Net Loss.

1.105 "Net Write-Down" means, with respect to each Partner and each Portfolio Investment that is not a Realized Investment, as of any time, the product of (a) the sum of the amounts by which such Portfolio Investment has been written down on the Partnership's books to less than its cost in accordance with Section 6.5 hereof, but only to the extent that such write-down has not been offset by a corresponding write-up with respect to such Portfolio Investment and (b) a fraction, (i) the numerator of which is the amount of the Invested Capital of such Partner with respect to such Portfolio Investment, and (ii) the denominator of which is the aggregate amount of the Invested Capital of all Partners with respect to such Portfolio Investment.

1.106 "Non-Electing Partner" has the meaning set forth in Section 6.3(f) hereof.

1.107 "Non-Marketable Securities" means all Securities other than Marketable Securities.

1.108 "Nonrecourse Deductions" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and 1.704-2(c).

1.109 "Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

1.110 "Non-U.S. Partner" means any Limited Partner that (a) is a Person other than a United States person as defined in Code Section 7701(a)(30) or (b) is taxable as a partnership for Federal income tax purposes and a significant portion of the equity of which is held by Persons other than United States persons as defined in Code Section 7701(a)(30) that indicates the same in writing to the General Partner on or prior to the time of such Limited Partner's admission to the Partnership.

1.111 "Non-Voting Interest" has the meaning set forth in Section 13.2(a) hereof.

1.112 "Notional Interest" has the meaning set forth in Section 4.8(a) hereof.

1.113 "Organizational Expenses" has the meaning set forth in Section 4.4(a)(i) hereof.

1.114 "Ownership Rules" means the multiple and cross-ownership rules of the FCC, including, but not limited to, 47 C.F.R. §§ 20.6(d); 21.912; 24.709; 24.720; 26.101(a); 73.3555; 74.931(k), (j); 76.501; 76.503; 76.504; 76.505; and any other

regulations or written policies of the FCC which limit or restrict ownership in Media Companies, all as the same may be amended or supplemented from time to time.

1.115 "Parallel Investment Vehicle" has the meaning set forth in Section 4.9 hereof.

1.116 "Partner Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" set forth in Regulations Section 1.704-2(b)(4).

1.117 "Partner Nonrecourse Debt Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if the Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

1.118 "Partner Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" set forth in Regulations Sections 1.704-2(i)(1) and 1.704-2(i)(2).

1.119 "Partners" means, collectively, the General Partner and the Limited Partners, and "Partner" means, individually, either the General Partner or any Limited Partner.

1.120 "Partnership" has the meaning specified in the introductory paragraph hereof.

1.121 "Partnership Business" has the meaning set forth in Section 2.5 hereof.

1.122 "Partnership Minimum Gain" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

1.123 "Partnership Priority Period" has the meaning set forth in Section 4.10(a)(ii)(B)(z) hereof.

1.124 "Payment Date" has the meaning set forth in Section 4.3(a) hereof.

1.125 "Percentage Interest" means the interest, expressed as a percentage, in the Partnership held by a Partner, determined by dividing the Commitment of such Partner to the Partnership by the Aggregate Commitments of the Partners.

1.126 "Person" means any individual or Company and, where the context so permits, the legal representatives, successors in interest and permitted assigns of such Person.

1.127 "Placement Agent" has the meaning set forth in Section 14.14 hereof.

1.128 "Plan Asset Regulation" has the meaning set forth in Section 13.1(a) hereof.

1.129 "Portfolio Company" means a Company, the Securities (other than Temporary Investments) of which are held, directly or indirectly, by the Partnership from time to time.

1.130 "Portfolio Investment" means an investment in a Portfolio Company (including, for the avoidance of doubt, any Bridge Financing). For the avoidance of doubt, each Follow-on Investment in a Portfolio Company shall be considered a separate Portfolio Investment from the initial investment in such Portfolio Company; provided, however, that all assets or Securities of a Portfolio Company acquired in a series of related transactions shall be deemed a single Portfolio Investment.

1.131 "Primary Partnership" means Milestone Partners IV, L.P., a Delaware limited partnership.

1.132 "Prime Rate" means the highest prime rate of interest quoted from time to time by The Wall Street Journal as the "base rate" on corporate loans at large money center commercial banks.

1.133 "Principal" means each of Eric C. Andersen, Adam H. Curtin, Brooke B. Hayes, John J. Nowaczyk, David G. Proctor, John P. Shoemaker, Geoffrey B. Veale and W. Scott Warren.

1.134 "Prior Activities" has the meaning set forth in Section 4.11(a) hereof.

1.135 "Proceeding" has the meaning set forth in Section 3.5(c)(i) hereof.

1.136 "PSERS" means Pennsylvania Public School Employees' Retirement System.

1.137 "Realized Investments" means, at any date of determination, all Portfolio Investments (or portions thereof) that have previously been the subject of a Disposition (solely to the extent of the portion sold or otherwise disposed of).

1.138 "Regulations" means the Income Tax Regulations promulgated under the Code, as amended from time to time.

1.139 "Related Person" means the General Partner, the Management Company and any of their respective Affiliates.

1.140 "Replacement Period" has the meaning set forth in Section 3.2(h) hereof.

1.141 "Removal Notice" has the meaning set forth in Section 11.2(a) hereof.

1.142 "Reserves" means the amount of proceeds that the General Partner determines in its discretion is necessary to be maintained by the Partnership for the purpose of paying reasonably anticipated Expenses, liabilities and obligations of the

Partnership regardless of whether such Expenses, liabilities and obligations are actual or contingent.

1.143 "Returns" has the meaning set forth in Section 9.3 hereof.

1.144 "Securities" means securities and investments of every kind and nature and rights and options with respect thereto, including stock, notes, bonds, contracts, derivatives, evidences of indebtedness and other business interests of every type.

1.145 "Securities Act" means the U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

1.146 "Securities Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

1.147 "Seventy Five Percent Vote of Limited Partners" means, subject to Section 4.9(f) hereof, the affirmative vote of Limited Partners who hold Percentage Interests representing at least 75% of all of the Percentage Interests in the Partnership that are held by Limited Partners. For purposes of the preceding sentence, (a) Non-Voting Interests and Interests held by the General Partner, the Management Company or any of their respective Affiliates and (b) Interests held by Defaulting Limited Partners shall not be included.

1.148 "Sharing Percentage" means, with respect to any Partner and any Portfolio Investment, a fraction, expressed as a percentage, the numerator of which is the aggregate amount of the Invested Capital of such Limited Partner with respect to such Portfolio Investment and the denominator of which is the aggregate amount of the Invested Capital of all of the Partners with respect to such Portfolio Investment.

1.149 "Side Letter" has the meaning set forth in Section 14.11(b) hereof.

1.150 "Subscription Agreement" means, with respect to each Limited Partner, the subscription agreement entered into between the Partnership and such Limited Partner pursuant to the terms of which such Limited Partner has agreed or shall agree to purchase an Interest.

1.151 "Subsequent Closing Date" has the meaning set forth in Section 4.8(a) hereof.

1.152 "Successor Fund" has the meaning set forth in Section 4.10(a) hereof.

1.153 "Successor General Partner" has the meaning set forth in Section 11.1(b) hereof.

1.154 "Sufficient Distributions" means, with respect to each Limited Partner, the amount required to provide such Limited Partner with an Internal Rate of Return of 8%. Solely for the purpose of determining whether a Limited Partner has received Sufficient Distributions as of an Interim Clawback Determination Date pursuant to Section 10.4(a) hereof, each Portfolio Investment held by the Partnership as of such Interim Clawback Determination Date shall be deemed a Realized Investment and shall be treated as if it was sold for its Fair Market Value as of such Interim Clawback Determination Date and the proceeds of such sale were distributed to the Partners in accordance with the terms of Section 6.1 hereof.

1.155 "Tax-Exempt Partner" means any Limited Partner (a) that is (i) exempt from Federal income taxation under Code Section 501(a) or (ii) taxable as a partnership for Federal income tax purposes and at least 25% of the equity of which is held by Persons that are exempt from Federal income tax under Code Section 501(a) and (b) that indicates the same in writing to the General Partner on or prior to the time of such Limited Partner's admission to the Partnership.

1.156 "Tax Distribution" has the meaning set forth in Section 6.4 hereof.

1.157 "Tax Matters Partner" has the meaning set forth in Section 9.4(a) hereof.

1.158 "Temporary Investments" means short-term investments consisting of (i) U.S. government and agency obligations maturing within 365 days, (ii) commercial paper rated not lower than A-1 by Standard & Poor's Corporation or P-1 by Moody's Investors Service, Inc. with maturities of not more than 12 months and 1 day, (iii) interest-bearing deposits in U.S. banks or brokerages and U.S. branches of foreign banks or brokerages, in either case with an unrestricted capital surplus of at least $250,000,000 and having one of the ratings referred to above, maturing within 365 days and (iv) money market funds with assets of not less than $250,000,000 which assets are reasonably believed by the General Partner to consist primarily of items described in one or more of the foregoing clauses (i), (ii) and (iii).

1.159 "Transaction Fees" means all transaction fees, disposition fees, advisory fees, monitoring fees, consulting fees or other similar fees (excluding the reimbursement of related expenses) received by the Management Company, the General Partner or any of their respective Affiliates, in respect of services provided to any Portfolio Company, purchaser or seller of any Portfolio Investment as a result of a proposed transaction or investment by the Partnership (but excluding the reimbursement of related out-of-pocket expenses). For purposes of this Agreement, Transaction Fees shall exclude any portion thereof that is allocable to or is based on an investment by any Parallel Investment Vehicle, Alternative Investment Vehicle, Additional Fund or other co-investor.

1.160 "Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge, assignment, hypothecation or other disposition and, as a verb, to voluntarily or involuntarily transfer, sell, pledge, assign, hypothecate or otherwise dispose of;

"Transferor" means a Person that Transfers or proposes to Transfer; and "Transferee" means a Person to whom a Transfer is made or is proposed to be made.

1.161 "Two-Thirds Vote of Limited Partners" means, subject to Section 4.9(f), the affirmative vote of Limited Partners who hold Percentage Interests representing at least 66-2/3% of all of the Percentage Interests in the Partnership that are held by Limited Partners. For purposes of the preceding sentence, (a) Non-Voting Interests and Interests held by the General Partner, the Management Company or any of their respective Affiliates and (b) Interests held by Defaulting Limited Partners shall not be included.

1.162 "UBTI" means "unrelated business taxable income" within the meaning of Code Section 512, determined without regard to the special rules contained in Code Section 512(a)(3) that are applicable solely to organizations described in paragraphs (7), (9), (17) or (20) of Code Section 501(c).

1.163 "UBTI Investment" means any proposed Portfolio Investment identified by the General Partner, in its discretion, as being reasonably likely to generate a material amount of UBTI from a distributive share of income of the Partnership or from a disposition of such Portfolio Investment, other than income which arises as a result of, or with respect to (a) any activities of a Limited Partner unrelated to its investment in the Partnership, (b) any set-off against the Management Fee paid by the Partnership pursuant to Section 4.3(b) hereof, or (c) the operation of Sections 2.6(k), 2.6(l) or 3.3 hereof.

ARTICLE 2

ORGANIZATION

2.1 Formation of Limited Partnership. The Partnership has previously been formed pursuant to the Act. The Initial Agreement is hereby amended and restated in its entirety, and the Partnership is hereby continued. The rights and liabilities of the Partners shall be as provided for in the Act if not otherwise expressly provided for in this Agreement.

2.2 Name. The name of the Partnership is "Milestone Partners IV, L.P. 2". The business of the Partnership shall be conducted under such name or under such other names as the General Partner may deem appropriate upon written notice to the Limited Partners. Except as may be required under applicable Regulations, no value shall be placed upon the name, the right to its use or the goodwill attached thereto for the purpose of determining the Fair Market Value of any Partner's Capital Account or Interest.

2.3 Office; Agent for Service of Process. The address of the Partnership's registered office in Delaware is c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801. The name and address of the registered agent in Delaware for service of process are The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801. The General Partner may change the registered office and the registered agent of the Partnership in its discretion pursuant to an amendment to the Certificate.

The Partnership shall maintain a principal place of business and office(s) at such place or places as the General Partner may from time to time designate. The General Partner shall provide prompt written notice to the Limited Partners of any change in the Partnership's principal place of business or in the Partnership's agent for service of process.

2.4 Term. The term of the Partnership commenced upon the date of filing of the Certificate in the office of the Secretary of State of the State of Delaware pursuant to the Act and shall continue in full force and effect until the tenth anniversary of the Effective Date; provided, however, that the General Partner shall have the right, in its discretion, to extend the term of the Partnership for up to 2 additional one-year periods. Notwithstanding the foregoing, the term of the Partnership shall not extend beyond the date of dissolution of the Partnership as contemplated by Article 10.

2.5 Purpose and Scope. Subject to the limitations set forth in Section 5.4 hereof, the purpose of the activities to be conducted by the Partnership (the "Partnership Business") is to acquire significant interests in the Securities of lower middle market Companies with enterprise values ranging from $15 million to $150 million. In addition, the Partnership may deal in all manners and ways as is customary for an investment partnership, carry on any activities relating thereto or arising therefrom and do anything reasonably incidental or necessary with respect to the foregoing. The Partnership shall not make any Portfolio Investments prior to the Effective Date.

2.6 Authorized Acts. In furtherance of the Partnership Business, but subject to all other provisions of this Agreement, the General Partner, on behalf of the Partnership, is hereby authorized and empowered:

(a) To direct the formulation of investment policies and strategies for the Partnership;

(b) To investigate, select, negotiate, structure, purchase, invest in, hold, pledge, exchange, transfer and sell or otherwise dispose of Portfolio Investments and Temporary Investments;

(c) To monitor the performance of Portfolio Investments and Temporary Investments, to designate members of the board of directors of Portfolio Companies or to obtain equivalent representation, to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Portfolio Investments and Temporary Investments and to take whatever action, including steps to influence key management decisions of Portfolio Companies and voting shares of capital stock or other ownership interests issued by such Portfolio Companies as may be necessary or advisable as determined by the General Partner in its discretion;

(d) To form subsidiaries in connection with the Partnership Business;

(e) To form Alternative Investment Vehicles, Blocker Corporations, Feeder Vehicles, Parallel Investment Vehicles and other vehicles pursuant to Section 4.9 or Section 5.1 hereof;

(f) To enter into any kind of activity and to enter into, perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of the Partnership, including, without limitation, the Investment Management Agreement and Subscription Agreements or side letters with Limited Partners;

(g) To open, maintain and close bank accounts and draw checks or other orders for the payment of money and open, maintain and close brokerage, money market fund and similar accounts;

(h) To hire, for usual and customary payments and expenses, consultants, brokers, attorneys, accountants and such other agents for the Partnership as it may deem necessary or advisable, and authorize any such agent to act for and on behalf of the Partnership;

(i) To purchase insurance policies on behalf of the General Partner and the Partnership, including for director and officer liability and other liabilities of the General Partner and the Partnership;

(j) To pay all Expenses of the Partnership and the General Partner in accordance with Section 4.4 hereof;

(k) To cause the Partnership to borrow money from any Person prior to the time all or a portion of such funds would otherwise be made available by the Partners pursuant to Sections 3.1 and 3.2 hereof; provided, however, that (i) Capital Contributions to repay any such borrowing shall be required to be made by the Partners within 30 days after the date of such borrowing and (ii) at no time may the principal amount of outstanding borrowed funds (including outstanding borrowed funds related to any prior borrowing) exceed the amount of Capital Contributions then being required (or that shall be required within 30 days after such borrowing); provided further, that, to the extent that borrowed funds are not repaid in full on or immediately after the date on which the Capital Contributions are due in accordance with the related Funding Notice because one or more Partners fails to make Capital Contributions on or prior to such date, all Expenses associated with such borrowing incurred after such due date (including fees and interest) shall be borne solely by the Partner(s) that failed to make such Capital Contribution(s);

(l) To cause the Partnership to guarantee loans or other extensions of credit to any Portfolio Company (or any affiliate thereof) or any vehicle formed to effect a Portfolio Investment in such Portfolio Company; provided, however, that such guarantees together with any borrowings pursuant to Section 2.6(k) hereof, shall not, in the aggregate, exceed the aggregate Available Commitments at such time; provided

further, that, solely for purposes of the investment limitations contained in Section 5.4 hereof, any such guarantee or other extension of credit in respect of a Portfolio Company shall be considered a Portfolio Investment in such Portfolio Company;

(m) Subject to Section 5.4, to cause the Partnership to provide interim debt or equity financing (a "Bridge Financing") in order to preserve, enhance or make available a Portfolio Investment; and

(n) To take any and all other actions which are determined by the General Partner to be necessary, convenient or incidental to the conducting of the Partnership Business.

2.7 Tax Classification of the Partnership. It is intended that the Partnership be classified as a partnership for Federal income tax purposes.

(a) Certain Tax Elections. The Partnership shall not file any election pursuant to Regulations Section 301.7701-3(c) to be treated as an entity other than a partnership. The Partnership shall not elect, pursuant to Code Section 761(a), to be excluded from the provisions of subchapter K of the Code.

(b) Publicly Traded Partnerships. To ensure that Interests are not traded on an established securities market within the meaning of Regulations Section 1.7704-1(b) or readily tradable on a secondary market or the substantial equivalent thereof within the meaning of Regulations Section 1.7704-1(c), notwithstanding anything to the contrary contained herein,

(i) The Partnership shall not participate in the establishment of any such market or the inclusion of its Interests thereon, and

(ii) The Partnership shall not recognize any Transfer made on any market by:

(A) redeeming the Transferor Partner (in the case of a redemption or repurchase by the Partnership); or

(B) admitting the Transferee as a Partner or otherwise recognizing any rights of the Transferee, such as a right of the Transferee to receive Partnership distributions (directly or indirectly) or to acquire an interest in the capital or profits of the Partnership.

2.8 Admission of Partners; Withdrawal of Initial Limited Partner. Each Limited Partner being admitted to the Partnership on the Initial Closing Date shall be deemed admitted to the Partnership as a limited partner of the Partnership upon its execution and delivery of a counterpart of this Agreement and the acceptance thereof by the General Partner. Immediately following the admission of any such Limited Partner, the Initial Limited Partner, by its execution and delivery of a counterpart of this

Agreement, shall withdraw from the Partnership on such Initial Closing Date and shall have no further or continuing interest in the Partnership. Each Partner being admitted to the Partnership on any additional Subsequent Closing Date shall be admitted to the Partnership in accordance with Section 4.8 hereof.

ARTICLE 3

CAPITAL CONTRIBUTIONS

3.1 Capital Contributions by the General Partner.

(a) Commitment. The capital commitment of the General Partner to the Partnership is equal to 10% of PSERS' Commitment. The Commitments of all Partners shall be set forth on Schedule B hereto. The General Partner shall cause Schedule B to be updated from time to time as necessary to accurately reflect the information required to be included therein. Any amendment or revision to Schedule B made in accordance with this Agreement shall not be deemed an amendment to this Agreement.

(b) Capital Contributions. On each Capital Call Payment Date, the General Partner shall make Capital Contributions (excluding Capital Contributions in respect of the Management Fee) to the Partnership in an amount of cash equal to its *pro rata* share (based on Commitments) of the total Capital Contributions of all Partners to the Partnership (other than Capital Contributions in respect of the Management Fee) on such date.

3.2 Capital Contributions by Limited Partners.

(a) Commitment. The Commitment of each Limited Partner is set forth on the signature page to such Limited Partner's Subscription Agreement.

(b) Capital Contributions. Each Limited Partner shall make Capital Contributions (in cash in U.S. dollars) to the Partnership upon notice (a "Funding Notice") from the General Partner in such amounts and at such times (but, except for Capital Contributions in respect of Organizational Expenses, in no event prior to the Effective Date) as the General Partner shall deem appropriate, as specified in the Funding Notice; provided, however, that unless otherwise required by the Act, no Limited Partner shall be required to make a Capital Contribution (including Capital Contributions required by Sections 3.6(c) and 3.7(c) hereof) to the Partnership in excess of the Available Commitment of such Limited Partner at the time of such Capital Contribution; provided further, that, for the avoidance of doubt, the foregoing limitation shall not apply to a Partner's obligation to return distributions for the purpose of meeting such Partner's *pro rata* share of Expenses (including indemnification obligations) in accordance with Section 3.5 hereof. Such Capital Contributions shall, with respect to each Limited Partner, be *pro rata* to the Limited Partners' respective Commitments.

(c) Funding Notice. The General Partner shall give the Funding Notice in the manner specified in Section 14.1 hereof, and the Funding Notice shall specify (i) the place at which such Capital Contribution is to be made, including, if applicable, the account of the Partnership to which such Capital Contribution should be made, (ii) the amount of such Capital Contribution to be made, (iii) the aggregate amount of capital contributions to be made to the Partnership and each Parallel Investment Vehicle, (iv) whether, and the extent to which, such Capital Contribution is expected to be used for (A) a Portfolio Investment, (B) Expenses, (C) the Management Fee or (D) reserves, (v) the date and time at which such Capital Contribution is to be made, which time shall not be earlier than 12:00 p.m., New York, New York time, on the tenth Business Day (or the fifth Business Day in respect of any Funding Notice given pursuant to Section 3.6 or Section 3.7 hereof) after the giving of the Funding Notice; provided, however, that Capital Contributions may be required from PSERS on the third Business Day after the giving of the Funding Notice, if, in the reasonable discretion of the General Partner, such lesser amount of time is necessary to avoid the incurrence of any indebtedness by the Partnership. If the General Partner deems it advisable, the General Partner may reduce the amount of or cancel any call for a Capital Contribution by giving notice to each Partner.

(d) Other Terms. No interest shall be paid to any Partner on any Capital Contributions. All Capital Contributions shall be denominated and payable in U.S. dollars.

(e) Return of Capital Contributions. Capital Contributions made by each Partner shall be returned (together with any interest or profits earned thereon) to such Partner if such Capital Contributions are not used by the Partnership to make a Portfolio Investment, pay Expenses or establish or increase Reserves within 60 days after the applicable Capital Call Payment Date. Capital Contributions made by each Partner to fund a Portfolio Investment may be held in Temporary Investments prior to the making of such Portfolio Investment. For the avoidance of doubt, any such amounts shall increase, dollar for dollar, the recipient Partner's Available Commitment and no preferred return (for purposes of Section 6.1(b) hereof) shall accrue on any such returned amounts.

(f) Use of Investment Proceeds to Fund Capital Contributions. The General Partner may, in its discretion, determine to retain and use all or any portion of a Partner's share of Investment Proceeds (including, for purposes hereof, any Partner's share of Capital Contributions made by an Additional Limited Partner pursuant to Section 4.8 hereof) to pay all or part of any Capital Contribution that is required to be made by such Partner pursuant to the terms hereof. The amount of Investment Proceeds so retained shall be deemed for all purposes of this Agreement to have been distributed to such Partner and then recontributed to the Partnership by such Partner as a Capital Contribution on the same date. Prior to or concurrent with any such deemed Capital Contribution in respect of a Portfolio Investment, the General Partner shall provide to such Partner the Funding Notice required to be given by Section 3.2(c) hereof with respect to such Capital Contribution. If the retained amount with respect to any Partner is not sufficient to cover the balance of such Partner's Capital Contribution requirement at

such time, the amount necessary to cover the balance shall be contributed by such Partner pursuant to a Funding Notice given by the General Partner in accordance with Section 3.2(c) hereof.

(g) Suspension, Expiration or Termination of the Investment Period. During any suspension or upon expiration or termination of the Investment Period, no Portfolio Investment may be made by the Partnership and no Partner shall be required to make Capital Contributions in respect of Portfolio Investments; provided, however, that, during any suspension and subsequent to the expiration or termination of the Investment Period (including any suspension or termination pursuant to Section 3.2(h) or Section 3.2(i) hereof), any Available Commitments may be called by the General Partner in its discretion to the extent necessary to (i) pay Expenses, (ii) establish or increase Reserves, (iii) enable the Partnership to make Follow-on Investments, (iv) complete any Portfolio Investment (A) that is subject to binding written commitments or (B) for which a significant portion of the diligence investigation of the proposed Portfolio Company has been completed and with respect to which a significant portion of the document negotiation has been undertaken, in each case prior to such suspension, expiration or termination of the Investment Period or the end of the Replacement Period, as applicable; provided that such Portfolio Investment is completed within 12 months after (x) the termination or expiration of the Investment Period or (y) the end of the Replacement Period; and (v) repay permitted borrowings. Prior to 30 days after the termination or expiration of the Investment Period, the General Partner shall provide written notice to the Limited Partners Advisory Committee of each Portfolio Investment for which the Partnership anticipates it may call capital after the termination or expiration of the Investment Period pursuant to clause (iv) above.

(h) Key Person Event. If, prior to the expiration of the Investment Period, either John P. Shoemaker or W. Scott Warren (each, a "Key Person") ceases to devote the requisite amount of his business time and attention, as described in Section 4.11 hereof, to the Partnership (including any Parallel Investment Vehicle, any Alternative Investment Vehicle, any Blocker Corporation, any Feeder Vehicle and any co-investment vehicle), the General Partner and its Affiliates (the date of such event, a "Key Person Event"), then, the Investment Period shall be automatically suspended, and the General Partner shall, as promptly as practicable, notify the Limited Partners of such suspension of the Investment Period. Within 60 days of such suspension, the General Partner shall present a plan for replacing the applicable Key Person(s) or otherwise continuing the Partnership's investment activities (the "Key Person Plan") to the Limited Partners Advisory Committee. As promptly as practicable, but no later than 20 days after the Limited Partners Advisory Committee has received the Key Person Plan (including any alternate plan), the Limited Partners Advisory Committee shall meet to vote on whether or not to approve such Key Person Plan or alternate plan. If the Key Person Plan or an alternate plan is approved by the Limited Partners Advisory Committee within the 60-day period following the Key Person Event (the "Replacement Period"), the Investment Period shall be reinstated. If neither the Key Person Plan nor an alternate plan is approved by the Limited Partners Advisory Committee within the Replacement

Period, the General Partner shall so notify the Limited Partners and the Investment Period shall automatically terminate as of the date that is 120 days after such notification of suspension unless the Limited Partners, by a Majority Vote of Limited Partners, vote to reinstate the Investment Period prior to the end of such 120 day period. If, in accordance with the foregoing, either (i) the Limited Partners Advisory Committee approves the Key Person Plan or an alternate plan or (ii) the Limited Partners, by a Majority Vote of Limited Partners, vote to reinstate the Investment Period, the Investment Period shall be extended by the length of the period during which the Investment Period was suspended. For the avoidance of doubt, from and after a Key Person Event, the Management Company shall be entitled to payment of the Management Fee as if the Key Person Event had not occurred. In the event and for so long as the Investment Period is terminated pursuant to Section 3.2(g) hereof, the Management Fee payable to the Management Company shall thereafter be calculated in accordance with Section 4.3(a)(ii) hereof.

(i) No-Fault Termination of the Investment Period. The Limited Partners may elect, by a Seventy Five Percent Vote of Limited Partners, to terminate the Investment Period, which termination shall be effective upon the General Partner's receipt of written notice of such decision of the Limited Partners.

3.3 Credit Facility. The Partnership may enter into a credit facility ("Credit Facility") from time to time to facilitate the Partnership's ability to borrow money pursuant to Section 2.6(k) hereof. Any such Credit Facility may be secured in whole or in part by a pledge by the Partnership of the Partners' Available Commitments. In connection with any Credit Facility obtained by the Partnership, (a) the General Partner shall be authorized to pledge, mortgage, assign, transfer and grant security interests in the right to initiate capital calls and collect the Available Commitments of the Partners hereunder and (b) each Limited Partner agrees to confirm, from time to time, the terms of its Commitment to the credit provider, to honor capital calls made by the credit provider in the case of a default on the facility by the Partnership in connection with the foregoing in accordance with the terms of this Agreement, to provide financial information as the General Partner or the credit provider deems necessary and reasonably requests, and to execute or obtain such documents as may be reasonably necessary to obtain and retain such Credit Facility. To the extent that the Partnership has outstanding obligations under a Credit Facility secured by the Available Commitments of the Partners hereunder, each Partner shall be obligated to fund any portion of its Available Commitment without defense, counterclaim or offset of any kind, provided that such agreement to fund shall not act as a waiver of any claim that such Partner may have against any other Partner or the Partnership. Each Limited Partner shall also use reasonable efforts to provide to the Partnership and to the credit provider, if necessary, information and representations necessary to ensure that the lending arrangement shall not constitute a non-exempt "prohibited transaction" under ERISA. In the event that, as a result of any such pledge, mortgage, assignment, transfer or grant of security interest, a Limited Partner makes a payment directly to a credit provider as required pursuant thereto, such payment shall be deemed to be a Capital Contribution of such Limited Partner to the Partnership. Nothing in this Section 3.3 shall require any Limited Partner to take any action that would cause

such Limited Partner to assume personal liability to the Partnership in an amount which exceeds such Limited Partner's Available Commitment.

3.4 Withdrawals. Except as explicitly provided elsewhere herein, no Partner shall have any right (a) to withdraw as a Partner from the Partnership, (b) to withdraw from the Partnership all or any part of such Partner's Capital Contributions, (c) to receive property other than cash in return for such Partner's Capital Contributions or (d) to receive any distribution from the Partnership.

3.5 Liability of Partners.

(a) Except as explicitly provided in the Act and subject to the other provisions of this Agreement, the General Partner has the liabilities of a partner in a partnership without limited partners to Persons other than the Partnership and the other Partners.

(b) (i) Except as required by the Act, other applicable law or as otherwise expressly set forth herein, no Limited Partner shall be required to repay to the Partnership, any Partner or any creditor of the Partnership all or any part of the distributions made to such Limited Partner pursuant hereto; provided, however, that, subject to the limitations set forth in Section 3.5(c) hereof, the General Partner may require a Limited Partner to return distributions made to such Limited Partner for the purpose of meeting such Limited Partner's *pro rata* share of Expenses (including indemnification obligations under Section 4.7 hereof) as determined by the General Partner in its discretion (based, subject to Section 10.4 hereof, on distributions, other than distributions of Carried Interest, received by each Partner from the Partnership relative to all distributions, other than distributions of Carried Interest, received by all Partners, or, if the obligation relates to a specific Portfolio Investment, based on distributions, other than distributions of Carried Interest, received by each Partner from the Partnership in respect of such Portfolio Investment relative to distributions, other than distributions of Carried Interest, received by all Partners from the Partnership in respect of such Portfolio Investment).

(ii) If, notwithstanding anything to the contrary contained herein, it is determined under applicable law that any Limited Partner has received a distribution which is required to be returned to or for the account of the Partnership or Partnership creditors, then the obligation under applicable law of any Limited Partner to return all or any part of a distribution made to such Limited Partner shall be the obligation of such Limited Partner and not of any other Partner.

(iii) Any amount returned by a Limited Partner pursuant to this Section 3.5(b) shall be treated as a contribution of capital to the Partnership (but not as a Capital Contribution for purposes hereof) and shall be treated as if such returned amount was not previously distributed to such Limited Partner.

(iv) For the avoidance of doubt, the General Partner shall be required to return at the same time as Limited Partners its *pro rata* portion (based, subject to Section 10.4 hereof, on distributions, other than distributions of Carried Interest, received by the General Partner from the Partnership, or, if the obligation relates to a specific Portfolio Investment, based, subject to Section 10.4 hereof, on distributions, other than distributions of Carried Interest, received by the General Partner from the Partnership in respect of such Portfolio Investment) of any amounts required to be returned by Limited Partners under this Section 3.5(b), it being understood that the General Partner's obligation to return any distributions of Carried Interest is addressed pursuant to Section 10.4 hereof.

(c) The obligation of a Limited Partner to return distributions pursuant to this Section 3.5 shall survive the termination of the Partnership and this Agreement and, to the fullest extent permitted by law, be subject to the following limitations:

(i) no Limited Partner shall be required to return a distribution or portion thereof after the second anniversary of the date of termination of the Partnership; provided, however, that if on or prior to the second anniversary of the date of termination of the Partnership there are any legal actions, suits or proceedings by or before any court, arbitrator, governmental body or other agency (a "Proceeding") then pending or any other liability (whether contingent or otherwise) or claim then outstanding, the General Partner shall so notify each Limited Partner at such time and the obligation of each Limited Partner to return any distribution for the purpose of meeting the Partnership's obligations in respect of Expenses (including indemnification obligations under Section 4.7 hereof) shall survive with respect to each such Proceeding, liability and claim set forth in such notice (or any related Proceeding, liability or claim based upon the same or a similar claim) until the date that such Proceeding, liability or claim is ultimately resolved and satisfied; and

(ii) the aggregate amount of distributions which a Limited Partner may be required to return hereunder shall not exceed an amount equal to one-half (1/2) of the aggregate amount of distributions received by such Limited Partner from the Partnership.

(d) Promptly after the General Partner learns of any event which is reasonably likely to require the return of distributions pursuant to Section 3.5(b) hereof, it shall notify PSERS in writing as to the nature and extent of the underlying matter which could give rise to such requirement, and the General Partner shall thereafter supply such information to PSERS as PSERS reasonably requests regarding such matter; provided that the General Partner's failure to notify PSERS or supply PSERS with information shall not relieve PSERS of its obligations pursuant to Section 3.5(b) hereof.

3.6 Excuse and Exclusion.

(a) Notwithstanding anything to the contrary contained herein, if, within 5 Business Days after a Limited Partner has been given a Funding Notice, such Limited Partner delivers to the General Partner:

(i) a written opinion that satisfies the requirements of the final sentence of this Section 3.6(a)(i), then such Limited Partner shall be excused from its obligation to make a Capital Contribution relating to the applicable Portfolio Investment (or that part of its obligation which would cause a violation as referred to below). The opinion shall be a written opinion of counsel to such Limited Partner (which opinion and counsel shall be reasonably satisfactory to the General Partner), that its participation (or in the case of an excuse from part but not all of its obligation, the part of its participation in question) in such Portfolio Investment would cause a material violation of any law, governmental regulation, statute, rule or order to which it is subject and such opinion shall state in reasonable detail the grounds for such conclusion. The Office of General Counsel of the Commonwealth of Pennsylvania, the Office of Attorney General of the Commonwealth of Pennsylvania, or internal counsel to PSERS will be acceptable to the General Partner and the Partnership for purposes of providing such opinion.

(ii) written notice that the making of Capital Contributions in respect of such Portfolio Investment would violate a written policy of such Limited Partner that the General Partner has acknowledged in writing on or prior to the date of such Limited Partner's admission to the Partnership, such Limited Partner shall be excused from its obligation to make Capital Contributions in respect of such Portfolio Investment to the extent that making such Capital Contributions would violate such policy. For purposes of the foregoing sentence, the General Partner acknowledges that PSERS has notified the General Partner of PSERS' policy prohibiting PSERS' investment in for-profit education companies providing education to students from kindergarten through 12th grade.

(b) The General Partner may exclude a particular Limited Partner from participating in all or any part of a Portfolio Investment if the General Partner reasonably determines that:

(i) a materially adverse effect on the Partnership or any of its Affiliates, or any Portfolio Company in which the Partnership has or may have a Portfolio Investment is reasonably likely to result, or

(ii) such Limited Partner's participation (or in the case of an exclusion from part but not all of its participation, the part of its participation in question) in such Portfolio Investment is reasonably likely to cause a material violation of any law, governmental regulation, statute, rule or order to which the relevant Portfolio Company, such Limited Partner, the Partnership or any of its Affiliates is subject.

(c) Any determination made pursuant to Section 3.6(a) or 3.6(b) hereof shall be communicated to all Limited Partners at or prior to the time of the making of such Portfolio Investment, and the Funding Notice delivered in respect of such Portfolio Investment shall provide the amount of any additional capital which Partners not so excused or excluded shall be required to contribute as a result of the developments set forth above or, if such determination is not made until after a Funding Notice for such Portfolio Investment is delivered to Limited Partners (but in any event no later than 20 days after the required funding of Capital Contributions in respect of such Portfolio Investment), the General Partner may then deliver a new Funding Notice to each other Limited Partner which is able to participate in such Portfolio Investment indicating the additional payment with respect to its Capital Contribution to be made in respect of such Portfolio Investment, and, subject to the proviso set forth in this Section 3.6(c), each such other Partner shall make such additional payment on the later of: (i) the Capital Call Payment Date in respect of such Portfolio Investment or (ii) 5 Business Days after having been given such new Funding Notice. Additional amounts called for pursuant to this Section 3.6(c) shall be contributed by each such other Partner in an amount which bears the same ratio to the aggregate of the additional amounts payable by all such other Partners as such other Partner's Commitment bears to the Commitments of all such other Partners; provided, however, that no Partner shall be obligated as a result thereof to (i) contribute an amount in excess of such Partner's Available Commitment or (ii) contribute an amount such that the limitations set forth in Section 5.4 hereof are exceeded with respect to the Commitment of such Partner.

(d) Any Limited Partner excused or excluded from participation in a Portfolio Investment pursuant to this Section 3.6 shall not be treated as a Defaulting Limited Partner under Section 3.7 hereof. In addition, the Available Commitment of any Limited Partner excused or excluded from participation in a Portfolio Investment pursuant to this Section 3.6 shall not be reduced as a result of such excuse or exclusion, and any capital contributed to the Partnership by a Limited Partner in respect of a Portfolio Investment from which such Limited Partner is excused or excluded shall be refunded to such Limited Partner.

(e) The General Partner shall not be liable to any Limited Partner, the Partnership, or any other Person bound by this Agreement, for excluding a Limited Partner or for allowing a Limited Partner to be excused from participating in whole or in part in any Portfolio Investment pursuant to this Section 3.6.

3.7 Defaulting Limited Partners.

(a) If at any time a Limited Partner shall fail to make a required Capital Contribution to the Partnership (or any other amount required to be contributed hereunder) within 10 Business Days following notice (which notice, in the case of PSERS, shall be provided in writing and by telephone or telephonic message) by the General Partner of such default (a "Defaulting Limited Partner"), the General Partner may, or may not, in its discretion, subject such Defaulting Limited Partner to certain adverse consequences, including, but not limited to, (i) interest accruing on the amount of

such default and any costs of collection associated therewith commencing on the date such Capital Contribution was due at the lesser of (A) the rate of 20% *per annum* and (B) the maximum rate permitted by applicable law (such default amount, together with any associated collection costs, including attorneys' fees and expenses, plus any other liability or obligation incurred by the Partnership in connection with such default, plus interest being the "Default Amount") and (ii) causing distributions that would otherwise be made to the Defaulting Limited Partner (including any distributions that would otherwise be made to the Defaulting Limited Partner from any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle) to be credited against the Default Amount in a manner to be determined by the General Partner. In addition, while the Default Amount remains outstanding, the Defaulting Limited Partner shall be required to forfeit its right to participate in a vote on matters on which the Defaulting Limited Partner would otherwise be entitled to vote.

(b) If a Defaulting Limited Partner shall fail to make a required Capital Contribution as and when due (or any other amount required to be contributed hereunder), the General Partner also shall be entitled, but not required, to (i) reduce all or any portion of the Defaulting Limited Partner's Invested Capital or Sharing Percentages in respect of one or more Portfolio Investments, as determined by the General Partner in its discretion, which reduced portion of Invested Capital or Sharing Percentages shall increase the Invested Capital or Sharing Percentages of the non-Defaulting Limited Partners *pro rata* in accordance with their Percentage Interests in the Partnership, (ii) transfer such Defaulting Limited Partner's Interest to any Person (including the General Partner or any Affiliate thereof) at a value determined by the General Partner in its discretion or (iii) reduce all or any portion of the Defaulting Limited Partner's Available Commitment as determined by the General Partner in its discretion. If the General Partner cancels the remaining balance of a Defaulting Limited Partner's Available Commitment pursuant to clause (iii) of this Section 3.7(b), the General Partner may, in its discretion, offer any Person the right to (x) subscribe for such Defaulting Limited Partner's cancelled Available Commitment and (y) if such Person is not a Limited Partner, be admitted as a limited partner of the Partnership in accordance with Section 12.3 hereof.

(c) The General Partner, in its discretion, may require the non-Defaulting Limited Partners to make Capital Contributions to the Partnership to make up any shortfall in Capital Contributions resulting from the failure of the Defaulting Limited Partner to fund its required amount; provided, however, that no Limited Partner shall be obligated as a result thereof to (i) contribute an amount in excess of such Limited Partner's Available Commitment or (ii) contribute an amount such that the limitations set forth in Section 5.4 hereof are exceeded with respect to the Commitment of such Limited Partner. If the non-Defaulting Limited Partners are required to make additional Capital Contributions pursuant to this Section 3.7(c), the General Partner shall deliver to such Partners an additional Funding Notice in accordance with Section 3.2(b) hereof, except that such additional Funding Notice may require such additional Capital Contributions to

be made within 5 Business Days after the giving of such Funding Notice, without regard to the restrictions set forth in Section 3.2(c)(vii) hereof.

(d) The General Partner, in its discretion, may advance a loan (a "Default Loan") to a Defaulting Limited Partner in an amount equal to the whole or part of the Default Amount (plus any interest outstanding thereon). The proceeds of each Default Loan shall be provided directly to the Partnership as such Defaulting Limited Partner's Capital Contribution. Each such Default Loan shall bear interest at an annual rate of 8%, calculated daily and compounded monthly in respect of such Default Loan (or any part outstanding from time to time) from the date on which such Default Loan is advanced until such Default Loan and interest accrued thereon are paid in full. Any distributions that would otherwise be made to the Defaulting Limited Partner (including any distributions that would otherwise be made to the Defaulting Limited Partner from any Alternative Investment Vehicle. Blocker Corporation or Feeder Vehicle) shall be credited against the Default Loan in a manner to be determined by the General Partner.

(e) Notwithstanding anything to the contrary contained in this Section 3.7, a Defaulting Limited Partner shall remain obligated to make Capital Contributions in respect of its *pro rata* portion of the Management Fee owed to the Partnership in accordance with Section 4.3 hereof; provided, however, that if the General Partner has imposed a remedy such that the Defaulting Limited Partner shall not be permitted to make additional Capital Contributions to the Partnership, the Defaulting Limited Partner's *pro rata* portion of the Management Fee from and after the date such remedy is effective shall be equal to such Defaulting Limited Partner's Invested Capital multiplied by the rate in effect from time to time at which the Management Fee is charged pursuant to Section 4.3 hereof; provided further, that a Defaulting Limited Partner shall not remain obligated to make Capital Contributions in respect of its *pro rata* portion of the Management Fee owed to the Partnership in accordance with Section 4.3 hereof in the event and to the extent that the Defaulting Limited Partner's Interest is Transferred to any Person. The General Partner shall be entitled to withhold from any distribution owing to the Defaulting Limited Partner under this Agreement or otherwise the present value of the aggregate cumulative amount of such Defaulting Limited Partner's *pro rata* portion of the Management Fee, calculated to the twelfth anniversary of the Effective Date.

(f) Each Limited Partner hereby consents to the application to it of the remedies provided in this Section 3.7 in recognition that, in addition to the actual damages suffered by the Partnership, the General Partner, the Management Company and their respective Affiliates as a result of a breach hereof by a Defaulting Limited Partner (including, without limitation, any fee payable to the General Partner, the Management Company or their respective Affiliates by, or profits of the Partnership allocable to the General Partner with respect to, such Defaulting Limited Partner), the General Partner, the Management Company, the Partnership and their respective Affiliates may have no adequate remedy at law for a breach hereof except for ascertainable damages and that other damages resulting from such breach may be impossible to ascertain at the time hereof or of such breach. Notwithstanding the foregoing, and without prejudice to any remedies that the General Partner or the Partnership may have under applicable law, it is

agreed that the remedies available to the General Partner and the Partnership under this Section 3.7 in respect of the Interests of any Defaulting Limited Partner (including any abrogation of rights in respect of allocations, distributions or withdrawals, and any right of sale in respect of a Defaulting Limited Partner's Interest, pursuant to the provisions of this Section 3.7) represent a good faith means by which to compensate the Partnership for damages likely to be suffered by the Partnership as a result of the Defaulting Limited Partner's breach. No right, power or remedy conferred upon the General Partner in this Section 3.7 shall be exclusive, and each such right, power or remedy shall be cumulative and in addition to every other right, power or remedy whether conferred in this Section 3.7 or now or hereafter available at law or in equity or by statute or otherwise, all of which are retained. No course of dealing between the General Partner and any Defaulting Limited Partner and no delay in exercising any right, power or remedy conferred in this Section 3.7 or now or hereafter existing at law or in equity or by statute or otherwise shall operate as a waiver or otherwise prejudice any such right, power or remedy.

ARTICLE 4

MANAGEMENT

4.1 Management and Control of Partnership.

(a) The General Partner shall have the exclusive right to manage and control the Partnership. Except as otherwise specifically provided herein, the General Partner shall have the right to perform all actions necessary, convenient or incidental to the accomplishment of the purposes and authorized acts of the Partnership, as specified in Sections 2.5 and 2.6 hereof, and shall possess and may enjoy and exercise all of the rights and powers of a general partner as provided in and under the Act.

(b) No Limited Partner shall participate in the conduct of, or have any control over, the Partnership Business. The Limited Partners hereby consent to the exercise by the General Partner of the powers conferred upon the General Partner by this Agreement. The Limited Partners shall not have any authority or right to act for or bind the Partnership. Notwithstanding anything to the contrary contained herein, in no event shall a Limited Partner, the Management Company or a member of the Limited Partners Advisory Committee be considered a general partner of the Partnership by agreement, estoppel, as a result of the performance of its duties, or otherwise. Notwithstanding anything to the contrary contained herein, the Limited Partners, the Management Company and the members of the Limited Partners Advisory Committee shall not be deemed to be participating in the conduct of the Partnership Business within the meaning of the Act as a result of any actions taken hereunder by a Limited Partner, the Management Company or the Limited Partners Advisory Committee or a member thereof.

(c) Subject to Section 4.11(b), the General Partner, in its discretion, is authorized to employ, engage and dismiss (with or without cause), on behalf of the

Partnership, any Person, including an Affiliate of the Partnership or of any Partner, to perform services for, or furnish goods to, the Partnership. Without limiting the foregoing, the Partners hereby acknowledge that the General Partner has appointed the Management Company to act as the investment manager of the Partnership pursuant to the terms of the Investment Management Agreement and subject to the supervision of the General Partner. The Management Company shall be primarily responsible for identifying, evaluating, structuring and recommending to the General Partner each of the Portfolio Investments to be made by the Partnership and the disposition of each such Portfolio Investment and for administering the day-to-day operations of the Partnership. The Partnership shall neither terminate nor permit the Management Company to assign the Investment Management Agreement without the consent of the Limited Partners Advisory Committee (other than to an Affiliate of the Management Company so long as such Affiliate shall have assumed in writing the obligations of the Management Company under the Investment Management Agreement).

(d) The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Subscription Agreements, the Investment Management Agreement, any side letters pursuant to Section 14.11 and any documents contemplated thereby or related thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. For the avoidance of doubt, the foregoing shall not authorize the Partnership or the General Partner to enter into a Subscription Agreement on behalf of PSERS.

4.2 Actions by General Partner.

(a) Except as may be expressly limited by the provisions of this Agreement, the General Partner is specifically authorized to act alone to execute, sign, seal and deliver in the name and on behalf of the Partnership any and all agreements, certificates, instruments or other documents requisite to carrying out the intentions and purposes of this Agreement and of the Partnership.

(b) The General Partner, in its discretion, may enter into, terminate or approve any modifications or amendments of, any agreement for management or investment services, including, without limitation, the Investment Management Agreement, and execute all rights of the Partnership with regard to the foregoing.

(c) Any documentation, analysis, data or other information gathered or produced by the General Partner in connection with the management of the Partnership shall become the property of the General Partner; provided, however, that such materials shall become the property of the Partnership in the event of the withdrawal, Bankruptcy or dissolution of the General Partner.

4.3 Management Fee.

(a) Subject to Sections 4.3(b) and 4.3(c) hereof, as consideration for the management services to be provided pursuant to the Investment Management Agreement, the Partnership shall pay to the Management Company or its Affiliate, quarterly, in advance, a management fee (the "Management Fee") in an aggregate amount equal to:

(i) from the Effective Date until the earlier of (A) the expiration or termination of the Investment Period and (B) the date when the Management Company commences earning a management fee from any Additional Fund that has an investment strategy and investment focus substantially similar to those of the Partnership, 1.75% *per annum* of the Aggregate Commitments of the Limited Partners; and

(ii) thereafter, 1.75% *per annum* of the aggregate Funded Commitments of the Limited Partners as of the relevant Payment Date.

The Management Fee shall commence to accrue on the Effective Date and shall cease to accrue on the date on which the Partnership completes its liquidation as provided in Article 10 hereof. Other than with respect to the Management Fee payable by the Partnership on the Effective Date and any Subsequent Closing Date, the Management Fee shall be payable on January 2, April 1, July 1 and October 1 of each year (the date of each such payment, including the Effective Date and any Subsequent Closing Date, a "Payment Date"). The Management Fee for any period in which the Management Company or its Affiliate serves as manager for less than a full quarterly period shall be prorated on the basis of the number of days in such period compared to the number of days the assets were managed by the Management Company during such period. Capital Contributions made by a Limited Partner in respect of the Management Fee shall reduce such Limited Partner's Available Commitment.

(b) The Management Company, the General Partner or any of their respective Affiliates or employees shall have the right to contract for and receive Transaction Fees, Break-up Fees and Directors' Fees from any Person in connection with the activities of the Partnership; provided, however, that the Applicable Percentage of the Limited Partners' portion of any such Transaction Fees, Break-up Fees and Directors' Fees shall be applied to reduce any unpaid future Management Fee payable by the Partnership to the Management Company or its Affiliate. For purposes of effecting the foregoing offset, (i) any compensation that is paid in the form of an option or warrant shall be deemed to have been received on the date such option or warrant is exercised and the amount of such compensation shall be the excess of the value of the property received upon such exercise (less an appropriate discount determined in good faith for any vesting, repurchase rights, lack of marketability or similar provisions) over the amount paid to exercise such option or other right (plus any amount paid to acquire such option or warrant); and (ii) any other form of in-kind compensation shall be deemed to have been received on the date of receipt and the amount of such compensation shall be the value of

the property received as of such date of receipt. The Partnership shall not have any right to receive payment in respect of all or any portion of the Management Fee, Transaction Fees, Break-up Fees or Directors' Fees.

(c) Any and all Capital Contributions made by the Partners in respect of Organizational Expenses (other than placement agent fees) in excess of $1.35 million and, subject to Section 14.14 hereof, the total amount of Capital Contributions made in respect of any placement agent fees shall reduce, on a dollar-for-dollar basis, the amount of unpaid future Management Fee payable by the Partnership to the Management Company or its Affiliate, which reduction shall be applied on a quarterly basis over the three-year period beginning on the first Payment Date following the date of any such Capital Contributions.

(d) To the extent that the Management Fee is not reduced as of any given Payment Date pursuant to Section 4.3(b) or 4.3(c) hereof (or any portion thereof determined with respect to a previous Payment Date and carried over to the current Payment Date pursuant to this sentence) because the Management Fee has been reduced to zero, the excess shall be carried over to the next succeeding Payment Date (and, if necessary, to one or more subsequent Payment Dates) and applied as a reduction of the Management Fee, but not below zero, for such succeeding Payment Date (or a subsequent Payment Date). To the extent that, as of the final Payment Date, each anniversary thereof or such earlier date as determined by the General Partner, the Management Fee is not reduced pursuant to Section 4.3(b) or Section 4.3(c) hereof (or any portion thereof determined with respect to a previous Payment Date and carried over to the current Payment Date pursuant to the previous sentence) because the Management Fee has been reduced to zero, the excess shall be refunded by the Management Company to the Partnership for the benefit of Limited Partners (which refund shall, for purposes hereof, be treated as a return to the Limited Partners of prior Capital Contributions in respect of previously paid Management Fees); provided, however, that any Limited Partner may waive its right to receive its *pro rata* portion of such excess in which event such portion shall not be refunded by the Management Company to the Partnership for the benefit of such Limited Partner; provided, further, that upon termination of the Partnership, the amount to be distributed to a Limited Partner in respect of its portion of such excess will be wired to such Limited Partner in cash within 30 days of such termination.

4.4 Partnership Expenses.

(a) General. Except as otherwise provided herein and to the extent not paid or reimbursed by a Portfolio Company, the Partnership, in the discretion of the General Partner, shall pay or reimburse the General Partner, the Management Company, the Tax Matters Partner, members of the Limited Partners Advisory Committee and their respective Affiliates and their respective employees, agents, advisors, managers and Constituent Members for any and all expenses, costs and liabilities incurred by them in the conduct of the business of the General Partner, the Management Company and the

Partnership in accordance with the provisions hereof ("Expenses"), including by way of example and not limitation:

(i) Organizational Expenses. Expenses, costs and liabilities incurred in connection with (A) the offering and sale of the Interests and interests in any Parallel Investment Vehicle, including, subject to Section 14.14 hereof, placement agent costs and placement agent fees, (B) the organization of the Partnership, any Parallel Investment Vehicle, the General Partner and their respective Affiliates and (C) the negotiation, execution and delivery of this Agreement, the partnership agreement or other similar agreement in respect of any Parallel Investment Vehicle, the Investment Management Agreement and any related or similar documents, including, without limitation, any related legal and accounting fees and expenses, travel expenses and filing fees ("Organizational Expenses").

(ii) Operating Expenses. Expenses, costs and liabilities incurred in connection with the operation of the Partnership and its Portfolio Investments and the performance by the General Partner, the Management Company, the Partnership and their respective Affiliates of their respective obligations under this Agreement and the Investment Management Agreement, including, without limitation, (A) any expenses incurred in connection with the Limited Partners Advisory Committee including meetings thereof (including expenses incurred by PSERS in connection with its attendance); (B) expenses incurred in connection with meetings of the Limited Partners other than Limited Partners Advisory Committee meetings (including expenses incurred by PSERS in connection with its attendance); (C) expenses incurred in connection with annual meetings of Portfolio Company executives; (D) expenses incurred in connection with the origination, evaluation, negotiation, structuring, due diligence, acquisition, sale, proposed sale, valuation or disposition of Portfolio Investments, or in connection with proposed Portfolio Investments that are not ultimately consummated by the Partnership including, without limitation, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, research expenses, travel expenses and legal, accounting, investment banking, consulting and professional fees; (E) expenses incurred in connection with the carrying, monitoring or management of Portfolio Investments, including custodial, trustee, record keeping and other administration fees; (F) expenses incurred with the preparation and audit of the Partnership's financial statements, tax returns and K-1's; (G) attorneys' and accountants' fees and disbursements; (H) taxes, fees and other governmental charges payable by or levied against the Partnership, expenses incurred by the General Partner in its capacity as the Tax Matters Partner, or a similar role under applicable foreign, state or local tax law, and expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership; (I) subject to Section 4.7(c) hereof, insurance (including directors & officers insurance), regulatory (including regulatory expenses of the General Partner and the Management Company other than those incurred in connection with the registration of the Management Company or any affiliated entity as a registered investment adviser under the Advisers Act), indemnity or litigation expenses (and damages) and the cost and expenses of any other extraordinary events involving the Partnership and the amount of any judgments or settlements paid in connection therewith;

(J) expenses incurred in connection with the winding up or liquidation of the Partnership; (K) expenses relating to defaults by Partners; (L) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Partnership and related entities, including the General Partner and the Management Company, to the extent necessary to implement a restructuring or amendment of the Partnership documents; (M) expenses incurred in connection with the formation and operation of Alternative Investment Vehicles and, subject to Section 5.1(d) hereof, Blocker Corporations and Feeder Vehicles, (N) expenses incurred in connection with the employment of any selling agent, broker, placement agent or finder (other than placement agent fees payable in connection with the sale of Interests); (O) indemnification expenses and advances; (P) expenses incurred in connection with distributions to the Partners; (Q) expenses relating to reports and other information prepared for and delivered to the Partners; (R) reasonable out-of-pocket expenses for business development, travel and entertainment directly related to the development and management of the Portfolio Companies and prospective Portfolio Investments; (S) communications expenses; (T) all expenses, other than any interest (to the extent that PSERS has complied with the proviso contained in the penultimate sentence of Section 3.2(c) hereof), incurred in connection with any indebtedness or Bridge Financing of the Partnership or other credit arrangement (including any line of credit, loan commitment or letter of credit for the Partnership or related to any Portfolio Investment or any underlying asset); and (U) other expenses and liabilities of the Partnership. Notwithstanding the foregoing, the Partnership shall not be responsible for payment of all routine, normal operating expenses associated with the Management Company's and the General Partner's duties and services to be rendered to the Partnership, which operating expenses shall consist of (w) the salaries and benefits of the officers and employees of the Management Company, (x) fees and expenses for book-keeping, clerical and related support services, (y) lease or other payments for the Management Company's office space and facilities, utilities and telephone services, and (z) interest incurred in connection with any indebtedness of the Partnership to the extent that PSERS has complied with the proviso contained in the penultimate sentence of Section 3.2(c) hereof.

(b) Third-Party Expenses. To the extent practicable, any third-party and out-of-pocket expenses relating to consummated Portfolio Investments shall be charged to and reimbursed by the applicable Portfolio Company. If such expenses are not charged to and reimbursed by the applicable Portfolio Company, then they shall be paid by the Partnership in accordance with the foregoing. Any third-party and out-of-pocket expenses relating to unconsummated Portfolio Investments shall be borne by the Partnership.

4.5 Segregation of Funds. Partnership funds shall be kept exclusively in one or more bank or brokerage accounts in the name of the Partnership or its designee. No funds of the General Partner or any of its Affiliates shall be kept in such accounts.

4.6 Exculpation.

(a) No Indemnified Party shall be liable in damages or otherwise to any other Partner, the Partnership or any other Person bound by this Agreement for any act or omission taken or omitted by such Indemnified Party, or for any act or omission taken or omitted by any partner, member, shareholder, director, officer, employee or agent of the General Partner or its Affiliates, except (subject to Section 4.6(c) hereof) in any of the following cases:

(i) such Indemnified Party failed to exercise the care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence who are experts in such matters exercise in the conduct of a private equity enterprise with similar purposes;

(ii) such Indemnified Party's criminal action, unless the Indemnified Party had no reasonable cause to believe that its, his or her acts or omissions were unlawful;

(iii) such Indemnified Party's material violation of law, other than criminal law, unless such Indemnified Party had no reasonable cause to believe that its, his or her acts or omissions violated the law;

(iv) such Indemnified Party's bad faith or willful misconduct; or

(v) such Indemnified Party's material breach of this Agreement or any agreement between or among any of the Partnership, the Management Company, or any of their Affiliates, related to the Partnership.

(b) Notwithstanding anything to the contrary contained in Section 4.6(a) hereof, no member of the Limited Partners Advisory Committee shall be liable to any other Partner, the Partnership or any other Person bound by this Agreement for any act or omission taken or omitted by such member (in its capacity as such) in good faith unless such act or omission resulted from such member's fraud or willful misconduct.

(c) Indemnified Parties may consult with legal counsel and accountants in respect of Partnership affairs and shall be fully protected and justified in any action or inaction which is taken or omitted in good faith, in reliance upon and in accordance with the opinion or advice of such counsel or accountants, provided that they have been selected and supervised with reasonable care. Notwithstanding anything to the contrary in this Section 4.6, this Section 4.6 does not act to waive any nonwaivable rights that a Limited Partner may have under applicable law.

(d) This Agreement and the subscription documents, including, without limitation, the Subscription Agreement, executed by PSERS shall not be applied or construed to require PSERS to provide indemnification directly to any Person thereunder. PSERS, however, acknowledges that it is obligated as a Limited Partner to make Capital Contributions as called and returns of distributions pursuant to the

provisions of this Agreement. In addition, in compliance with PSERS' enabling legislation, 23 Pa. C.S. §8521(i), the liability of PSERS shall be limited to the amount of its Commitment.

4.7 Indemnification.

(a) To the fullest extent permitted by law, the Partnership shall, indemnify and hold harmless each Indemnified Party who was or is a party or is threatened to be made a party to any threatened or actual claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action by or in the right of the Partnership or any of the Partners), brought either during the Indemnified Party's incumbency or thereafter, by reason of the Indemnified Party's actions, omissions or alleged actions or omissions arising out of its activities during the Indemnified Party's incumbency on behalf of the Partnership and any direct or indirect involvement with the Partnership (including, without limitation, any investment decisions), against any costs, expenses (including attorneys' fees), judgments, losses (including losses due to a trade error caused by any Indemnified Party), damages, fines and amounts paid in settlement that are actually and reasonably incurred by such Indemnified Party in connection with such action, suit or proceeding and for which such Indemnified Party has not otherwise been reimbursed, unless (i) in the case of an Indemnified Party other than a member of the Limited Partners Advisory Committee, such actions, omissions or alleged actions or omissions are determined by a court of competent jurisdiction in a decision not subject to appeal to constitute an action or omission described in any of clauses (i) through (v) of Section 4.6(a) hereof and (ii) in the case of an Indemnified Party that is a member of the Limited Partners Advisory Committee, such member's actions, omissions or alleged actions or omissions constituted fraud or willful misconduct.

(b) An Indemnified Party shall be entitled to indemnification pursuant to this Section 4.7 only to the extent that such Indemnified Party does not have the right to and in fact does not recover amounts with respect to the claim upon which the demand for indemnification is based from third parties whether due to indemnification by such third parties, insurance or otherwise; provided, however, that the amount an Indemnified Party is entitled to recover from the Partnership pursuant to its right of indemnification hereunder shall include all expenses, including reasonable attorneys' fees, of collecting such amounts from such third parties. The right of indemnification granted by this Section 4.7 shall be in addition to any rights to which an Indemnified Party may otherwise be entitled and shall inure to the benefit of the successors, assigns, executors or administrators of such Indemnified Party.

(c) The Partnership shall have the power to purchase and maintain insurance on behalf of any present or future Indemnified Party against any liability asserted against such Indemnified Party by reason of actions or omissions or alleged actions or omissions taken or to be taken by the Indemnified Party in connection with the Partnership and its business and affairs (including, without limitation, insurance against liability for any breach or alleged breach of its fiduciary responsibilities), whether or not

the Partnership would have the power to indemnify such Indemnified Party against such liability under this Section 4.7; provided, however, that the General Partner shall not be liable to the Partnership or the Partners for its failure to purchase any insurance or for the inadequacy of any coverage; provided, further, that the General Partner shall not be permitted to purchase insurance at the expense of the Partnership that would provide coverage for liabilities for which an Indemnified Party would not be entitled to indemnification under Section 4.7(a) hereof if coverage for such liabilities would materially increase the premiums that would be due; provided, further, that the Partnership shall not bear the cost of any such insurance in respect of any Person that is not an Indemnified Party hereunder.

(d) The General Partner shall have the right and authority to require to be included in any and all Partnership contracts that it shall not be personally liable thereon and that the Person contracting with the Partnership look solely to the Partnership and its assets for satisfaction, except for any liability of the General Partner for any Interim Clawback or Final Clawback pursuant to Section 10.4 hereof (which liability shall remain a personal liability of the General Partner).

(e) Except as otherwise provided herein, the satisfaction of any indemnification obligation pursuant to Section 4.7(a) hereof shall be from and limited to Partnership assets. No Limited Partner shall have any obligation to make Capital Contributions to fund its share of any indemnification obligations hereunder in excess of the Available Commitment of such Limited Partner and no Limited Partner shall have any personal liability on account thereof; provided, however, that each Limited Partner shall be obligated to return any or all amounts distributed to it in order to fund any deficiency in the Partnership's indemnity obligations hereunder to the extent provided in Section 3.5 hereof.

(f) Subject to Section 4.7(g) hereof, expenses reasonably incurred by an Indemnified Party in defense or settlement of any claim that may be subject to a right of indemnification hereunder shall be advanced by the Partnership prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Indemnified Party to repay such amount to the extent that it shall be determined upon final decision, judgment or order that such Indemnified Party is not entitled to be indemnified hereunder.

(g) The General Partner shall provide notice to the Limited Partners Advisory Committee of any request or application for indemnification or advancement of expenses provided under Section 4.7(f), and of any settlement arrangement giving rise to an indemnification obligation in advance of the final settlement or other disposition of any action, suit or proceeding, and such relevant information as it may have regarding such matter. The Limited Partners Advisory Committee shall promptly consider such matter and if the Limited Partners Advisory Committee determines, upon good faith consideration of the matter and upon a vote of at least 75% in number of the members of the Limited Partners Advisory Committee, that approval of the settlement, indemnification or advancement requested should not be available to the party so

requesting under this Section 4.7 because the acts, omissions or alleged acts or omissions are described in clauses (i) through (v) of Section 4.6(a) hereof, the Limited Partners Advisory Committee shall notify the General Partner of its determination and the General Partner shall refuse such request for approval of the settlement, indemnification or advancement, unless and until the Limited Partners Advisory Committee shall have obtained an opinion of counsel reasonably satisfactory to it to the effect that such settlement, indemnification or advancement so requested is more likely than not to be required under this Section 4.7, or until a court or competent tribunal shall issue an order requiring such settlement, indemnification of advancement.

(h) The General Partner shall provide PSERS with written notice if the Partnership is required pursuant to this Section 4.7 to indemnify Indemnified Parties in the amount of more than $500,000 for any occurrence (each such occurrence an "Indemnification Event"). PSERS shall have the right, by providing notice in writing to the General Partner within 15 days of receipt of the notice of the occurrence of the second such Indemnification Event or any subsequent Indemnification Event, to terminate the Investment Period as it applies to PSERS. If PSERS does not make such election within such 15-day period, it shall not have the right to make such election until the occurrence of the next Indemnification Event, at which time the provisions of this Section 4.7(h) shall apply. The General Partner also hereby agrees to promptly notify PSERS of the first Indemnification Event.

(i) The Partnership shall not make any capital call for the purposes of making an investment in any Portfolio Company if the General Partner has actual knowledge or reason to believe that such Portfolio Company intends to use the proceeds from such investment to indemnify any Indemnified Party under circumstances in which such Indemnified Party would not otherwise be entitled to indemnification under Section 4.7(a) hereof.

4.8 Subsequent Closings.

(a) Additional Limited Partners. The General Partner, in its discretion, may admit additional limited partners of the Partnership (each, an "Additional Limited Partner"), up to and including the Final Closing Date (each date upon which an Additional Limited Partner is admitted to the Partnership, a "Subsequent Closing Date"); provided, however, that for so long as PSERS is not a Defaulting Limited Partner, no Additional Limited Partner shall be admitted to the Partnership without the consent of PSERS; provided further that, following the admission of any such Additional Limited Partner (or any additional limited partner to any Parallel Investment Vehicle), the Aggregate Commitments and the aggregate commitments of the partners of all Parallel Investment Vehicles do not exceed $425,000,000. Each such Additional Limited Partner shall contribute to the Partnership an amount equal to (i) the Capital Contributions such Additional Limited Partner would have made had all Partners been admitted to the Partnership at the Initial Closing Date, less (ii) such Additional Limited Partner's *pro rata* share of any Investment Proceeds distributed to the Partners admitted in prior closings, plus (iii) notional interest on the average daily balance of such amount until the

date of such contribution at an effective annual rate of 8% (such notional interest, "Notional Interest"). Any contribution in respect of Notional Interest shall not be deemed a Capital Contribution for purposes hereof and shall not reduce the Available Commitment of any Additional Limited Partner.

(b) Increases in Commitment. The General Partner may, in its discretion, in connection with any Subsequent Closing Date, allow any Limited Partner to increase its Commitment. For purposes of this Section 4.8, a Limited Partner that increases its Commitment shall be treated as an Additional Limited Partner with respect to the amount by which its Commitment is increased.

(c) Execution of Documents. Each Additional Limited Partner shall execute and deliver a written instrument satisfactory to the General Partner in its discretion, whereby such Additional Limited Partner becomes a party to this Agreement, as well as any other documents (including a Subscription Agreement) required by the General Partner. Upon execution and delivery of a counterpart of this Agreement and acceptance thereof by the General Partner on behalf of the Partnership, such Person shall be admitted as a Limited Partner. Each such Additional Limited Partner shall thereafter be entitled to all the rights and subject to all the obligations of Limited Partners as set forth herein.

(d) Use of Proceeds. Capital Contributions made pursuant to this Section 4.8 in respect of the Management Fee, together with an allocable portion of any contributions made in respect of Notional Interest, shall be paid to the Management Company or its Affiliate. Proceeds from all other Capital Contributions (including, for purposes hereof, the balance of contributions made in respect of Notional Interest) made pursuant to this Section 4.8 shall be distributed to the Partners that participated in prior closings, *pro rata*, based upon their respective net Capital Contributions (other than in respect of the Management Fee) prior to such Subsequent Closing Date. Such distributed amounts, other than any portion attributable to Notional Interest, shall be added to the Partners' respective Available Commitments and may be redrawn by the Partnership in accordance with Section 3.2 hereof.

(e) Treatment of Amounts Distributed to Existing Partners. For purposes of this Agreement and for all accounting and tax reporting purposes, the admission of each Additional Limited Partner pursuant to this Section 4.8 shall be treated, in accordance with Code Section 707(a), as the purchase of a *pro rata* portion of an Interest by each Additional Limited Partner (or existing Limited Partner increasing its Percentage Interest) from Partners who do not increase their Percentage Interests for a purchase price equal to the amount distributed to existing Partners pursuant to Section 4.8(d) hereof (including any Notional Interest). Each Additional Limited Partner shall succeed to an allocable portion of the existing Partners' Capital Contributions and Capital Accounts. No portion of any Notional Interest contributed shall be credited to the Capital Account of an Additional Limited Partner and no portion shall enter into the computation of Net Income or Net Loss.

4.9 Parallel Investment Vehicles. The General Partner has formed the Primary Partnership and may, in its discretion, establish one or more additional limited partnerships or similar investment vehicles (x) to facilitate from a legal, tax regulatory or policy standpoint, the ability of certain non-U.S., tax-exempt or other classes of investors to invest with the Partnership generally on a side-by-side basis or (y) to accommodate alternative terms and conditions required for tax, regulatory or other business reasons by an investor committing a significant percentage of the aggregate capital commitments to the Partnership and such additional limited partnerships or similar investment vehicles (each such additional limited partnerships or similar investment vehicle, including the Primary Partnership, a "Parallel Investment Vehicle" and collectively, the "Parallel Investment Vehicles"). Notwithstanding anything to the contrary contained herein, the Partnership and any Parallel Investment Vehicle shall be treated as a single entity (although they shall remain separate legal entities), to the extent practicable, subject to legal, regulatory, tax or other considerations particular to one or more of the Partnership and any Parallel Investment Vehicle and their respective investors or other beneficial owners, and this Agreement and the corresponding governing documents of any Parallel Investment Vehicle shall be interpreted accordingly. For example, the following provisions, to the extent practicable, shall apply with respect to the operation of the Partnership and any Parallel Investment Vehicle:

(a) To the maximum extent practicable, all Portfolio Investments made by the Partnership shall also be made by any Parallel Investment Vehicle in the same class or type of Securities held by the Partnership, subject to legal, regulatory or tax considerations particular to one or more of the Partnership, any Parallel Investment Vehicle and their respective investors or other beneficial owners. Subject to the preceding sentence, all investments in and divestments of Portfolio Investments by the Partnership and any Parallel Investment Vehicle shall be made, to the extent feasible, at the same time, on the same terms and *pro rata* based on the respective commitments (subject to Section 3.6 hereof) of the Partners of the Partnership and the partners or other beneficial owners of any Parallel Investment Vehicle. To the extent a Portfolio Investment is not made by the Partnership or an Alternative Investment Vehicle, no Parallel Investment Vehicle shall make such Portfolio Investment;

(b) The General Partner (and, if applicable, one or more of its Affiliates) shall, to the maximum extent practicable, manage the affairs of the Partnership and the Parallel Investment Vehicles on a joint basis as if they comprised a single entity, and all calls for additional capital contributions and all distributions by the Partnership and the Parallel Investment Vehicles shall be effected contemporaneously to the extent feasible;

(c) The Partnership and each Parallel Investment Vehicle shall to the maximum extent practicable (subject to legal, regulatory, tax or other considerations particular to one or more of the Partnership and any Parallel Investment Vehicle and their respective investors or other beneficial owners) share, *pro rata*, on the basis of the respective aggregate commitments of the Partners of the Partnership and the partners or other beneficial owners of each Parallel Investment Vehicle to the extent feasible,

Organizational Expenses (including any organizational expenses incurred in connection with the formation of any Parallel Investment Vehicle), expenses which relate to the Partnership and any Parallel Investment Vehicle and are payable by such entities rather than their respective general partners and any fees and expenses relating, directly or indirectly, to Portfolio Investments, but expressly excluding any Management Fee expense and similar expenses payable by the Partnership or any Parallel Investment Vehicle, which shall be paid separately by each such entity. Management Fee adjustments set forth in Sections 4.3(b) and 4.3(c) hereof shall be effected, *pro rata*, on the basis of the relative commitments of the Limited Partners (or limited partners) of each of the Partnership and each Parallel Investment Vehicle.

(d) The Limited Partners Advisory Committee shall serve as the advisory committee for the Partnership and each Parallel Investment Vehicle and shall make decisions and recommendations with respect to the Partnership and each Parallel Investment Vehicle, to the extent provided by this Agreement, on a joint basis as if they were a single entity.

(e) Any waiver, modification, termination or amendment of any term and provision of this Agreement which has a material impact on the partners or other beneficial owners of any Parallel Investment Vehicle shall be effected contemporaneously with a similar waiver, modification, termination or amendment of the terms and provisions of the corresponding governing documents of such Parallel Investment Vehicle.

(f) Whenever any vote or consent which has a material impact on the partners or other beneficial owners of any Parallel Investment Vehicle is required by this Agreement or the corresponding governing documents of any Parallel Investment Vehicle by a specified percentage in interest of the Limited Partners or the limited partners or other beneficial owners of any Parallel Investment Vehicle, such action shall be deemed to require the aggregate vote or aggregate consent of the Limited Partners and the limited partners or other beneficial owners of any Parallel Investment Vehicle, and such action shall be deemed to be valid if taken upon the aggregate written vote or aggregate written consent by those Limited Partners and limited partners or other beneficial owners of any Parallel Investment Vehicle who represent the specified percentage in interest of all Limited Partners and limited partners and other beneficial owners of any Parallel Investment Vehicle at the time voting as a single class.

(g) The General Partner shall have discretion to take such actions as it deems necessary or advisable in order to carry out the intent of this Section 4.9, including, if necessary, allocating Portfolio Investments among the Partnership and any Parallel Investment Vehicle and making transfers related thereto in order to effect a *pro rata* allocation. In addition, but subject to Section 4.8(a) hereof, to the extent necessary for tax, legal or regulatory reasons, the General Partner may assign all or a portion of a Limited Partner's Commitment to a Parallel Investment Vehicle or assign all or a portion of the capital commitment of a limited partner of any Parallel Investment Vehicle to the Partnership.

4.10 Successor Funds.

(a) The General Partner or the Management Company or any of their respective Affiliates may sponsor, form or manage Additional Funds, with investment objectives that may be similar to, different from or overlap with those of the Partnership; provided, however, that none of the General Partner, the Management Company, the Principals or their respective Affiliates may act as a general partner, manager or the primary source of transactions of any Additional Fund that has an investment strategy and investment focus substantially similar to those of the Partnership ("Successor Fund") before the earlier of (i) the expiration or termination of the Investment Period and (ii) the date on which both (A) at least 65% of the Aggregate Commitments of the Partners have been (x) invested in Portfolio Investments, (y) used to pay for Expenses and (z) committed for any future Portfolio Investment (including, without limitation, amounts which the Partnership is obligated to invest pursuant to binding agreements, whether or not all conditions to closing have then been satisfied), and (B) at least 75% of the Aggregate Commitments of the Partners have been (w) invested in Portfolio Investments, (x) used to pay or reserved for Expenses, (y) committed for any future Portfolio Investment (including, without limitation, amounts which the Partnership is obligated to invest pursuant to binding agreements, whether or not all conditions to closing have then been satisfied) or (z) reserved for Follow-on Investments (the period from the Effective Date until such earlier date, the "Partnership Priority Period"). Notwithstanding the foregoing, the Principals may (i) participate in, operate, manage and provide services to and in connection with Prior Activities; and (ii) engage in such civic, professional, charitable and nonprofit activities and organizations as they may choose. For the avoidance of doubt, the restrictions contained in this Section 4.10 shall not restrict any Person from engaging in or pursuing activities that do not, in the good faith judgment of the General Partner, conflict or compete with the Partnership's activities or objectives.

(b) Participation in Successor Funds. PSERS shall be given the opportunity to invest in the first Successor Fund that is marketed after the date hereof and in which Governmental Plan Partners are permitted investors. PSERS' opportunity to invest in such Successor Fund: (i) shall be an amount mutually agreed between PSERS and such Successor Fund, which amount shall be equal to the lesser of PSERS' Commitment and 25% of the aggregate amount of capital committed to such Successor Fund; and (ii) as long as PSERS' commitment to such Successor Fund is greater than the commitment of any other investor in such Successor Fund, shall be on substantially the same (A) economic terms as specified in Sections 4.3 and 6.1 hereof and (B) PSERS board-mandated provisions as PSERS has received under this Agreement, except in each case to the extent that PSERS shall have offered terms at such time to any United States based private equity fund with respect to the subordination of the General Partner return that are more favorable to such fund than the terms of this Agreement. In the event that such a Successor Fund is marketed, the General Partner shall provide, or cause the Key Persons to provide, PSERS with notice of such opportunity. If within 90 days of receiving such notice, PSERS has not provided the General Partner with evidence that PSERS' board has approved an investment of at least the same size as its Commitment

subject only to execution of definitive documents, then the General Partner and its Affiliates shall have no further obligation to provide PSERS with the opportunity to invest in such Successor Fund.

4.11 Conflicts; Time and Attention.

(a) Subject to the following sentence, during the Partnership Priority Period, the General Partner shall, and shall cause each Principal (as long as such Principal is actively involved in the management of the General Partner, the Management Company or their respective Affiliates) to, devote substantially all of its and their respective business time and attention to the business of the Partnership (including any Parallel Investment Vehicle, any Alternative Investment Vehicle, any Blocker Corporation, any Feeder Vehicle and their respective Affiliates) and to the various civic, community, ownership, financing, investment, acquisition, and capital markets activities, including, without limitation, acting as principal and managing director of other investment vehicles (including Fund II and Fund III) in which it is engaged as of Initial Closing Date (collectively, the "Prior Activities"); provided, however, that no more than 15% of such Principal's business time shall be devoted to Prior Activities other than Fund II and Fund III. After the Partnership Priority Period, the General Partner shall, and shall cause each Principal (as long as such Principal is actively involved in the management of the General Partner, the Management Company or their respective Affiliates) to, devote such amount of such Principal's business time and attention to the business of the Partnership (including any Parallel Investment Vehicle, any Alternative Investment Vehicle, any Blocker Corporation, any Feeder Vehicle and their respective Affiliates) as is necessary to manage and direct the operations, business and affairs of the Partnership.

(b) To the extent the General Partner, the Management Company or any of their respective Affiliates provide services to the Partnership or any Portfolio Company that would otherwise be performed by independent third parties (any such services (other than services provided by the Management Company pursuant to the Investment Management Agreement or this Agreement), "Affiliate Services"), the General Partner, the Management Company or any of their respective Affiliates, as applicable, shall receive fees at rates customarily charged for similar services by Persons engaged in the same or substantially similar activities; provided, however, that, other than the services to be provided by the Management Company to the Partnership pursuant to the Investment Management Agreement in accordance with the terms thereof and hereof and other than services for which no compensation is paid, neither the General Partner nor any of its Affiliates shall provide any such services to the Partnership without the consent of the Limited Partners Advisory Committee. The terms of any agreement to provide services entered into between the Partnership or any Portfolio Company and the General Partner, the Management Company or any of their respective Affiliates shall be at least as favorable to the Partnership or such Portfolio Company as the terms reasonably expected by the General Partner to be available in an arm's-length transaction with an independent third party.

(c) Until the expiration of the Investment Period, all prospective investment opportunities identified by the General Partner, the Management Company or a Principal (as long as such Principal is actively involved in the management of the General Partner or the Management Company) that are within the scope of the Partnership's investment objectives shall be made available to the Partnership before being offered to any other Person, other than (i) investment opportunities related to current portfolio holdings of the Principals, Fund II or Fund III; (ii) investments the Partnership is otherwise restricted from making pursuant to the terms hereof; (iii) investment opportunities relating to Companies for which a Principal serves as director or otherwise has a fiduciary duty; (iv) follow-on investments or other investments intended to protect or enhance the value of investment opportunities described in clauses (i) through (iii) above; (v) passive investment opportunities in other private equity funds or similar investment vehicles; and (vi) any investment opportunity that is offered to a permitted Additional Fund that has an initial closing after the Partnership Priority Period. Without limiting the prior sentence, in the event that the General Partner determines in good faith that an investment opportunity is outside the investment parameters of the Partnership, (x) the General Partner and its Affiliates (including the Principals) may pursue such investment opportunity without the Partnership or (y) the General Partner may refer such investment opportunity to other Persons, including investment entities for which the General Partner or an Affiliate thereof acts as investment manager. Nothing in this Section 4.11(c) shall cause or compel the General Partner to cause the Partnership to pursue any investment opportunity or make any Portfolio Investment. If a Successor Fund is formed prior to the end of the Investment Period, then until the end of the Investment Period, investment opportunities will be allocated among the Partnership and the Successor Fund on a basis that the General Partner believes in good faith to be fair and reasonable.

(d) During the term of the Partnership, none of the General Partner, any Principal or any of their respective Affiliates may acquire, invest in or hold Securities of any existing or prospective Portfolio Company without the consent of the Limited Partners Advisory Committee; provided, however, that the foregoing restriction shall not apply to (i) Securities held by the General Partner and its Affiliates through the General Partner (in respect of the General Partner's Interest), any Parallel Investment Vehicle, any Alternative Investment Vehicle, any Blocker Corporation, any Feeder Vehicle, any Additional Fund or the Partnership in accordance with this Agreement, (ii) Securities of a Portfolio Company that were granted or paid to the General Partner or any of its Affiliates in such Person's capacity as member of the board of directors (or equivalent governing body) of such Portfolio Company or an Affiliate thereof or (iii) any Securities distributed to any such Person in accordance with the terms of this Agreement.

(e) Notwithstanding any duty otherwise existing at law or in equity, subject to the provisions of this Section 4.11, each of the Partners and the Management Company or any of their respective Affiliates may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature and description, individually and with others, including, without limitation, the ownership and investment

in Securities, and neither the Partnership nor any Partner shall have any right in or to any such activities or the income or profits derived therefrom.

4.12 Limited Partners Advisory Committee.

(a) Appointment of Members, Etc. Subject to Section 4.9(d) hereof, the General Partner shall establish an advisory committee of the Partnership (the "Limited Partners Advisory Committee") consisting of between 3 and 7 members unaffiliated with the General Partner or its Affiliates as the General Partner wishes to appoint, each of whom shall be chosen by the General Partner from among officers, employees, representatives or designees of the Limited Partners or limited partners in the Parallel Investment Vehicles (collectively, the "Milestone Investors"). Subject to the remainder of this Section 4.12(a), at least one member of the Limited Partners Advisory Committee shall be a representative of PSERS. The General Partner shall have the right to appoint 1 representative of the General Partner to serve as an ex-officio, non-voting member and as the Chairman of the Limited Partners Advisory Committee. Any member of the Limited Partners Advisory Committee may resign by giving the General Partner 30 days' prior written notice. In addition, a member of the Limited Partners Advisory Committee shall be removed if the Limited Partner that the member represents (i) becomes a Defaulting Limited Partner or (ii) Transfers more than 50% of its Interest to any Person that is not an Affiliate of such Limited Partner. The General Partner may remove any member of the Limited Partners Advisory Committee at any time, with or without cause, and may at any time increase the size of the Limited Partners Advisory Committee (not to exceed 7 members) and appoint new or additional members of the Limited Partners Advisory Committee; provided, however, that the General Partner shall reinstate any Limited Partners Advisory Committee member who is removed by the General Partner if a majority of the remaining members of the Limited Partners Advisory Committee so request. Upon the death, resignation or removal of a member of the Limited Partners Advisory Committee, or if the General Partner wishes to appoint an additional member to the Limited Partners Advisory Committee, the General Partner may appoint a replacement member or such additional member; provided, however, that upon the death, resignation or removal (other than pursuant to fifth sentence of this Section 4.12(a)) of a member of the Limited Partners Advisory Committee that is a representative of PSERS, PSERS shall have the right to appoint a replacement member.

(b) Scope of Authority. The Limited Partners Advisory Committee shall be responsible for: (i) consenting to any services provided by the General Partner or any of its Affiliates pursuant to Section 4.11(b) hereof; (ii) consenting to certain investments by the General Partner or any of its Affiliates pursuant to Section 4.11(d) hereof; (iii) consenting to the waiver of certain investment limitations pursuant to Section 5.4 hereof; (iv) consenting to the valuation of Securities pursuant to Section 6.3(d) hereof; and (v) providing such advice and counsel as is requested by the General Partner in connection with matters relating to the Partnership. Further, without the consent of the Limited Partners Advisory Committee, (A) the Partnership shall not purchase from, or sell to, a Related Person, any Portfolio Investment (other than a Related Person's sale of a *de minimis* amount of publicly traded Securities), (B) the Partnership shall not make a

Portfolio Investment in any Portfolio Company in which Fund II, Fund III, an Additional Fund, the General Partner, the Principals or any of their respective Affiliates has made or is making an investment (unless such investment is a Follow-on Investment for both the Partnership and Fund II, Fund III or such Additional Fund, as applicable, and is being made simultaneously on the same terms and conditions by the Partnership and Fund II, Fund III or such Additional Fund, as applicable), (C) an Additional Fund shall not make an initial investment in any Portfolio Company in which the Partnership has made or is making an investment. In the absence of bad faith on the part of the General Partner, any resolution of above-listed matter which is approved by the Limited Partners Advisory Committee shall not constitute a breach of this Agreement or of any duty or obligation of a party at law or in equity or otherwise. The Limited Partners Advisory Committee shall take no part in the control or management of the Partnership. The Limited Partners Advisory Committee shall not have any power or authority to act for or on behalf of the Partnership, and all investment decisions, as well as all responsibility for the management of the Partnership, shall rest with the General Partner (and the Management Company to the extent delegated to it). Except as otherwise explicitly provided herein, any actions taken by the Limited Partners Advisory Committee shall be advisory only, and none of the General Partner, the Management Company or any of their respective Affiliates shall be required or otherwise bound to act in accordance with any decision, action or comment of the Limited Partners Advisory Committee or any of its members. Notwithstanding anything to the contrary contained herein, the activities of the Limited Partners Advisory Committee and of each member thereof (acting in such capacity) shall be limited to those permitted under the Act for Persons who are not deemed to participate in the control of the business of the Partnership.

(c) Meetings. Meetings of the Limited Partners Advisory Committee shall be held whenever called by the chairman thereof, upon not less than 5 Business Days' advance written notice by the General Partner to the members of the Limited Partners Advisory Committee. Attendance at any meeting of the Limited Partners Advisory Committee shall constitute waiver of notice of such meeting. Any member may also provide written waiver of notice of a meeting, either before or after such meeting. The quorum for a meeting of the Limited Partners Advisory Committee shall be a simple majority of its voting members. Members of the Limited Partners Advisory Committee may participate in any meeting of the Limited Partners Advisory Committee by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. All action taken by the Limited Partners Advisory Committee shall be by a vote of a simple majority of the voting members of the Limited Partners Advisory Committee. Except as expressly provided in this Section 4.12, the Limited Partners Advisory Committee shall conduct its business in such manner and by such procedures as a majority of its members deem appropriate.

(d) Consents. The Limited Partners Advisory Committee may also take action without any meeting of the members of the Limited Partners Advisory Committee by written consent of a majority of members setting forth the action to be approved.

(e) Expenses. Each member of the Limited Partners Advisory Committee shall be reimbursed for reasonable, documented out-of-pocket expenses related to such member's service on the Limited Partners Advisory Committee, promptly upon written request to the General Partner by such member. The reasonable fees and expenses of any third party professional engaged by any member of the Limited Partners Advisory Committee with the prior approval of at least 75% in number of the members of the Limited Partners Advisory Committee to advise members of the Limited Partners Advisory Committee in such capacity shall be reimbursed by the Partnership.

4.13 Limited Partner Meetings; Voting.

(a) Except for any year which is shorter than 3 full calendar quarters, the General Partner shall hold an annual meeting of Limited Partners at such place as the General Partner may determine. In addition, the General Partner may at any time call for an additional meeting of Limited Partners with respect to any matter on which they are entitled to vote. Written notice of any meeting (other than the annual meeting of Limited Partners) shall be given to the Partners not less than 10 Business Days before the date of the meeting. Written notice of the annual meeting of Limited Partners shall be given to the Partners not less than 30 Business Days before the date of such meeting. Any Limited Partner may provide written waiver of notice of a meeting, either before or after such meeting. Each notice of meeting, if any, shall contain a detailed statement of any resolution to be adopted by the Limited Partners and any proposed amendment to the Agreement. The voting ballot shall provide Limited Partners a specific choice between approval, disapproval or abstention for each matter to be voted upon at the meeting. Limited Partners may participate in any meeting of Limited Partners by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Attendance at any meeting of Limited Partners may also be by proxy or delegate.

(b) If a vote of Limited Partners is taken at any meeting or otherwise, each Limited Partner shall be entitled to cast a number of votes corresponding to such Limited Partner's Percentage Interest, as determined by the General Partner. For purposes of the preceding sentence, Non-Voting Interests and Interests held by the General Partner, its Affiliates and Defaulting Limited Partners shall not be included. A Limited Partner shall be entitled to vote at a meeting in person or by written proxy delivered to the General Partner prior to the meeting.

(c) With the requisite vote of the Limited Partners as contemplated by the provisions hereof, the Limited Partners may also take action without any meeting of the Limited Partners.

4.14 Related Investors. Notwithstanding anything to the contrary contained herein, with respect to any Limited Partner that is an Affiliate of the General Partner or the Management Company, a member of the General Partner, an employee of the Management Company or its Affiliates or the spouse or lineal descendant of any such Person or any of their respective family members (including any trust for the benefit of

one or more such Persons or any other Entity wholly-owned and controlled by one or more such Persons), the General Partner may, in its discretion, (a) waive such Limited Partner's obligation to make Capital Contributions in respect of the Management Fee (which waiver shall result in a proportionate reduction in the obligations of the Partnership with respect to the Management Fee and a proportionate reduction in the Transaction Fees, Break-Up Fees and Directors' Fees resulting in an offset of the Management Fee pursuant to Section 4.3(b) hereof), or (b) waive the General Partner's right to receive Carried Interest distributions in respect of the Commitment of such Limited Partner.

ARTICLE 5

INVESTMENTS

5.1 Investments.

(a) Subject to Sections 4.1(c) and 5.4 hereof, the General Partner shall have the exclusive authority to make Portfolio Investments and Temporary Investments on behalf of the Partnership.

(b) If the General Partner determines that for legal, tax or regulatory reasons it is in the best interests of the Partnership or one or more Partners that one or more Partners participate in a potential Portfolio Investment through (or, if after the initial consummation of such Portfolio Investment, transfer such Portfolio Investment to) an alternative investment structure, the General Partner may structure such Portfolio Investment outside of the Partnership by requiring each such Partner to make such investment through limited partnerships or other vehicles (each, an "Alternative Investment Vehicle") that shall invest in lieu of the Partnership, which Alternative Investment Vehicle may be a non-Delaware or non-U.S. entity; provided that the use of a non-Delaware Alternative Investment Vehicle shall in no material way expand the liabilities or obligations of PSERS that might otherwise exist under this Agreement or otherwise jeopardize PSERS' limited liability. If the General Partner structures a potential Portfolio Investment using an Alternative Investment Vehicle, each such Partner shall be admitted as a partner, member or other equity holder of such Alternative Investment Vehicle and shall make capital contributions directly to the Alternative Investment Vehicle to the same extent, for the same purposes and on the same terms and conditions as Partners are required to make Capital Contributions to the Partnership, and such capital contributions shall reduce the Available Commitments of such Partner to the same extent as if Capital Contributions were made to the Partnership with respect thereto. To the maximum extent practicable, each such Partner shall have the same economic interest in all material respects in all Portfolio Investments made pursuant to this Section 5.1(b) as such Partner would have had if such Portfolio Investments had been made by the Partnership, and the provisions of this Agreement regarding distributions, allocations of net profit and net loss and any Interim Clawback and Final Clawback shall be applied as if such Portfolio Investments had been made by the Partnership, and the other terms of the organizational documents of the Alternative Investment Vehicle shall be substantially

similar as practicable and applicable in all material respects to those of the Partnership. In connection with the formation of any Alternative Investment Vehicle pursuant to the terms of this Section 5.1(b), the General Partner shall have the right to permit an Affiliate to act as general partner or managing member (or in a similar capacity) with respect to such Alternative Investment Vehicle.

(c) To the extent that a proposed Portfolio Investment is an ECI Investment or a UBTI Investment, as the case may be, then, in the Funding Notice related to such Portfolio Investment, the General Partner shall notify the Limited Partners that such proposed Portfolio Investment is an ECI Investment or a UBTI Investment, as the case may be, and shall permit each such Limited Partner to hold its Interest in respect of such Portfolio Investment through a blocker entity that shall be treated as a corporation for Federal income tax purposes (a "Blocker Corporation"), and such Blocker Corporation shall hold an interest in an Alternative Investment Vehicle. If a Limited Partner elects to hold its Interest in respect of an ECI Investment or a UBTI Investment through a Blocker Corporation, such Limited Partner shall make capital contributions to such Blocker Corporation, which Blocker Corporation shall, in turn, make capital contributions directly to the applicable Alternative Investment Vehicle to the same extent, for the same purposes and on the same terms and conditions as such Limited Partner is required to make Capital Contributions to the Partnership, and such capital contributions shall reduce the Available Commitment of such Limited Partner to the same extent as if Capital Contributions were made to the Partnership with respect thereto. Any expenses attributable to a Blocker Corporation established to comply with this Section 5.1(c) shall be borne solely by the Partners electing to participate therein.

(d) The General Partner shall also have the right to require any Limited Partner, for legal, tax or regulatory reasons, to hold its Interest with respect to one or more Portfolio Investments indirectly through one or more vehicles (each, a "Feeder Vehicle") that would hold such Interest. If the General Partner structures a potential Portfolio Investment using a Feeder Vehicle, such Limited Partner shall make capital contributions to such Feeder Vehicle, which Feeder Vehicle shall, in turn, make capital contributions directly to the Partnership or Alternative Investment Vehicle, as applicable, to the same extent, for the same purposes and on the same terms and conditions as such Limited Partner is required to make Capital Contributions to the Partnership, and such capital contributions shall reduce the Available Commitment of such Limited Partner to the same extent as if Capital Contributions were made to the Partnership with respect thereto.

5.2 Reinvestment.

(a) With respect to the Disposition of (or other distribution of Investment Proceeds in respect of) (i) any Portfolio Investment (other than a Bridge Financing) within 24 months of the Partnership's investment in such Portfolio Investment or (ii) any Portfolio Investment that is a Bridge Financing, the General Partner may, in its discretion, elect to restore to a Partner's Available Commitment, and thereafter recall for reinvestment from such Partner, the aggregate amount of Investment Proceeds distributed

to such Partner pursuant to Section 6.1(a)(i) hereof that relate to the return of Invested Capital in respect of such Portfolio Investment.

(b) With respect to the Disposition of (or other distribution of Investment Proceeds in respect of) any Portfolio Investment during the Investment Period, the General Partner may, in its discretion, elect to restore to a Partner's Available Commitment, and thereafter recall for reinvestment from such Partner, the aggregate amount of Capital Contributions (without duplication) made by such Partner in respect of Expenses.

(c) To the extent that the General Partner distributes any amounts that it may, in its discretion, elect to restore to a Partner's Available Commitment, the General Partner shall provide notice to such Limited Partner that such distribution is subject to recall.

5.3 Co-Investment.

(a) Where appropriate and feasible, as determined by the General Partner in its discretion, the General Partner may, but shall not be obligated to, offer available co-investment opportunities in Portfolio Investments to certain Limited Partners prior to making such opportunities available to non-Limited Partners on such terms and conditions as shall be determined by the General Partner; provided, however, that, with respect to any co-investment opportunity in excess of $10,000,000, if the General Partner offers all or a portion of such a co-investment opportunity to any limited partner of a Parallel Investment Vehicle, the General Partner shall, except as set forth below, offer PSERS its *pro rata* share of such co-investment opportunity (based on the Commitment of PSERS and the commitments of the limited partners of the Parallel Investment Vehicles that are offered the opportunity to participate in such co-investment opportunity). The General Partner may establish minimum and maximum co-investment amounts and procedures for co-investment opportunities and may cause to be allocated any co-investment opportunity among one or more Limited Partners and among third parties at its discretion, it being understood that, subject to the previous sentence, the General Partner shall have no obligation under this Agreement to offer or seek to have offered any co-investment opportunity to any or all Limited Partners or third parties. Any amounts contributed by a Limited Partner in respect of a co-investment opportunity shall not reduce the Available Commitment of such Limited Partner.

(b) Any such co-investment opportunity offered to PSERS shall be subject to the following conditions:

(i) Unless otherwise approved by the Limited Partners Advisory Committee, such co-investment made by PSERS shall be made on substantially the same terms and at substantially the same time as the Partnership's investment in the applicable Portfolio Company and the General Partner and its Affiliates shall not receive a management fee or carried interest from the Limited Partners that exercise the co-investment rights in respect of the such co-investment;

(ii) Such co-investment opportunity must be exercised by PSERS providing notice in writing of such exercise to the General Partner within the time period specified by the General Partner (which shall be at least 5 Business Days);

(iii) Such co-investment shall be subject to such terms, limitations and conditions (including restrictions on voting and transfer) as the General Partner shall deem necessary or advisable in its reasonable discretion; and

(iv) Such co-investment rights shall not apply to any co-investment made or offered before the Initial Closing Date.

Notwithstanding the proviso contained in the first sentence of Section 5.3(a) hereof, the General Partner shall not be required to offer any co-investment opportunity to PSERS if, in the General Partner's good faith judgment, offering such co-investment opportunity to PSERS would violate applicable law or regulations, or such co-investment opportunity is being offered by the General Partner to a Person or Persons other than PSERS (x) in exchange for the provision of significant value-added services, or (y) to obtain a strategic opportunity for the Partnership, either of which are materially beneficial to the Partnership and would not be available without offering such co-investment opportunity to such other Person or Persons.

(c) Subject to any applicable legal, regulatory, tax or contractual restrictions, all investments and dispositions of Portfolio Investments made by the Partnership and any co-investment vehicle shall be made at the same time, in the same Securities and on the same terms and conditions.

5.4 Investment Limitations. Without the consent of the Limited Partners Advisory Committee, the Partnership shall not (a) invest more than 17.5% of the Aggregate Commitments of the Partners in any Portfolio Company; provided, however, that the Partnership may invest up to 25% of the Aggregate Commitments of the Partners in any Portfolio Company if such Portfolio Investment includes a Bridge Financing that the General Partner reasonably expects to be refinanced within 12 months such that, at the time of investment, the General Partner reasonably expects that, no later than the end of such 12-month period, not more than 17.5% of the Aggregate Commitments of the Partners shall be invested in such Portfolio Company; (b) invest more than 5% of the Aggregate Commitments of the Partners in publicly traded Securities other than (i) Securities that were not publicly traded when acquired by the Partnership; (ii) Securities of a Portfolio Company that the Partnership reasonably expects it shall be able to significantly influence; and (iii) Securities acquired by the Partnership as a PIPE (*i.e.*, "private investment in public equity) or in connection with a contemplated "going-private" transaction; (c) invest in publicly traded securities where the investment is opposed by the company's board of directors or a majority in interest of its shareholders; (d) invest in any asset comprised only or substantially of real estate, or a Security issued by any Company whose principal business is the investment in, or the development of, real estate; (e) enter into commodities, options, futures, currency swaps or foreign exchange contracts (other than in connection with hedging); (f) invest in any pooled

investment fund whose investors bear management fees or carried interest; or (g) invest more than 15% of the Aggregate Commitments of the Partners at any one time in Portfolio Companies whose headquarters or jurisdictions of formation are outside of North America.

ARTICLE 6

DISTRIBUTIONS

6.1 Distributions Attributable to Portfolio Investments. Investment Proceeds attributable to any Portfolio Investment shall be distributed by the General Partner at such times and in such amounts as determined by the General Partner in its discretion; provided, however, that Investment Proceeds attributable to the Disposition of a Portfolio Investment shall be distributed by the General Partner as soon as practicable and in any event within 75 days following the Partnership's receipt thereof. Investment Proceeds attributable to any Portfolio Investment shall initially be apportioned among the Partners, including the General Partner, in proportion to their Sharing Percentages with respect to such Portfolio Investment at such time. Except as otherwise provided herein, the amount apportioned to the General Partner shall be distributed to the General Partner, and the amount apportioned to each Limited Partner shall be distributed as follows:

(a) Return of Capital and Expenses. First, 100% to such Limited Partner until the cumulative amount distributed (or deemed distributed) to such Limited Partner (taking into account all prior distributions made or deemed made to such Limited Partner pursuant to this Section 6.1(a)) is equal to the sum of (i) the aggregate amount of Invested Capital of such Limited Partner with respect to the Portfolio Investment giving rise to the distribution and all Realized Investments (without duplication) at the time of such distribution, (ii) such Limited Partner's Apportioned Expenses with respect to the Portfolio Investment giving rise to the distribution and all Realized Investments (without duplication) at the time of such distribution and (iii) the aggregate amount of such Limited Partner's Net Write-Downs (without duplication) at the time of such distribution (expressed as a positive amount);

(b) Preferred Return. Second, 100% to such Limited Partner until the cumulative amount distributed (or deemed distributed) to such Limited Partner (taking into account all prior distributions made or deemed made to such Limited Partner pursuant to this Section 6.1) would provide such Limited Partner with an Internal Rate of Return of 8%;

(c) Catch Up. Third, 100% to the General Partner until the cumulative amount distributed (or deemed distributed) to the General Partner in respect of such Limited Partner pursuant to this Section 6.1(c) is equal to the Carried Interest Percentage of the sum of (i) the cumulative amounts distributed to such Limited Partner pursuant to Section 6.1(b) hereof and (ii) the cumulative amounts distributed to the General Partner pursuant to this Section 6.1(c) in respect of such Limited Partner; and

(d) Residual Amounts. Thereafter, the Carried Interest Percentage to the General Partner and the remainder to such Limited Partner.

6.2 Partial Dispositions. Except as otherwise provided herein, in the case of a sale or other disposition of a portion of a Portfolio Investment, the General Partner may, in its discretion, treat such portion as having been a separate Portfolio Investment retained by the Partnership, and the Invested Capital with respect to such Portfolio Investment which was sold or otherwise disposed of shall be treated as having been divided between the portion which was sold or otherwise disposed of and the portion retained by the Partnership. To the extent that any Portfolio Investment is subject to a recapitalization or a refinancing, the General Partner may, in its discretion, treat such recapitalization or refinancing as a partial disposition subject to the provisions of this Section 6.2.

6.3 Distributions of Securities.

(a) In General. Distributions of Marketable Securities may be made to the Partners in the discretion of the General Partner. Non-Marketable Securities may be distributed only with the prior approval of the Limited Partner receiving such Non-Marketable Securities. Any distribution of Marketable Securities pursuant to this Article 6 shall be made in accordance with this Section 6.3 and shall be treated as Investment Proceeds for purposes of Section 6.1 hereof.

(b) Treated as Distribution at Fair Market Value. For purposes of making distributions of Marketable Securities to the Partners in accordance with this Article 6, and for all other purposes of this Agreement, the distribution shall be treated as if the Partnership had sold such Marketable Securities for cash in an amount equal to their Fair Market Value as of the date of distribution, as determined in accordance with Section 6.3(c) hereof, and distributed such cash to the Partners instead; provided, however, that, to the extent that any such distribution of Marketable Securities needs to be reapportioned between the General Partner and the Limited Partners after the date of such distribution as a result of the determination of Fair Market Value in accordance with Section 6.3(c)(i)(A) hereof after the date of such distribution, such reapportionment shall occur in connection with the next distribution(s) of Investment Proceeds (whether in cash or in Securities).

(c) Fair Market Value Defined.

(i) To the extent that the valuation of Securities and other assets and liabilities is required under this Agreement, such valuation shall be at "Fair Market Value" as determined in good faith by the General Partner. Except as may be required under applicable Regulations, no value shall be placed on the goodwill or the name of the Partnership in determining the value of the Interest of any Partner or in any accounting among the Partners. The following criteria shall be used for determining the Fair Market Value of Securities and other assets of the Partnership:

(A) Marketable Securities:

(1) If traded on one or more securities exchanges or the Nasdaq National Market System, the value shall be deemed to be the average of the Securities' average closing price on such exchange(s) or system during the 10-day trading period starting on the fifth day prior to such valuation date and ending on the fifth day following such valuation date.

(2) If actively traded over-the-counter (other than on the Nasdaq National Market System), the value shall be deemed to be the average closing bid price of such Securities during the 10-day trading period starting on the fifth day prior to such valuation date and ending on the fifth day following such valuation date.

(3) An appropriate adjustment may be made for any control premiums associated with the Securities.

(B) Any Non-Marketable Securities shall be valued in accordance with the guidelines set forth in Exhibit I hereto.

(C) Any other Partnership asset shall be valued at the market value as of the valuation date as reasonably determined by the General Partner.

(ii) If the General Partner in good faith determines that, because of special circumstances, the valuation methods set forth in this Section 6.3(c) do not fairly determine the value of a Security or other asset of the Partnership, the General Partner shall make such adjustments or use such alternative valuation method as it deems appropriate, it being understood by the Partners that some or all of the assets of the Partnership may have no readily ascertainable market value and that, in all such cases, the General Partner shall have broad discretion in determining such values.

(d) Consent to Valuation. If, in connection with any proposed distribution of Non-Marketable Securities pursuant to Section 6.3(a) or 10.3(c) hereof, the General Partner values such Non-Marketable Securities other than in accordance with the guidelines set forth in Exhibit I hereto, then, notwithstanding anything else to the contrary contained herein, the General Partner shall not make such distribution of Non-Marketable Securities without the consent of the Limited Partners Advisory Committee to such valuation.

(e) Distribution of Cash and Marketable Securities. Subject to Section 6.3(f) hereof, distributions consisting of both cash and Marketable Securities shall be made to each Partner receiving such distributions in the same proportions of cash and such Marketable Securities, to the extent practicable, as determined by the General Partner in its discretion.

(f) Election to Receive Cash in Lieu of Marketable Securities. In connection with any distribution of Marketable Securities, the General Partner shall provide 10 Business Days' written notice (or such lesser time as is reasonably practicable) to each Partner of such distribution, which notice shall set forth the date on which the General Partner has determined to cause such distribution to be made and shall offer to each Partner the right to receive such distribution in the form of the proceeds of the disposition of the Marketable Securities that otherwise would have been distributed to such Partner. A Partner shall receive such distribution of Marketable Securities in the form of the proceeds of the disposition of such Marketable Securities if such Partner (an "Electing Partner") responds in writing to such notice within 5 Business Days (or such lesser time as is reasonably practicable) following the receipt thereof; provided, however, that (i) such Partner shall agree in writing to hold the Partnership, the General Partner, the Management Company and their respective Affiliates harmless from any diminution in the value of the Securities and (ii) such Partner shall agree in writing that it shall treat such Marketable Securities for Federal income tax purposes as having been distributed to the Electing Partner by the Partnership and sold by the Electing Partner and not by the Partnership. Any Partner (a "Non-Electing Partner") that fails to respond in writing to such notice within 5 Business Days (or such lesser time as is reasonably practicable) following receipt thereof shall receive the distribution in kind. In the case of an Electing Partner, the General Partner shall, contemporaneously with the distribution of Marketable Securities to Non-Electing Partners, segregate, for the sole benefit of Electing Partners, the Marketable Securities otherwise distributable to such Electing Partners from other assets of the Partnership. The General Partner shall attempt to sell such Marketable Securities as the agent for the Electing Partners but shall have no obligation with respect to the sale of such Marketable Securities other than to use its commercially reasonable efforts to dispose of such Marketable Securities as soon as reasonably practicable. Upon any such sale, the General Partner shall distribute the proceeds thereof, less any expenses incurred by the General Partner in connection with such disposition and distribution, to the Electing Partners, *pro rata*, in proportion to the number of shares of such Marketable Securities otherwise distributable to such Electing Partners. For all purposes of this Agreement, the Partnership shall be deemed to have distributed all such Marketable Securities to the Electing Partners in kind based on the value of such Marketable Securities determined under Sections 6.3(b), 6.3(c) and 6.3(d) hereof. The General Partner shall have no liability to any Partner for any failure to realize an amount equal to or greater than the value of such Marketable Securities determined under Sections 6.3(b), 6.3(c) and 6.3(d) hereof.

(g) Other Conditions. Whenever classes of Securities are distributed in kind (with or without cash), each Partner shall receive its *pro rata* portion of each class of Securities distributed in kind and cash (if cash is distributed) in distributions under Section 6.1 hereof; provided, however, that, if any Partner would receive an amount of any Security that would cause such Partner to own or control in excess of the amount of such Security that it may legally own or control, then, upon receipt of a notice to such effect from a Partner, the General Partner shall, in its discretion, vary the method of distribution, so as to avoid such excessive ownership or control.

6.4 Tax Distributions. The General Partner may, in its discretion, cause the Partnership to distribute to the General Partner an amount designed to assist its members in satisfying their tax liability arising from allocations of income, gain, loss, deduction and credit of the Partnership attributable to Carried Interest in any Fiscal Year for which such an allocation is required (a "Tax Distribution").

(a) Amount of Distribution. In determining the amount of any Tax Distribution, it shall be assumed that the items of income, gain, deduction, loss and credit in respect of the Partnership were the only such items entering into the computation of tax liability of the General Partner for the Fiscal Year in respect of which the Tax Distribution was made and that the General Partner was subject to tax at the highest marginal effective rate of Federal, state and local income tax applicable to an individual resident in Philadelphia, Pennsylvania, taking account of any difference in rates applicable to ordinary income, capital gains and dividends and any allowable deductions in respect of such state and local taxes in computing the General Partner's liability for Federal income taxes. No account shall be taken of any items of deduction or credit attributable to an Interest in the Partnership that may be carried back or carried forward from any other taxable year.

(b) Limitations on Tax Distributions. The amount to be distributed to the General Partner as a Tax Distribution in respect of any Fiscal Year shall be computed as if any distributions made to the General Partner pursuant to Sections 6.1(c) and 6.1(d) hereof during such Fiscal Year were Tax Distributions in respect of such Fiscal Year.

(c) Effect of Tax Distributions. Any Tax Distributions made pursuant to this Section 6.4 (which, for the avoidance of doubt, shall not include distributions made pursuant to Section 6.8(c) hereof) shall be considered an advance against the next distribution payable to the General Partner pursuant to Sections 6.1(c) and 6.1(d) hereof and shall reduce such distributions.

6.5 Write-Downs and Write-Ups.

(a) Write-Downs. If the General Partner shall determine in its discretion that, as of any Distribution Date, there has been a permanent decline in the value of any Portfolio Investment, then, solely for purposes of determining the apportionment of distributions among the Partners, the General Partner shall write-down the value of such Portfolio Investment in the Partnership's financial records by the amount of such decline not previously taken into account in making such a downward adjustment.

(b) Write-Ups. If the General Partner shall determine in its discretion that, as of any Distribution Date, there has been a significant reversal or mitigation of circumstances previously giving rise to a write-down in value of such Portfolio Investment, then, solely for purposes of determining the apportionment of distributions among the Partners, the General Partner shall write-up the value of such Portfolio Investment by any amount (as determined in its discretion) not previously taken into

account in making such an upward adjustment. For purposes of this Section 6.5(b), in no event shall any Portfolio Investment be written-up by an amount exceeding the cumulative write-down attributable to such Portfolio Investment.

(c) Worthless Securities. In the event that the General Partner shall determine in its discretion that any Portfolio Investment is worthless, such Portfolio Investment shall be written down to zero and the Partnership shall be deemed for purposes of this Agreement to have sold such Portfolio Investment for an amount equal to zero. Such Portfolio Investment shall thereafter be treated as a Realized Investment and shall not be subject to Section 6.5(a) hereof.

6.6 Distributions Attributable to Temporary Investments. Except as otherwise provided herein, Investment Proceeds attributable to any Temporary Investment shall be distributed by the General Partner among the Partners, including the General Partner, *pro rata*, based on their respective proportionate interests in the Partnership property or funds that produced such Investment Proceeds. Investment Proceeds attributable to Temporary Investments shall be distributed among the Partners at least annually.

6.7 Limitation on Distributions. Notwithstanding anything to the contrary contained herein, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of its Interest if such distribution would violate the Act or other applicable law.

6.8 Holdback Account.

(a) The Partnership shall establish a segregated account (the "Holdback Account") for the benefit of PSERS that shall be governed by the terms of and distributed pursuant to this Section 6.8. Subject to Section 6.8(b) hereof, the General Partner shall deposit into the Holdback Account the total of all amounts distributed to the General Partner under Sections 6.1, 6.6 and 10.3 hereof until the aggregate of such amounts is equal to 10% of PSERS' Commitment.

(b) All such amounts deposited in the Holdback Account shall be held for the benefit of PSERS subject to the remainder of this Section 6.8. Amounts held in the Holdback Account shall be released and distributed to the General Partner to the extent that the amount held in the Holdback Account together with the cumulative distributions received by PSERS pursuant to this Agreement exceeds PSERS' total Capital Contributions.

(c) Notwithstanding the foregoing, the General Partner shall be entitled to make cash distributions to itself from the Holdback Account in each fiscal year in an amount equal to the earnings on the amount in the Holdback Account and the General Partner's tax liability as determined in accordance with Section 6.4(a) hereof attributable to (i) its distributive share of taxable income of the Partnership and (ii) amounts held in the Holdback Account.

(d) The General Partner shall have the right (i) to substitute cash or cash equivalents for any property in the holdback account, (ii) to substitute for cash or any other property in the Holdback Account, a letter of credit of a domestic bank or other financial institution of sound financial quality or a financial instrument of an institution with the highest credit ratings of a nationally recognized rating agency, in each case that assures PSERS of payment as required under this Section 6.8, and (iii) to invest and reinvest cash or other property in the Holdback Account in cash equivalents.

(e) In the event that any amount continues to be held in the Holdback Account (or a letter of credit or financial instrument referred to above has been deposited) upon dissolution and final liquidation of the Partnership, there shall be promptly distributed to PSERS from the Holdback Account (or such instruments) the amount in cash by which (i) the aggregate Capital Contributions actually paid to the Partnership by PSERS exceeds (ii) the cumulative amount of distributions made to PSERS over the term of the Partnership, including all liquidating distributions.

(f) Notwithstanding anything to the contrary contained herein, all amounts withheld by the Partnership and deposited in the Holdback Account pursuant to Section 6.8(a) hereof with respect to the General Partner shall be treated as if such amounts were distributed to the General Partner under this Agreement.

ARTICLE 7

BOOK ALLOCATIONS

7.1 General Application. The rules set forth below in this Article 7 shall apply for the purpose of determining each Partner's allocable share of the items of income, gain, loss and expense of the Partnership comprising Net Income or Net Loss of the Partnership for each Fiscal Year, determining special allocations of other items of income, gain, loss and expense, and adjusting the balance of each Partner's Capital Account to reflect the aforementioned general and special allocations. For each Fiscal Year, the special allocations in Section 7.3 hereof shall be made immediately prior to the general allocations of Section 7.2 hereof.

7.2 General Allocations.

(a) Hypothetical Liquidation. The items of income, expense, gain and loss of the Partnership comprising Net Income or Net Loss for a Fiscal Year shall be allocated among the Persons who were Partners during such Fiscal Year in a manner that shall, as nearly as possible, cause the Capital Account balance of each Partner at the end of such Fiscal Year to equal the excess (which may be negative) of:

(i) the amount of the hypothetical distribution (if any) that such Partner would receive if, on the last day of the Fiscal Year, (A) all Partnership assets, including cash and any amount required to be contributed by the General Partner pursuant to Section 10.4 hereof, were sold for cash equal to their Gross Asset Values,

taking into account any adjustments thereto for such Fiscal Year, (B) all Partnership liabilities were satisfied in cash according to their terms (limited, with respect to each Nonrecourse Liability or any Partner Nonrecourse Debt in respect of such Partner, to the Gross Asset Values of the assets securing such liability), and (C) the net proceeds thereof (after satisfaction of such liabilities) were distributed in full pursuant to Sections 6.1, 6.6, 10.3 and 10.4 hereof over

(ii) the sum of (A) the amount, if any, without duplication, that such Partner would be obligated to contribute to the capital of the Partnership, including any amount required to be contributed by the General Partner pursuant to Section 10.4 hereof, (B) such Partner's share of Partnership Minimum Gain determined pursuant to Regulations Section 1.704-2(g), and (C) such Partner's share of Partner Nonrecourse Debt Minimum Gain determined pursuant to Regulations Section 1.704-2(i)(5), all computed as of the hypothetical sale described in Section 7.2(a)(i) hereof;

provided, however, that, solely for purposes of Sections 7.2(a)(i) and 7.2(a)(ii) hereof, the amount that the General Partner would be required to contribute pursuant to Section 10.4 hereof shall be calculated without taking into account (A) any Portfolio Investment that is not a Realized Investment and (B) Capital Contributions of Limited Partners for Expenses that are not directly attributable to any Portfolio Investment and that have not been previously returned pursuant to Section 6.1(a)(ii) hereof.

(b) Loss Limitation. Notwithstanding anything to the contrary contained in this Section 7.2, the amount of items of Partnership expense and loss allocated pursuant to this Section 7.2 to any Partner shall not exceed the maximum amount of such items that can be so allocated without causing such Partner (other than a General Partner) to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. All such items in excess of the limitation set forth in this Section 7.2(b) shall be allocated first to Partners who would not have an Adjusted Capital Account Deficit, *pro rata*, in proportion to their Capital Accounts, adjusted as provided in clauses (a) and (b) of the definition of "Adjusted Capital Account Deficit," until no Partner would be entitled to any further allocation, and thereafter to the General Partner.

(c) No Deficit Restoration Obligation. Except as otherwise expressly provided in Sections 3.5 and 10.4 hereof, at no time during the term of the Partnership or upon dissolution and liquidation thereof shall a Partner with a negative balance in its Capital Account have any obligation to the Partnership or the other Partners to restore such negative balance, except as may be required by law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

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

(a) Minimum Gain Chargeback. If there is a net decrease during a Fiscal Year in either Partnership Minimum Gain or Partner Nonrecourse Debt Minimum

Gain, then notwithstanding any other provision of this Article 7, each Partner shall receive such special allocations of items of Partnership income and gain as are required in order to conform to Regulations Section 1.704-2.

(b) Qualified Income Offset. Subject to Section 7.3(a) hereof, but notwithstanding any other provision of this Article 7, items of income and gain shall be specially allocated to the Partners in a manner that complies with the "qualified income offset" requirement of Regulations Section 1.704-1(b)(2)(ii)(d)(3).

(c) Deficit Capital Accounts Generally. If a Partner has a deficit Capital Account balance at the end of any Fiscal Year which is in excess of the sum of (i) the amount such Partner is then obligated to restore pursuant to this Agreement, and (ii) the amount such Partner is then deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), respectively, such Partner shall be specially allocated items of Partnership income and gain (consisting of a *pro rata* portion of each item of income and gain of the Partnership for such Fiscal Year in accordance with Regulations Section 1.704-1(b)(2)(ii)(d)) in the amount of such excess as quickly as possible, provided that any allocation under this Section 7.3(c) shall be made only if and to the extent that a Partner would have a deficit Capital Account balance in excess of such sum after all allocations provided for in this Article 7 have been tentatively made as if this Section 7.3(c) were not in this Agreement.

(d) Deductions Attributable to Partner Nonrecourse Debt. Partner Nonrecourse Deductions shall be specially allocated to the Partners in the manner in which they share the economic risk of loss (as defined in Regulations Section 1.752-2) for such Partner Nonrecourse Debt.

(e) Allocation of Nonrecourse Deductions. Each Nonrecourse Deduction of the Partnership shall be specially allocated as follows:

(i) the Carried Interest Percentage to the General Partner; and

(ii) the difference between 100% and the Carried Interest Percentage to the Partners in proportion to their Capital Contributions.

(f) Management Fee. Deductions in respect of Management Fee shall be allocated to all Limited Partners *pro rata* in accordance with their Capital Contributions in respect thereof.

(g) Certain Borrowing Expenses. Deductions in respect of Expenses associated with a borrowing described in the second proviso of Section 2.6(k) hereof shall be specially allocated among the Partners that bore such Expenses.

The amounts of any Partnership income, gain, loss or deduction available to be specially allocated pursuant to this Section 7.3 shall be determined by applying rules analogous to

those set forth in subparagraphs (a) through (e) of the definition of Net Income and Net Loss.

7.4 Allocation of Nonrecourse Liabilities. For purposes of determining each Partner's share of Nonrecourse Liabilities, if any, of the Partnership in accordance with Regulations Section 1.752-3(a)(3), the Partners' interests in Partnership profits shall be determined in the same manner as prescribed by Section 7.3(e) hereof.

7.5 Transfer of Interest. In the event of a Transfer of all or part of an Interest of a Limited Partner (in accordance with the provisions of this Agreement) at any time other than the end of a Fiscal Year, or the admission of an Additional Limited Partner pursuant to Section 4.8(a), the shares of items of Net Income or Net Loss and specially allocated items allocable to the Interest transferred shall be allocated between the Transferor and the Transferee in a manner determined by the General Partner in its discretion that is not inconsistent with the applicable provisions of the Code and Regulations.

ARTICLE 8

TAX ALLOCATIONS

8.1 Tax Allocations.

(a) (i) Section 704(b) Allocations. Subject to Section 8.1(b) hereof, each item of income, gain, loss, or deduction for Federal income tax purposes that corresponds to an item of income, gain, loss or expense that is either taken into account in computing Net Income or Net Loss or is specially allocated pursuant to Section 7.3 hereof (a "Book Item") shall be allocated among the Partners in the same proportion as the corresponding Book Item is allocated among them pursuant to Section 7.2 or 7.3 hereof.

(ii) (A) If the Partnership recognizes Depreciation Recapture (as defined below) in respect of the sale of any Partnership asset,

(1) the portion of the gain on such sale which is allocated to a Partner pursuant to Section 7.2 or Section 7.3 hereof shall be treated as consisting of a portion of the Partnership's Depreciation Recapture on the sale and a portion of the balance of the Partnership's remaining gain on such sale under principles consistent with Regulations Section 1.1245-1, and

(2) if, for Federal income tax purposes, the Partnership recognizes both "unrecaptured Section 1250 gain" (as defined in Code Section 1(h)) and gain treated as ordinary income under Code Section 1250(a) in respect of such sale, the amount treated as Depreciation

Recapture under Section 8.1(a)(ii)(A)(1) hereof shall be comprised of a proportionate share of both such types of gain.

(B) For purposes of this Section 8.1(a)(ii) "Depreciation Recapture" means the portion of any gain from the disposition of an asset of the Partnership which, for Federal income tax purposes, (a) is treated as ordinary income under Code Section 1245, (b) is treated as ordinary income under Code Section 1250, or (c) is "unrecaptured Section 1250 gain" as such term is defined in Code Section 1(h).

(b) Section 704(c) Allocations. In the event any property of the Partnership is credited to the Capital Account of a Partner at a value other than its tax basis (whether as a result of a contribution of such property or a revaluation of such property pursuant to clause (b) of the definition of "Gross Asset Value"), then allocations of taxable income, gain, loss and deductions with respect to such property shall be made in a manner which shall comply with Code Sections 704(b) and 704(c) and the Regulations thereunder. The Partnership, in the discretion of the General Partner, may make, or not make, "curative" or "remedial" allocations (within the meaning of the Regulations under Code Section 704(c)) including, but not limited to:

(i) "curative" allocations which offset the effect of the "ceiling rule" for a prior Fiscal Year (within the meaning of Regulations Section 1.704-3(c)(3)(ii)); and

(ii) "curative" allocations from dispositions of contributed property (within the meaning of Regulations Section 1.704-3(c)(3)(iii)(B)).

(c) Tax Items Allocable to Particular Partners. If the Partnership is required to recognize income, gain, deduction, or loss for tax purposes that is attributable to a particular Partner, such items shall be allocated to such Partner.

(d) Credits. All tax credits shall be allocated among the Partners as determined by the General Partner in its discretion, consistent with applicable law.

The tax allocations made pursuant to this Section 8.1 shall be solely for tax purposes and shall not affect any Partner's Capital Account or share of non-tax allocations or distributions under this Agreement.

ARTICLE 9

ACCOUNTING AND TAX MATTERS

9.1 Books and Records; Reports.

(a) The General Partner shall keep or cause to be kept books and records reflecting all of the Partnership's activities and transactions in a location where

such books and records are accessible by the General Partner within a reasonable period of time. Subject to Section 14.13 hereof and to reasonable confidentiality restrictions established by the General Partner in its discretion (including as set forth in Section 17-305(b) of the Act), each Limited Partner and their respective agents and representatives shall be afforded access to the Partnership's books and records applicable to such Limited Partner for any purpose reasonably related to such Limited Partner's interest as a limited partner of the Partnership, at any reasonable time during regular business hours upon 5 Business Days' prior notice to the General Partner; provided, however, that any expenses incurred in connection with any such review of the books and records of the Partnership shall be expenses of such Limited Partner and not of the Partnership. The General Partner shall preserve all books and records that it keeps pursuant to this Section 9.1(a) for a period of 5 years after the date of dissolution of the Partnership (or such longer period as may be required by applicable law), and during such period, PSERS or any other department or representatives of the Commonwealth of Pennsylvania, upon 10 Business Days prior written notice, shall have the right at reasonable times during business hours to audit such records in regard thereto to the fullest extent permitted by law.

(b) The General Partner shall use commercially reasonable efforts to furnish or cause to be furnished the following reports to each Limited Partner:

(i) within 120 days following the end of each Fiscal Year, a balance sheet of the Partnership as of the end of such Fiscal Year and statements of operations, changes in Partners' capital and cash flows of the Partnership for such Fiscal Year, a narrative discussion prepared by the General Partner of significant developments affecting the Partnership and its Portfolio Companies since the last such report and an audited report from a nationally recognized independent public accounting firm selected by the General Partner in its discretion containing an opinion of such accountants;

(ii) within 120 days following the end of each Fiscal Year, such Limited Partner's Schedule K-1 and such other information, if any, with respect to the Partnership as may be necessary for the preparation of such Limited Partner's Federal income tax returns and any required state income tax returns;

(iii) within 45 days following the end of the first three quarters of each Fiscal Year, a report that shall contain unaudited financial statements of the Partnership and a narrative discussion prepared by the General Partner of significant developments affecting the Partnership and its Portfolio Companies since the last such report;

(iv) within 45 days following the end of each quarter of each Fiscal Year, a capital account summary and a summary of any transactions not contemplated by this Agreement between the Partnership and the General Partner or any of its Affiliates during the applicable quarter; and

(v) within 90 days following the last day of each June and December, a statement showing the cost and estimated value of each asset and the balance of PSERS' Capital Account based on the value of the Partnership's assets as of the last day of each June and December.

(c) All financial reports (but not the narrative discussions) referred to in clauses (i) and (iii) of Section 9.1(b) hereof shall be prepared in accordance with U.S. generally accepted accounting principles. The General Partner shall not knowingly and willfully take or fail to take any action that would directly cause the auditor's report on the annual financial statements provided by the General Partner pursuant to Section 9.1(b)(i) hereof to include any qualification due to scope limitation, lack of sufficient competent evidential matter, or a departure from U.S. generally accepted accounting principles.

(d) Upon PSERS' request, the General Partner shall furnish to PSERS (i) the name of each limited partner of the Primary Partnership and (ii) the aggregate amount of commitments to the Primary Partnership.

(e) The General Partner (i) understands and acknowledges that it is subject to the reporting requirements set forth in 25 P.S. § 3260a, and (ii) if required to submit a report, confirms that it has submitted to PSERS' Executive Director a copy of its current report to the Secretary of the Commonwealth of Pennsylvania, and (iii) hereby agrees to submit a copy of each successive report to PSERS' Executive Director by February 15 of each year during the term of this Agreement.

(f) Upon PSERS' request, the General Partner shall semi-annually provide PSERS with a list specifying (i) the nature of any Affiliate Services paid for by the Partnership or a Portfolio Company during such semi-annual period and (ii) the amount of Transaction Fees, Break-up Fees and Directors' Fees received in consideration of such Affiliate Services during such semi-annual period.

(g) Operational Audit.

(i) The Limited Partners Advisory Committee may elect to have an audit of the operation of the Partnership made by such certified independent public accountant as it determines to select, including, in particular, but without limitation, an audit as to the costs and expenses charged or otherwise allocated to the Partnership by the General Partner, the Management Company or any of their Affiliates. Any such election may be made no more than once annually. Such audit is not to be a re-audit of the books and records of the Partnership as provided for in the other provisions of this Agreement but is a more detailed audit of such items as the Limited Partners Advisory Committee determines is appropriate.

(ii) The costs of any such audit shall be borne by the Partnership unless such audit determines that the Partnership has been materially overcharged and/or overallocated costs and expenses by the General Partner, the

Management Company or any of their Affiliates, in which event the costs of such audit shall be borne by the General Partner. The determination of materiality shall initially be made by the accountants making the audit, and if there is a dispute as to such determination or as to any matter contained in such audit, such dispute shall be resolved by the Limited Partners Advisory Committee, in consultation with the General Partner and the accountants.

(iii) If such audit determines that there has been an overcharge and/or overallocation and such determination has not been disputed or, if disputed, such a finding is made pursuant to the procedures in Section 9.1(g)(ii) hereof, then the General Partner shall, within 15 days after the delivery of any such audit or, if disputed, the determination pursuant to the procedures in Section 9.1(g)(ii) hereof, repay or cause to be repaid to the Partnership any such overcharge and/or overallocation.

9.2 Tax Elections.

(a) Elections by Partnership. Except as provided in Section 2.7(a) hereof, the General Partner may make, but shall not be obligated to make, in its discretion, any tax election provided under the Code, or any provision of state, local or foreign tax law, and the General Partner shall, to the fullest extent permitted by law, be absolved from all liability for any and all consequences to any previously admitted or subsequently admitted Partners resulting from its making or failing to make any such election. All decisions and other matters concerning the computation and allocation of items of income, gain, loss, deduction and credits among the Partners, and accounting procedures not specifically and expressly provided for by the terms of this Agreement shall be determined by the General Partner in its discretion. Any determination made pursuant to this Section 9.2 by the General Partner shall be conclusive and binding on all Partners.

(b) Elections by Partners. Without the consent of the General Partner, no Limited Partner shall make the election provided by Code Section 732(d), relating to the basis of property distributed by a partnership to certain partners, or Code Section 1045, relating to the non-recognition of gain on the disposition of certain "qualified small business stock." In the event any Partner makes any tax election that requires the Partnership to furnish information to such Partner to enable such Partner to compute its own tax liability, or requires the Partnership to file any tax return or report with any tax authority, or adjust the basis of Partnership property, in any case that would not be required in the absence of such election made by such Partner, the General Partner may, as a condition to furnishing such information, or filing such return or report, or making such basis adjustment, require such Partner to pay to the Partnership any incremental expenses incurred in connection therewith.

(c) Other Limited Partner Obligations. Promptly upon request, each Limited Partner shall provide the General Partner with any information related to such Limited Partner necessary (a) to allow the Partnership to comply with any tax reporting, tax withholding or tax payment obligations of the Partnership or (b) to establish the

Partnership's legal entitlement to an exemption from, or reduction of, withholding or any other taxes or similar payments, including U.S. federal withholding tax under Sections 1471 and 1472 of the Code. Without limiting the generality of the foregoing, if the Partnership elects under Code Section 743(e) to be treated as an electing investment partnership, each Limited Partner shall (i) cooperate with the Partnership to maintain such status, (ii) provide the General Partner with any information necessary to allow the Partnership to comply with its tax reporting and other obligations as an electing investment partnership, and (iii) provide the General Partner and such Limited Partner's transferee, promptly upon request, with the information required under Code Section 6031(b) or otherwise to be furnished to the Partnership or such transferee, including such information as is necessary to enable the Partnership and such transferee to compute the amount of losses disallowed under Code Section 743(e).

(d) Section 754 Elections. If the Partnership elects under Section 754 of the Code to adjust the basis of Partnership property under Section 734(b) and Section 743(b) of the Code,

(i) the General Partner shall make such adjustments to the definition of Gross Asset Value and Net Income and Net Loss, and to the special allocations required by Section 7.3 hereof as are necessary to carry out the provisions of Regulations Section 1.704-1(b)(2)(iv)(*m*)(*2*) and 1.704-1(b)(2)(iv)(*m*)(*4*); and

(ii) a Limited Partner who acquires an Interest shall furnish to the General Partner such information as the General Partner shall reasonably request to enable it to compute the adjustments required by Section 755 of the Code and the Regulations thereunder.

(e) Elections with Respect to Issuance of Certain Compensatory Equity Interests. The General Partner shall have the right to amend this Agreement without the approval of any other Partner upon publication of final regulations in the Federal Register (or other official pronouncement) to (i) direct and authorize the election of a safe harbor under Regulations Section 1.83-3(l) (or any similar provision) under which the fair market value of a partnership interest that is transferred in connection with the performance of services ("Compensatory Interests") is treated as being equal to the liquidation value of that interest, (ii) provide for an agreement by the Partnership and all of its Partners to comply with all the requirements set forth in such regulations and Notice 2005-43 (and any other guidance provided by the IRS with respect to such election) with respect to all partnership interests transferred in connection with the performance of services while the election remains effective, and (iii) provide for any other related amendments; provided, however, that (x) such amendment shall not adversely affect the interests of any Limited Partner without, in each case, the written consent of each Limited Partner so affected, it being understood that the Partnership's ability or inability to deduct any amounts with respect to any such Compensatory Interests will not constitute such an adverse effect, and (y) the General Partner provides a copy of such amendment to the Limited Partners at least 10 days prior to the effective date thereof.

9.3 Returns. The General Partner shall prepare or cause to be prepared all Federal, state and local tax returns of the Partnership (the "Returns") for each year for which such Returns are required to be filed.

9.4 Tax Audits and Litigation.

(a) Designation of Tax Matters Partner. The General Partner is hereby designated as the tax matters partner within the meaning of Code Section 6231(a)(7) ("Tax Matters Partner"). In such capacity, the General Partner shall have all of the rights, authority and power, and shall be subject to all of the obligations, of a tax matters partner to the extent provided in the Code and the Regulations.

(b) Foreign, State and Local Tax Law. If any foreign, state or local tax law provides for a tax matters partner or person having similar rights, powers, authority or obligations, the General Partner shall also serve in such capacity. In all other cases, the General Partner shall represent the Partnership in all tax matters to the extent allowed by law.

(c) Expenses of the Tax Matters Partner. Expenses incurred by the General Partner as the Tax Matters Partner or in a similar capacity as set forth in this Section 9.4 shall be borne by the Partnership as Expenses. Such expenses shall include, without limitation, fees of attorneys and other tax professionals, accountants, appraisers and experts, filing fees and reasonable out-of-pocket costs.

(d) Effect of Certain Decisions by Tax Matters Partner. Any decisions made by the Tax Matters Partner (or the General Partner acting in a similar capacity as described in Section 9.4(b) hereof), including, without limitation, whether or not to settle or contest any tax matter, whether or not to extend the period of limitations for the assessment or collection of any tax and the choice of forum for such contest shall be made in the Tax Matters Partner's discretion (or the General Partner's discretion, to the extent the General Partner is acting in a similar capacity as described in Section 9.4(b) hereof).

(e) Inconsistent Return Positions. No Partner shall file a notice with the IRS under Code Section 6222(b) in connection with such Partner's intention to treat an item on such Partner's Federal income tax return in a manner that is inconsistent with the treatment of such item on the Partnership's Federal income tax return, unless such Partner has, not less than 10 days prior to the filing of such notice, provided the General Partner with a copy of the notice and thereafter in a timely manner provides such other information related thereto as the General Partner shall reasonably request.

(f) Notice. The Tax Matters Partner shall keep the Limited Partners informed of all administrative and judicial proceedings with respect to the Partnership tax returns or the adjustment of Partnership items as required by Section 6223(g) of the Code. Any Partner who enters into a settlement agreement with respect to Partnership

items must promptly give the Tax Matters Partner notice of the settlement agreement and terms that relate to Partnership items.

9.5 Withholding Tax Payments and Obligations. If withholding taxes are paid or required to be paid in respect of payments made to or by the Partnership or in respect of a Partner's distributive share of Partnership items, such payments or obligations shall be treated as follows:

(a) Payments to the Partnership. If the Partnership receives proceeds in respect of which a tax has been withheld, the Partnership shall be treated as having received cash in an amount equal to the amount of such withheld tax, and, for all purposes of this Agreement, subject to Section 9.5(d) hereof, each Partner shall be treated as having received a distribution pursuant to Section 6.1 hereof equal to the portion of the withholding tax allocable to such Partner, as determined by the General Partner in its discretion. In the event that the Partnership receives a refund of taxes previously withheld by a third party from one or more payments to the Partnership, the economic benefit of such refund shall be apportioned among the Partners in a manner reasonably determined by the General Partner to offset the prior operation of this Section 9.5(a) in respect of such withheld taxes.

(b) Payments by the Partnership. The Partnership is authorized to withhold from any payment made to, or any distributive share of, a Partner any taxes required by law to be withheld. If, and to the extent that, the Partnership is required to make any such tax payments with respect to any distribution to a Partner, either (i) such Partner's proportionate share of such distribution shall be reduced by the amount of such tax payments (which tax payments, subject to Section 9.5(d) hereof, shall be treated as a distribution to such Partner pursuant to Section 6.1 hereof), or (ii) such Partner shall pay to the Partnership prior to such distribution an amount of cash equal to such tax payments (which payment of cash shall not be deemed a Capital Contribution for purposes hereof and shall not reduce the Available Commitment of such Partner). In the event a portion of a distribution in kind is retained by the Partnership pursuant to clause (i) above, such retained portion may, in the discretion of the General Partner, either (A) be distributed to the other Partners, or (B) be sold by the Partnership to generate the cash necessary to satisfy such tax payments. If the retained portion is sold, then the Partnership and such Partner shall treat the sale in a manner consistent with Section 6.3(f) hereof.

(c) Overwithholding. Neither the Partnership nor the General Partner shall be liable for any excess taxes withheld in respect of any Limited Partner's Interest, and, in the event of any such overwithholding, a Limited Partner's sole recourse shall be to apply for a refund from the appropriate governmental authority.

(d) Certain Withheld Taxes Treated as Demand Loans. Any taxes withheld pursuant to Sections 9.5(a) or 9.5(b) hereof shall be treated as if distributed to the relevant Partner to the extent an amount equal to such withheld taxes would then be distributable to such Partner, and, to the extent in excess of such distributable amounts, as a demand loan payable by the Partner to the Partnership with interest at the Prime Rate in

effect from time to time plus 2%, compounded annually. The General Partner may, in its discretion, either demand payment of the principal and accrued interest on such demand loan at any time, and enforce payment thereof by legal process, or may withhold from one or more distributions to a Partner amounts sufficient to satisfy such Partner's obligations under any such demand loan.

(e) Payment by Limited Partner. If the Partnership, the General Partner, the Management Company or any of their respective Affiliates, or any of their respective shareholders, partners, members, officers, directors, employees, managers and, as determined by the General Partner in its discretion, consultants or agents, becomes liable as a result of a failure to withhold and remit taxes in respect of any Partner, then, in addition to, and without limiting, any obligations of such Partner to return distributions pursuant to Section 3.5 hereof, such Partner shall make a cash payment to the Partnership equal to the full amount of all taxes, including interest and penalties, and any expenses incurred in any examination, determination, resolution and payment of such liability by the Partnership, the General Partner, the Management Company or any of their respective Affiliates, or any of their respective shareholders, partners, members, officers, directors, employees, and managers. The provisions contained in this Section 9.5(e) shall survive the termination of the Partnership, the termination of this Agreement and the Transfer of any Interest. For the avoidance of doubt, nothing in this Section 9.5(e) is intended to limit rights that PSERS may have to bring action against any relevant tax authority under applicable law.

(f) PSERS' Tax Exempt Status. Notwithstanding any other provision of this Agreement, the General Partner acknowledges that PSERS is an administrative agency of the Commonwealth of Pennsylvania and claims an exemption from federal, state and local taxes. Accordingly, except to the extent legally required, the General Partner shall not cause the Partnership to withhold taxes from income distributable to PSERS. In the event that a taxing authority makes a claim for taxes attributable to PSERS' income, the General Partner shall notify PSERS in advance of making the required tax payments and provide PSERS with a reasonable opportunity to establish its tax exempt status.

ARTICLE 10

DISSOLUTION AND WINDING UP OF THE PARTNERSHIP

10.1 Events of Dissolution. The Partnership shall dissolve upon the happening of any of the following events:

(a) the expiration of its term in accordance with Section 2.4 hereof;

(b) the decision of the General Partner with the consent of a Two-Thirds Vote of Limited Partners;

(c) written notice to the General Partner of the decision of Limited Partners by a Seventy-Five Percent Vote of Limited Partners;

(d) written notice to the General Partner of the decision of Limited Partners by a Majority Vote of Limited Partners following an event constituting Cause; provided, however, that the Partnership shall not be dissolved pursuant to this Section 10.1(d) if the act or omission constituting or giving rise to the event constituting Cause was attributable to the actions of either (i) a Principal, the termination of whom from employment with the Management Company (or Affiliate thereof) would not give rise to a Key Person Event, or (ii) one or more other managerial personnel employed by the Management Company (or Affiliate thereof), and such Principal or person(s), as applicable, are terminated within 30 days of receipt by the General Partner of notice of such decision of Limited Partners and the General Partner provides notice to the Limited Partners of such termination of employment within 5 Business Days after the effective date of such termination;

(e) written notice to the General Partner of the decision of Limited Partners by a Two-Thirds Vote of Limited Partners following an event constituting Cause;

(f) the decision of the General Partner because it has reasonably determined that changes in any applicable law or regulation would be materially burdensome to the Partnership;

(g) the withdrawal, Bankruptcy or dissolution of the General Partner or the occurrence of any other event which constitutes an event of withdrawal of the General Partner under the Act, unless (i) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the Partnership Business, or (ii) within 90 days after the occurrence of such event, the Limited Partners, by a Majority Vote of Limited Partners (or by a Two-Thirds Vote of Limited Partners in the event of the removal of the General Partner pursuant to Section 11.2 hereof), agree in writing or vote to continue the Partnership Business and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership;

(h) after the Investment Period, the sale of all of the Partnership's assets for cash;

(i) a judicial decree of dissolution has been obtained; or

(j) at any time there are no Limited Partners, unless the business of the Partnership is continued without dissolution in accordance with the Act.

10.2 Winding Up. Upon a dissolution of the Partnership, the Partnership shall not terminate, but shall cease to engage in further business, except to the extent necessary to perform existing contracts and preserve the value of its assets, and the General Partner

shall wind up its affairs and liquidate its assets (including, if applicable, by means of the distribution in kind of any Marketable Securities, in accordance with Section 6.3 hereof or the distribution in kind of any Non-Marketable Securities, in accordance with Section 10.3(c) hereof). During the course of the winding up and liquidation of the Partnership, the Partners shall continue to share Net Income, Net Losses and other separate items as provided in this Agreement, and all of the provisions of this Agreement shall continue to bind the parties and apply to the activities of the Partnership (including, without limitation, the distribution provisions of Section 6.1 hereof), except as specifically provided herein to the contrary.

10.3 Liquidation.

(a) As soon as practicable following the effective date of dissolution (unless the Partnership has been continued without dissolution in accordance with this Agreement), the proceeds from liquidation shall be applied and distributed as follows:

(i) first, to the satisfaction (whether by payment or the reasonable provision for payment) of the obligations of the Partnership to creditors, including any unpaid Management Fee to the Management Company or its Affiliate in its capacity as a creditor of the Partnership, in the order of priority established by the instruments creating or governing such obligations and to the extent otherwise permitted by law, including to the establishment of any reserves which the General Partner (or, if dissolution of the Partnership should occur by reason of Section 10.1(g) or the General Partner is otherwise unable to act as liquidator, a liquidating trustee of the Partnership designated by a Majority Vote of Limited Partners), considers necessary for any anticipated contingent, conditional or unmatured liabilities or obligations of the Partnership. All such reserves shall be paid over to the General Partner (or other liquidating trustee, if applicable) and held by the General Partner (or other liquidating trustee, if applicable) for the purpose of disbursing such reserves in payment in respect of any of the aforementioned liabilities. At the expiration of such period as the General Partner (or other liquidating trustee, if applicable) shall deem advisable, any balance of any such reserves not required to discharge such liabilities or obligations shall be distributed as provided in subsection (ii) below; and

(ii) second, to the Partners in accordance with Section 6.1 hereof.

(b) Except as provided in Section 10.4 hereof, each Limited Partner shall look solely to the assets of the Partnership for all distributions with respect to the Partnership and shall have no recourse therefor, upon dissolution or otherwise, against the General Partner or a Limited Partner. No Partner shall have any right to demand or receive property other than cash upon dissolution of the Partnership.

(c) If upon the liquidation of the Partnership there shall be any Securities that are Non-Marketable Securities, then in lieu of distributing to PSERS its share of such Securities, the General Partner or the liquidating trustee, as applicable, shall

use its reasonable best efforts to dispose of such Securities and shall hold such Securities for the benefit of PSERS until such Securities are liquidated. PSERS agrees to treat such Securities for Federal income tax purposes as having been distributed to PSERS by the Partnership and sold by PSERS and not by the Partnership. The General Partner or liquidating trustee, as applicable, shall liquidate such Securities at the same time and on the same terms as the General Partner's liquidation of its own holdings of such Securities. PSERS shall bear only its *pro rata* share of the out of pocket expenses of such liquidation. The General Partner shall not distribute any Non-Marketable Securities to PSERS relating to an investment from which PSERS was excused or excluded under the terms of this Agreement.

10.4 Clawback.

(a) Interim Clawback. If, as of any Interim Clawback Determination Date, (i) a Limited Partner has not received Sufficient Distributions or (ii) the General Partner has received Excess Distributions in respect of such Limited Partner, then subject to the limitation set forth in Section 10.4(c) hereof, the General Partner shall be obligated to return to the Partnership by means of capital contributions made by the General Partner to the Partnership, the greater of (A) the Excess Distributions received by the General Partner in respect of such Limited Partner and (B) an amount such that such Limited Partner shall have received or been deemed to have received Sufficient Distributions (an "Interim Clawback"). Except as required by the Act, Section 3.5 hereof or this Section 10.4, the General Partner shall have no obligation at such time to make any capital contribution for the benefit of any Limited Partner or to restore any amount to its Capital Account.

(b) Final Clawback. If, as of any Final Clawback Determination Date, (i) a Limited Partner has not received Sufficient Distributions or (ii) the General Partner has received Excess Distributions in respect of such Limited Partner, then subject to the limitation set forth in Section 10.4(c) hereof, the General Partner shall be obligated to return to the Partnership by means of capital contributions made by the General Partner to the Partnership, the greater of (A) the Excess Distributions received by the General Partner in respect of such Limited Partner and (B) an amount such that such Limited Partner shall have received Sufficient Distributions (the "Final Clawback"). Except as required by the Act, Section 3.5 hereof or this Section 10.4, the General Partner shall have no obligation to make any capital contribution for the benefit of any Limited Partner or to restore any amount to its Capital Account.

(c) Limitation. The amount of any Interim Clawback or Final Clawback, as applicable, in respect of any Limited Partner shall not exceed the excess of (i) the aggregate distributions made or deemed made to the General Partner in respect of such Limited Partner as of the applicable Interim Clawback Determination Date or Final Clawback Determination Date pursuant to Sections 6.1(c), 6.1(d), 6.4 and 10.3 hereof (exclusive of any amounts previously returned to the Partnership by the General Partner in respect of its Carried Interest pursuant to Sections 3.5 and 10.4(a) hereof) less (ii) the sum of the maximum amounts that the General Partner could have received as Tax

Distributions attributable to distributions or deemed distributions in respect of such Limited Partner for all Fiscal Years as of such Interim Clawback Determination Date or Final Clawback Determination Date, as applicable, without limitation by reason of Section 6.4(b) hereof. The maximum amounts that the General Partner could have received as Tax Distributions shall take account of the tax liability that the General Partner would have incurred, computed in accordance with the principles of Section 6.4 hereof, on any gains the General Partner would have realized had it sold any property received or deemed received as a distribution in respect of such Limited Partner under Section 6.1 hereof on the date distributed or deemed distributed for an amount equal to its Fair Market Value on that date.

(d) Guarantee. Each partner of the General Partner who is or becomes entitled to receive distributions from the General Partner with respect to the Carried Interest shall execute a several but not joint guarantee, for the benefit of the Partnership and the Limited Partners.

(e) Disposition of Clawback. Amounts contributed by the General Partner in respect of the Interim Clawback or Final Clawback, as applicable, shall, subject to the Act, be distributed to each Limited Partner in respect of whom such amounts were contributed. For purposes of any subsequent distributions to the Partners pursuant to this Agreement (including future operation of this Section 10.4), (i) all amounts distributed to a Limited Partner in respect of an Interim Clawback or Final Clawback pursuant to this Section 10.4 shall be treated as distributions of Investment Proceeds to such Limited Partner and shall be treated as if such amounts were not previously distributed to the General Partner and (ii) an additional amount of prior distributions of Investment Proceeds to such Limited Partner pursuant to Sections 6.1(b) and 6.1(d) shall, to the extent applicable, instead be re-characterized and treated as distributions of Investment Proceeds to such Limited Partner pursuant to Section 6.1(a) such that the aggregate amount treated as distributed under Section 6.1(a) to such Limited Partner is the same as would be the case (x) if all Realized Investments of the Partnership had been disposed of at the same time in a single transaction and (y) if, in the case of an Interim Clawback, the amount, if any, by which the aggregate Fair Market Value of all Unrealized Investments is less than the total Capital Contributions of all Partners relating thereto were treated as a Net Write-Down as of the Interim Clawback Determination Date.

10.5 Termination of Partnership. Upon the completion of the winding up of the Partnership and the application and distribution of the proceeds of liquidation and the assets of the Partnership as provided in Sections 10.3 and 10.4 hereof, the Partnership shall file its certificate of cancellation of the Certificate in accordance with the Act, whereupon the Partnership shall terminate. Upon the cancellation of the Certificate in accordance with the Act, other than as expressly provided herein, this Agreement shall terminate and any amounts remaining in the Holdback Account shall be distributed to the General Partner.

ARTICLE 11

WITHDRAWAL AND TRANSFER BY, AND REMOVAL OF, GENERAL PARTNER AND CONTINUATION

11.1 Withdrawal of and Transfer by the General Partner.

(a) Except as provided in Section 11.1(b) hereof, the General Partner may not voluntarily withdraw from the Partnership or Transfer its Interest unless such withdrawal or Transfer has been approved by a Majority Vote of Limited Partners; provided, however, that the General Partner may, at its expense, without the consent of any Limited Partner, (i) be reconstituted as or converted into a corporation, limited liability company or other form of entity (any such reconstituted or converted entity being deemed to be the General Partner for all purposes hereof) by merger, consolidation, conversion or otherwise or (ii) Transfer its Interest to one or more of its Affiliates so long as such other entity shall have assumed in writing the obligations of the General Partner under this Agreement, the Subscription Agreements and any other related agreements of the General Partner. In the event of an assignment or other Transfer of all of its Interest as a general partner of the Partnership in accordance with this Section 11.1(a), its assignee or Transferee shall be substituted in its place and admitted to the Partnership as general partner of the Partnership upon its execution of a counterpart of this Agreement and, immediately thereafter, the General Partner shall withdraw as general partner of the Partnership, and such substituted general partner is hereby authorized to, and shall, continue the business of the Partnership without dissolution.

(b) The General Partner shall be deemed to have withdrawn as a general partner upon the occurrence of any event of Bankruptcy of the General Partner. Within 90 days after the date the Limited Partners receive written notice of the deemed withdrawal of the General Partner, the Limited Partners, by a Majority Vote of Limited Partners, may (i) elect and admit, effective as of the date of such deemed withdrawal, a successor general partner to the Partnership ("Successor General Partner") and elect to continue the business of the Partnership without dissolution or (ii) elect a liquidating trustee to wind up and liquidate the assets of the Partnership. The Successor General Partner shall have all of the rights, powers and obligations of the former General Partner as the general partner of the Partnership under this Agreement. If the Partners elect to continue the Partnership Business, the Successor General Partner shall do so; provided, however, that the Successor General Partner shall not cause or permit the Partnership to acquire any further Portfolio Investments, except as may be required pursuant to legally binding commitments existing on the date of the deemed withdrawal of the General Partner and except for Follow-on Investments. If the Partners elect to wind up and liquidate the assets of the Partnership, the liquidating trustee shall proceed to do so in an orderly manner in accordance with the terms of this Agreement.

11.2 Removal of the General Partner.

(a) The General Partner shall provide prompt notice to the Limited Partners after it becomes aware that an event constituting Cause has occurred. The Limited Partners may remove the General Partner as general partner of the Partnership by delivering written notice to the General Partner of the decision of the Limited Partners: (i) by a Majority Vote of Limited Partners not later than 90 days after the date on which the General Partner has notified the Limited Partners of the occurrence of the event constituting Cause; (ii) by a Two-Thirds Vote of Limited Partners not later than 90 days after the date on which the General Partner has notified the Limited Partners of the occurrence of the event constituting Cause or (iii) by a Seventy-Five Percent Vote of Limited Partners at any time; provided, however, that Cause shall not be deemed to exist for purposes of any removal by a Majority Vote of Limited Partners pursuant to clause (i) above if the act or omission constituting or giving rise to the event constituting Cause was attributable to the actions of either (A) a Principal, the termination of whom from employment with the Management Company (or Affiliate thereof) would not give rise to a Key Person Event, or (B) one or more other managerial personnel employed by the Management Company (or Affiliate thereof), and such Principal or person(s), as applicable, are terminated within 30 days of receipt by the General Partner of notice of such decision of Limited Partners and the General Partner provides notice to the Limited Partners of such termination of employment within 5 Business Days after the effective date of such termination. Any written notice of removal in accordance with this Section 11.2(a) (a "Removal Notice") shall be delivered to the General Partner and shall state in reasonable detail the basis for removal and the effective date of removal, which effective date may be the date of delivery of the Removal Notice or any date thereafter; provided, however, that, notwithstanding anything to the contrary contained in this Section 11.2(a), in connection with any removal of the General Partner pursuant to either clause (i) or clause (ii) above, the General Partner shall have 60 days from the date of receipt of any Removal Notice to remedy or otherwise cure the event constituting Cause.

(b) Subject to the terms of this Section 11.2, the removal of the General Partner shall not impair any rights of such General Partner attributable to the period prior to the effective date of such removal; provided, however, that if the General Partner is removed for Cause, such General Partner shall thereafter be entitled to receive 50% of the Carried Interest that otherwise would have been distributable to it pursuant to Article VI hereof as if it had not been removed as the general partner of the Partnership with respect to Portfolio Investments made on or before the effective date of the removal of such General Partner and without regard to Portfolio Investments made, or fees and expenses incurred, thereafter. As of the effective date of a Removal Notice, the removed General Partner's Interest shall be converted to an Interest as a Limited Partner and such General Partner shall be entitled to all of the rights of the other Limited Partners with respect to its converted Interest, including the right to receive allocations and distributions on the basis of its Capital Contributions. The removed General Partner shall not be required to make any Capital Contributions in respect of Portfolio Investments or Expenses, other than Capital Contributions in respect of the Management Fee; provided,

however, that the portion of the Management Fee that the removed General Partner shall bear shall be equal to 1.75% *per annum* of the Funded Commitments of such removed General Partner as of the relevant Payment Date (as reduced in accordance Section 4.3 hereof) and the Management Fee payable by the Partnership following the removal of the General Partner shall be adjusted accordingly. Effective upon the General Partner's removal, to the fullest extent permitted by law, such General Partner (x) shall remain liable as a general partner of the Partnership only with respect to any liability, loss, cost or expense (mature or unmatured, contingent or otherwise) arising out of, relating to, incidental to or by virtue of any act, transaction or event in connection with the operation of the Partnership Business prior to its removal as the general partner of the Partnership and (y) shall not be liable as a general partner of the Partnership with respect to any liability, loss, cost or expense (mature or unmatured, contingent or otherwise) arising out of, relating to, incidental to or by virtue of any act, transaction or event in connection with the operation of the Partnership Business after its removal as the general partner of the Partnership. Effective upon the General Partner's removal, the obligation of such General Partner pursuant to Section 10.4 hereof shall be unaffected, except that Section 10.4 shall be applied to such General Partner (and all calculations thereunder shall be made) as though the only Portfolio Investments and Expenses (including Organizational Expenses) were those made and incurred prior to the removal of such General Partner.

(c) Within 90 days after the date the General Partner receives written notice of its removal, the Limited Partners, by a Two-Thirds Vote of Limited Partners, may (i) elect and admit, effective as of the date of such removal, a Successor General Partner to the Partnership and elect to continue the Partnership Business without dissolution or (ii) elect a liquidating trustee to wind up and liquidate the assets of the Partnership. The Successor General Partner shall have all of the rights, powers and obligations of the former General Partner as the general partner of the Partnership under this Agreement; provided, however, that any such rights of the Successor General Partner shall not reduce or dilute the removed General Partner's rights to distribution as set forth herein. If the Partners elect to continue the Partnership Business, the Successor General Partner shall do so; provided, however, that the Successor General Partner shall not cause or permit the Partnership to acquire any further Portfolio Investments, except as may be required pursuant to legally binding commitments existing on the date of the removal of the General Partner and except for Follow-on Investments. If the Partners elect to wind up and liquidate the assets of the Partnership, the liquidating trustee shall proceed to do so in an orderly manner in accordance with the terms of this Agreement.

(d) The Partnership shall, within 15 days after the effective date of the removal of the General Partner, prepare and file or cause to be filed, an amendment to the Certificate, and shall promptly amend this Agreement, to reflect (i) the removal of the General Partner as general partner; and (ii) the change of the name of the Partnership to a name that does not include the name "Milestone."

ARTICLE 12

TRANSFERS BY LIMITED PARTNERS

12.1 Restrictions on Transfer by Limited Partners. Subject to Section 13.1 hereof, no Limited Partner may Transfer all or any portion of its Interest at any time to any Person without the prior written consent of the General Partner, which consent may be granted or withheld in its discretion. Any purported Transfer by a Limited Partner of all or any part of its Interest without the written consent of the General Partner or without satisfaction of the other requirements of this Article 12 shall, to the fullest extent permitted by law, be null and void and of no force or effect and the General Partner shall, to the fullest extent permitted by law, be entitled to cause the re-Transfer thereof to another Person for an amount equal to the Capital Account associated with such Limited Partner's Interest at the time of re-Transfer.

12.2 Additional Requirements and Conditions.

(a) In addition to the requirements and conditions set forth in Section 12.1 hereof, any Transfer, in whole or in part, of a Limited Partner's Interest must be documented in writing and such documentation must (i) be in a form acceptable to the General Partner (determined in the discretion of the General Partner), (ii) have terms that are not in contravention of any of the provisions of this Agreement or of applicable law and (iii) be duly executed by the Transferor and Transferee of such Interest. Unless otherwise agreed by the General Partner in writing, each Transferor agrees that it shall pay all reasonable expenses, including attorneys' fees, incurred by the Partnership or the General Partner in connection with a Transfer of its Interest, except to the extent that the Transferee thereof agrees to bear such expenses.

(b) Notwithstanding anything to the contrary contained herein, the Partnership and the General Partner shall be entitled to treat the Transferor of a Limited Partner's Interest as the absolute owner thereof in all respects, and the Partnership shall incur no liability for allocations of Net Income, Net Losses, other items or distributions, or transmittal of reports and notices required to be given to Limited Partners hereunder which are made in good faith to such Transferor until (i) such time as the written instrument of the Transfer has been physically received by the Partnership; (ii) compliance with this Article 12 has taken place; (iii) the assignment in the form required by Section 12.2(a) hereof has been recorded on the Partnership books and (iv) the effective date of such Transfer has passed. The effective date of the Transfer of an Interest shall be the first day of the month following the day on which the last of clauses (i) through (iii) of this Section 12.2(b) occurs or at such earlier time as the General Partner determines in its discretion.

(c) Notwithstanding anything to the contrary contained herein, no Transfer of any Limited Partner's Interest may be made if, as a result of the proposed Transfer, (i) the Partnership would be required to register as an investment company under, or would be in violation of, the Investment Company Act or any rules or

regulations promulgated thereunder, (ii) the General Partner, the Management Company or any Affiliate thereof would be required to register as an investment adviser under the Advisers Act or (iii) the General Partner determines that the Partnership could, as a result of such Transfer, be treated as a "publicly traded partnership" within the meaning of Code Section 7704(b).

(d) Notwithstanding anything to the contrary contained herein, no Transfer of any Limited Partner's Interest may be made unless the General Partner, if so requested, shall have received from the Transferor an opinion of counsel satisfactory to the General Partner (or waived such requirement) that the effect of such Transfer would not (i) result in the Partnership's assets being considered "plan assets" under the Plan Asset Regulation, (ii) result in a violation of the Securities Act or any comparable state law, (iii) require the Partnership to register as an investment company under the Investment Company Act, (iv) require the Partnership, the General Partner, the Management Company or any Affiliate thereof to register as an investment adviser under the Advisers Act, (v) result in a termination of the Partnership's status as a partnership for tax purposes, (vi) result in a violation of any law, rule or regulation by the Limited Partner, the Partnership, the General Partner, the Management Company, their respective officers, directors, employees, shareholders, partners, managers, members or any Affiliate thereof, (vii) cause the Partnership to be deemed a "publicly traded partnership" as such term is defined in Code Section 7704(b) or (viii) constitute a prohibited transaction under ERISA.

(e) Notwithstanding anything to the contrary contained herein, no Transfer shall be given effect unless the Transferee delivers to the Partnership the representations set forth in Schedule A hereof.

12.3 Substituted Limited Partner.

(a) Notwithstanding anything to the contrary contained herein, no Transferee of a Limited Partner shall have the right to become a substituted Limited Partner unless (i) the General Partner shall have consented thereto, which consent may be granted or withheld in the discretion of the General Partner, (ii) the Transferee shall have executed such documentation as the General Partner may require to acknowledge the obligation of the Transferee to contribute the amount of the Available Commitment of the Transferor pursuant to Article 3 hereof and all such other instruments as shall be required by the General Partner to signify such Transferee's agreement to be bound by all provisions of this Agreement and all other documents reasonably required by the General Partner to effect the admission of the Transferee as a Limited Partner, and (iii) the Transferee or Transferor shall have paid to the Partnership the estimated costs and expenses (including attorneys' fees and filing costs and other out-of-pocket expenses incurred by the Partnership) incurred in effecting the Transfer and substitution. Such substituted Limited Partner shall reimburse the Partnership for any excess of the actual costs and expenses so incurred over the amount of such estimate. A Transferee shall be deemed admitted as a substituted Limited Partner with respect to the Interest transferred upon its execution and delivery of a counterpart of this Agreement. By execution of this

Agreement or a counterpart hereof, or by authorizing such execution on its behalf, each Limited Partner consents and agrees that any Transferee may be admitted as a substituted Limited Partner and this Agreement may be amended accordingly by the General Partner without the necessity of any further action by, or consent of, the Limited Partners.

(b) A Transferee of a Limited Partner's Interest who is not admitted as a substituted Limited Partner pursuant to Section 12.3(a) hereof shall be entitled only to allocations and distributions with respect to the Interest of such Limited Partner in accordance with this Agreement, and shall have no right to vote on any Partnership matters or, to the fullest extent permitted by law, to any information or accounting of the affairs of the Partnership, shall not be entitled to inspect the books or records of the Partnership and shall, to the fullest extent permitted by law, have none of the rights of a Partner under the Act or this Agreement.

12.4 Incapacity of a Limited Partner. The death, Bankruptcy, dissolution or incompetence of a Limited Partner shall not, in and of itself, cause a dissolution of the Partnership. If any such event shall occur with respect to a Limited Partner, the trustee, successors or assigns of such Limited Partner shall succeed only to the economic interest of such Limited Partner herein, but no such trustee, successor or assignee shall become a substituted Limited Partner unless and until the requirements of this Article 12 with respect thereto have been satisfied.

ARTICLE 13

REGULATORY PROVISIONS

13.1 ERISA.

(a) The General Partner shall use its reasonable best efforts to prevent the assets of the Partnership from being deemed "plan assets" under Section 3(42) of ERISA and the U.S. Department of Labor plan asset regulations, 29 C.F.R. §2510.3-101, or any successor thereto (the "Plan Asset Regulation") by reason of any ERISA Partner's interest in the Partnership.

(b) At any time when the General Partner shall have determined that there is a material likelihood that the assets of the Partnership may be deemed to be "plan assets" under the Plan Asset Regulation, as to any specified Person, each ERISA Partner shall provide to the General Partner, as soon as possible upon request by the General Partner (which request shall include disclosure of the Person involved), a certificate (based on the knowledge of the appropriate fiduciary of such ERISA Partner) stating whether such Person is a "party-in-interest" or "disqualified person" (as defined in Section 3(14) of ERISA and Code Section 4975(e)(2), respectively) with respect to such ERISA Partner.

(c) If the General Partner determines that, or an ERISA Partner notifies the General Partner in writing that, based upon an opinion of ERISA counsel

(such opinion being reasonably acceptable to the General Partner or such ERISA Partner, as applicable), there is a material likelihood that the assets of the Partnership would be characterized as or would be deemed to be "plan assets" under the Plan Asset Regulation, then the General Partner shall deliver a notice to such effect to all ERISA Partners. Following delivery of such notice, the General Partner, after consultation with the ERISA Partners, shall identify and implement a course of action that would result in the Partnership's assets not being characterized as or deemed to be "plan assets." In that regard, the General Partner, in its discretion, may, without limitation, (i) first, require any ERISA Partner to withdraw from the Partnership if such ERISA Partner has violated any provision of, or made any misrepresentation in connection with, this Agreement or its Subscription Agreement, (ii) second, permit any ERISA Partner to withdraw on reasonable terms, (iii) third, allow a Transfer of any ERISA Partner's Interest to a substituted Limited Partner (who is admitted to the Partnership in accordance with Section 12.3 hereof) at a fair and reasonable price (provided such ERISA Partner consents to such transfer), and (iv) thereafter, require all ERISA Partners to withdraw on a *pro rata* basis to their respective Commitments if the reason for such withdrawal is due to the level of participation by ERISA Partners in the Partnership generally, as opposed to the participation of such Limited Partner specifically. In the event that there remains a material likelihood that the assets of the Partnership would be characterized as or would be deemed to be "plan assets" on the 90th day following notice to the ERISA Partners, the General Partner shall permit such ERISA Partner to withdraw from the Partnership as of such date ("ERISA Withdrawal Date") on reasonable terms.

(d) Any ERISA Partner who is required to withdraw or permitted to withdraw from the Partnership pursuant to the preceding paragraph shall cease to be a Partner of the Partnership for all purposes as of the ERISA Withdrawal Date and, except for its right to receive payment for its Interest as hereinafter provided, shall no longer be entitled to the rights of a Partner under this Agreement, including without limitation the right to receive allocations pursuant to Articles 7 and 8 hereof, the right to receive distributions during the term of the Partnership pursuant to Article 6 hereof and upon liquidation of the Partnership pursuant to Article 10 hereof and the right to vote on Partnership matters as provided in this Agreement.

(e) As promptly as practicable following the ERISA Withdrawal Date, there shall be distributed to such ERISA Partner, in full payment and satisfaction of its Interest, an amount equal to the amount which such ERISA Partner would have been entitled to receive pursuant to Article 10 hereof if the Partnership had been liquidated on and as of the ERISA Withdrawal Date. No consent of the Limited Partners Advisory Committee or of the Partners shall be required prior to the making of such distribution. For purposes of determining the amount of the distribution to be made to such ERISA Partner, and the value of each of the Partnership's assets, the Partnership's annual or quarterly financial statements, as the case may be, prepared in accordance with Article 9 hereof for the period ending on the ERISA Withdrawal Date shall be deemed to be conclusive. Notwithstanding the foregoing, in the event that such financial statements are not as of a date within 30 days prior to the ERISA Withdrawal Date, the General Partner

shall cause a valuation of the Partnership's assets to be made within such 30-day period, such valuation to be made on a basis consistent with Section 6.3(c) hereof. In any event, should the withdrawing ERISA Partner object to the valuation of assets proposed, the valuation shall be determined by an independent expert selected by the General Partner and approved by the withdrawing ERISA Partner, whose determination shall be binding. The cost of such independent expert shall be borne by the withdrawing ERISA Partner. Any distribution to the withdrawing ERISA Partner(s) pursuant to this Section 13.1 shall be made in cash, cash equivalents, Securities or a recourse non-interest bearing note of the Partnership and payable only from distributions that would have been made to the withdrawing ERISA Partner(s) in the form and the amounts that would have been distributed to such withdrawing ERISA Partner(s) had it or they remained Limited Partners and not made any additional Capital Contributions, with a maturity no later than the final dissolution and winding up of the Partnership. If Securities are being distributed, such Securities shall be distributed in a manner consistent with this Agreement to the extent practicable, unless otherwise required by law.

13.2 Bank Holding Company Partner.

(a) Any Limited Partner that is a bank holding company, as defined in Section 2(a) of the U.S. Bank Holding Company Act of 1956 ("BHC Act"), as amended, or a non-bank subsidiary of such bank holding company (each, a "BHC Partner"), may, upon notice to the General Partner, elect to hold all or any fraction of its Interest as a non-voting Interest (a "Non-Voting Interest"), in which case such BHC Partner shall not be entitled to participate in any consent of the Limited Partners with respect to the portion of its Interest which is held as a Non-Voting Interest (and such Non-Voting Interest shall not be counted in determining the giving or withholding of any such consent). Except as provided in this Section 13.2, an Interest held as a Non-Voting Interest shall be identical in all regards to all other Interests held by Limited Partners. Any such election shall be irrevocable and shall bind the assignees of such BHC Partner's Interest.

(b) (i) Any Interest held for its own account by a BHC Partner that is determined initially at the time of admission of such BHC Partner or the withdrawal of another Limited Partner to be in excess of 4.99% of the Interests, excluding for purposes of calculating this percentage any other Interests that are Non-Voting Interests pursuant to this Section 13.2 and as otherwise provided herein, shall be a Non-Voting Interest (whether or not subsequently transferred in whole or in part to any other Person except as provided in Section 13.2(b)(ii) hereof) and shall not be included in determining whether the requisite percentage in interest of the Limited Partners have consented to, approved, adopted or taken any action hereunder. Each BHC Partner hereby irrevocably waives its corresponding right to vote its Non-Voting Interest in respect of a successor general partner under the Act, which waiver shall be binding upon such BHC Partner or any entity which succeeds to its Interest.

(ii) Upon the admission of any Additional Limited Partners pursuant to Section 4.8 hereof, a withdrawal of a Limited Partner or any other event that causes a change in the ownership percentages of the Partners, a recalculation of the

Interests held by all BHC Partners shall be made, and only that portion of the total Interest held by each BHC Partner that is determined as of the date of admission of such additional Limited Partners or the date of such withdrawal or other event, as applicable, to be in excess of 4.99% of the Interests, excluding for purposes of this calculation any Interest that a Limited Partner has irrevocably elected to hold as a Non-Voting Interest pursuant to Section 13.2(a) hereof, shall be a Non-Voting Interest. Notwithstanding the foregoing, any BHC Partner may elect not to be governed by this Section 13.2(b) by providing a written opinion of counsel to the General Partner (which opinion and counsel shall be reasonably acceptable to the General Partner) stating that, as a result of a change in law or regulation applicable to such BHC Partner, such BHC Partner is no longer prohibited from acquiring or controlling more than 4.99% of the voting Interests held by the Limited Partners, in which case only the amount of the Interests held by such electing BHC Partner specified in such notice to be subject to this Section 13.2(b) shall continue to be Non-Voting Interests. Any such election pursuant to this clause (ii) by a BHC Partner may be rescinded at any time by written notice to the General Partner.

(c) Each BHC Partner agrees to not make any investment or take any other action that could cause such BHC Partner or any BHC Affiliate thereof to (i) hold, directly or indirectly, more than 24.99% of the Interests or (ii) be deemed to exercise "control" over the Partnership, within the meaning of the BHC Act and the Change in Bank Control Act of 1978, as amended, including the rules and regulations promulgated thereunder (or any successor provisions). If the General Partner becomes aware that a BHC Partner holds, directly or indirectly, more than 24.99% of the Interests, the General Partner shall promptly notify such BHC Partner and the General Partner, in its discretion, may, without limitation, require such BHC Partner to (x) withdraw from the Partnership in respect of such portion of its Interest that exceeds 24.99% of the Interests in accordance with Section 13.2(d) hereof (the date of such withdrawal, the "BHC Withdrawal Date") or (y) Transfer such portion of its Interest that exceeds 24.99% of the Interests to another Person on terms agreed to by such BHC Partner.

(d) (i) Any BHC Partner who is required to withdraw from the Partnership in respect of all or a portion of its Interest pursuant to Section 13.2(c) hereof shall cease to be a Partner (in respect of all or the applicable portion of its Interest) for all purposes as of the BHC Withdrawal Date and, except for its right to receive payment as hereinafter provided, shall no longer be entitled to the rights of a Partner under this Agreement (in respect of all or the applicable portion of its Interest), including without limitation the right to receive allocations pursuant to Articles 7 and 8 hereof, the right to receive distributions during the term of the Partnership pursuant to Article 6 hereof and upon liquidation of the Partnership pursuant to Article 10 hereof and the right to vote on Partnership matters as provided in this Agreement.

(ii) As promptly as practicable following the BHC Withdrawal Date, there shall be distributed to such BHC Partner, in full payment and satisfaction of its Interest (or the portion thereof in respect of which it was required to withdraw pursuant to Section 13.2(c) hereof, as applicable), an amount equal to the amount that such BHC Partner would have been entitled to receive pursuant to Article 10 hereof if the

Partnership had been liquidated on and as of the BHC Withdrawal Date. No consent of the Limited Partners Advisory Committee or of the Partners shall be required prior to the making of such distribution. For purposes of determining the amount of the distribution to be made to such BHC Partner, and the value of each of the Partnership's assets, the Partnership's annual or quarterly financial statements, as the case may be, prepared in accordance with Article 9 hereof for the period ending on the BHC Withdrawal Date shall be deemed to be conclusive. Notwithstanding the foregoing, in the event that such financial statements are not as of a date within 30 days prior to the BHC Withdrawal Date, the General Partner shall cause a valuation of the Partnership's assets to be made within such 30-day period, such valuation to be made on a basis consistent with Section 6.3(c) hereof. In any event, should the withdrawing BHC Partner object to the valuation of assets proposed, the valuation shall be determined by an independent expert selected by the General Partner and approved by the withdrawing BHC Partner, whose determination shall be binding. The cost of such independent expert shall be borne by the withdrawing BHC Partner. Any distribution to the withdrawing BHC Partner(s) pursuant to this Section 13.2 shall be made in cash, cash equivalents, Securities or a recourse non-interest bearing note of the Partnership and payable only from distributions that would have been made to the withdrawing BHC Partner(s) in the form and the amounts that would have been distributed to such withdrawing BHC Partner(s) had it or they remained Limited Partners and not made any additional Capital Contributions, with a maturity no later than the final dissolution and winding up of the Partnership. If Securities are being distributed, such Securities shall be distributed in a manner consistent with this Agreement to the extent practicable, unless otherwise required by law.

13.3 Media Company Investments.

(a) For so long as, and only during periods from time to time in which, the Partnership shall directly or indirectly hold (or otherwise be attributed with) an ownership or other interest in a Media Company (as defined below) that is "attributed" to the Partnership under the rules and regulations of the Federal Communications Commission ("FCC") relating to the particular FCC service in which the Media Company operates, no provision of this Agreement shall be construed to permit any Limited Partner, or any person that is a director, officer, partner, manager, member, employee, or 5% or greater shareholder or other owner of a Limited Partner, to do any of the following:

(i) act as an employee of the Partnership if his or her functions, directly or indirectly, relate to any Media Company (it being understood that the Partnership does not contemplate engaging in any media enterprise other than through its interests in any Media Company);

(ii) serve, in any material capacity, as an independent contractor or agent with respect to the media enterprises of any Media Company;

(iii) communicate on matters pertaining to the day-to-day media activities of any Media Company with (A) any officer, director, partner, manager,

member, agent, representative or employee of such Media Company, or (B) the General Partner;

(iv) perform any services for the Partnership materially relating to the media activities of any Media Company, except that any Limited Partner may make loans to, or act as a surety for, the Partnership or any Media Company to the extent consistent with the "debt or equity plus" component of the Attribution Rules;

(v) become actively involved in the management or operation of the media activities of any Media Company;

(vi) vote to approve the withdrawal of the General Partner in accordance with Section 11.1(a) hereof, unless the General Partner is (A) subject to bankruptcy proceedings, as described in Sections 17-402(a)(4) or (5) of the Act, (B) adjudicated incompetent by a court of competent jurisdiction (provided that this clause (B) shall apply only to a general partner that is a natural person), or (C) removed by an independent third party for "cause," as that term has been used by the FCC in the context of the removal authority of limited partners, for purposes of the insulation of limited partner interests from attribution of Media Companies; or

(vii) vote to admit any additional general partner to the Partnership unless such admission is subject to the veto of the General Partner.

(b) The Partnership shall not acquire an ownership or other interest in a Media Company until the General Partner has delivered to each Limited Partner an opinion of counsel to the effect that the interest of the Partnership in such Media Company shall not be attributed to the interest of the Limited Partners under the Attribution Rules or the Ownership Rules.

(c) The General Partner shall give 10 Business Days' written notice to the Limited Partners prior to the distribution in kind of Securities of any Portfolio Company that is a Media Company, which notice shall set forth the date on which the General Partner has determined to cause such distribution to be made and shall offer to each Partner the right to receive such distribution in the form of the proceeds of the disposition of such Securities that otherwise would have been distributed to such Partner. Any such Partner may elect to receive such distribution of Securities in the form of the proceeds of the disposition of such Securities in accordance with the procedures and provisions of Section 6.3(f) hereof.

(d) A Limited Partner may, upon 5 Business Days' prior written notice to the General Partner, elect to be excluded from the limitations set forth in this Section 13.3; provided, however, that such Limited Partner shall cooperate in providing to the General Partner such relevant non-confidential information as the General Partner deems necessary and reasonably requests for the purpose of determining or ensuring the Partnership's compliance with the Ownership Rules.

13.4 Governmental Plan Partners. If the General Partner determines that, or a Governmental Plan Partner notifies the General Partner in writing that, based upon an opinion of counsel (such opinion being reasonably acceptable to the General Partner), there is a material likelihood that, as a result of such Governmental Plan Partner continuing as a Limited Partner, such Governmental Plan Partner, the Partnership, or the General Partner (including its Affiliates) would be in violation of any statute, regulation, rule or governmental policy governing such Governmental Plan Partner, (i) that is enacted, promulgated or, with respect to which, a material change in judicial interpretation occurs, after the date of formation of the Partnership, or (ii) relating to the payment of placement agent or similar compensation, then such Governmental Plan Partner may elect to withdraw from the Partnership as of such date. In the event of the issuance of the opinion of counsel referred to in the preceding sentence, the withdrawal of and disposition of such Governmental Plan Partner's Interest shall be governed by Sections 13.1(d) and 13.1(e) hereof, as if such Governmental Plan Partner were an ERISA Partner.

13.5 Regulatory Exclusion. The General Partner, in its discretion, may require a Limited Partner to withdraw from the Partnership if such Limited Partner's continued participation in the Partnership would: (a) result in a violation of the Securities Act or any comparable state law by the Partnership, (b) require the Partnership to register as an investment company under the Investment Company Act, (c) require the Partnership, the General Partner, the Management Company or any Affiliate thereof to register as an investment adviser under the Advisers Act, (d) result in a termination of the Partnership's status as a partnership for tax purposes, (e) result in a violation of any law, rule or regulation by the Partnership, the General Partner, the Management Company, their respective officers, directors, employees, shareholders, partners, managers, members or any Affiliate thereof, (f) cause the Partnership to be deemed a "publicly traded partnership" as such term is defined in Code Section 7704(b) or (g) likely result in a material adverse effect on the Partnership or any of its Affiliates, any Portfolio Investment or any prospective investment. In the event that a Limited Partner is required to withdraw pursuant to this Section 13.5, such withdrawal of and disposition of such Limited Partner's Interest shall be governed by Sections 13.1(d) and 13.1(e) hereof, as if such Limited Partner were an ERISA Partner.

ARTICLE 14

GENERAL PROVISIONS

14.1 Notices. All notices or other communications to be given hereunder to a Partner shall be in writing and shall be sent by delivery in person, by courier service, by electronic mail transmission or facsimile or by registered or certified mail (postage prepaid, return receipt requested) addressed as follows or such other address as may be substituted by notice as herein provided:

(a) If to the General Partner:

Milestone Partners IV GP, L.P.
555 East Lancaster Ave.
Suite 500
Radnor, Pennsylvania 19087

(b) If to the Limited Partners, at the addresses set forth in their respective Subscription Agreement.

Any notice given hereunder shall be deemed to have been given upon the earliest of: (i) receipt, (ii) 5 days after being deposited in the U.S. mail, postage prepaid, registered or certified mail and (iii) 1 day after being sent by Federal Express or other recognized overnight delivery service, return receipt requested. In the case of notices to and from the U.S. to any other country, such notices shall be deemed to have been given upon the earlier of (A) receipt and (B) 2 days after being sent by Federal Express or other recognized courier service. In the case of notices sent by electronic mail transmission or facsimile, such notices shall be deemed to have been given when sent.

14.2 Title to Partnership Property. Legal title to Partnership property shall at all times be held by and in the name of the Partnership, its designee or the General Partner on behalf of the Partnership or its designee.

14.3 Amendments. This Agreement may not be amended and no provision hereof may be waived without the written consent of the General Partner and the consent of a Majority Vote of Limited Partners; provided, however, that amendments made (a) to reflect the admission of 1 or more Additional Limited Partners or Transfers of Interests of Limited Partners or permitted withdrawals of Limited Partners, (b) to change the name of the Partnership, (c) to clarify any inaccuracy or ambiguity herein or to reconcile any inconsistent provision herein (provided such amendment has no adverse effect on any Limited Partner), (d) that have no adverse effect on any Limited Partner or (e) that benefit all Limited Partners, may be made by the General Partner without the further consent of any other Partner. Notwithstanding anything to the contrary contained in this Section 14.3 (other than clauses (a) through (e) above, which shall be controlling, and except where approval of the Partners is specifically provided for elsewhere in this Agreement), (i) without the approval or written consent of each of the Partners affected thereby, no amendment shall (A) materially and adversely affect a Limited Partner in a different manner than all the other Limited Partners, (B) adversely alter the limited liability of any Limited Partner or (C) increase any Limited Partner's Commitment or dilute the Percentage Interest of any Partner, except as a result of the admission of Additional Limited Partners, increases in Commitments, defaults, withdrawals or Transfers; (ii) no amendment shall alter any provision specifically for the benefit of any ERISA Partner without the consent of the ERISA Partners by a Two-Thirds Vote of Limited Partners that are ERISA Partners; (iii) no amendment shall alter Section 5.1(c) hereof without the consent of the Tax-Exempt Partners by a Two-Thirds Vote of Limited Partners that are Tax-Exempt Partners and without the consent of the Non-U.S. Partners by a Two-Thirds Vote of Limited Partners that are Non-U.S. Partners; (iv) no amendment shall alter the definition of "Non-U.S. Partner" without the consent of the Non-U.S. Partners by a Two-

Thirds Vote of Limited Partners that are Non-U.S. Partners; (v) no amendment shall alter the definition of "Tax-Exempt Partner" without the consent of the Tax-Exempt Partners by a Two-Thirds Vote of Limited Partners that are Tax-Exempt Partners; (vi) no amendment shall alter the definition of "BHC Partner" without the consent of the BHC Partners by a Two-Thirds Vote of Limited Partners that are BHC Partners; and (vii) no amendment shall alter the definition of "Governmental Plan Partner" without the consent of the Governmental Plan Partners by a Two-Thirds Vote of Limited Partners that are Governmental Plan Partners. No amendment shall alter in a materially adverse manner any provision hereof that requires approval or consent of any specified percentage of Interests of Limited Partners without the approval or written consent of Limited Partners holding such specified percentage of Interests. The General Partner shall give written notice to all Partners promptly after any amendment has become effective, other than amendments solely for the purpose of the admission of substituted or Additional Limited Partners to the Partnership.

14.4 Counterparts. This Agreement may be executed in counterparts, each one of which shall be deemed an original and all of which together shall constitute one and the same Agreement.

14.5 Construction; Headings. Whenever the feminine, masculine, neuter, singular or plural shall be used in this Agreement, such construction shall be given to such words or phrases as shall impart to this Agreement a construction consistent with the interest of the Partners entering into this Agreement. Where used herein, the term "Federal" shall refer to the U.S. Federal government. As used herein, (a) "or" shall mean "and/or" and (b) "including" or "include" shall mean "including without limitation." The headings and captions herein are inserted for convenience of reference only and are not intended to govern, limit or aid in the construction of any term or provision hereof. It is the intention of the parties that every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any party (notwithstanding any rule of law requiring an Agreement to be strictly construed against the drafting party), it being understood that the parties to this Agreement are sophisticated and have had adequate opportunity and means to retain counsel to represent their interests and to otherwise negotiate the provisions of this Agreement.

14.6 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall be held invalid or unenforceable, the remaining terms and provisions hereof and the application of such term or provision to Persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby.

14.7 Governing Law; Submission to Jurisdiction and Venue; Waiver of Jury Trial. This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the choice of law principles of Delaware or of any other jurisdiction). Notwithstanding the foregoing:

(a) PSERS reserves all immunities, defenses, rights or actions arising out of its status as a sovereign entity, including those under the Eleventh Amendment to the United States Constitution. No provision of this Agreement or PSERS' Subscription Agreement shall be construed as a waiver or limitation of such immunities, defenses, rights or actions.

(b) Any legal proceeding involving any contract claim asserted against PSERS, as a Limited Partner, arising out of this Agreement or the subscription documents executed by PSERS may only be brought before and subject to the exclusive jurisdiction of the Board of Claims of the Commonwealth of Pennsylvania pursuant to §4651-1, et seq., of Title 72 Pa. Statutes, and that such proceeding shall be governed by the procedural rules and laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of law.

UNLESS OTHERWISE AGREED BY THE GENERAL PARTNER IN WRITING, TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

14.8 Relations with Partners. Unless named in this Agreement as a Partner, or unless admitted to the Partnership as a substituted Limited Partner, an Additional Limited Partner or a substituted or additional general partner of the Partnership, as provided in this Agreement, no Person shall be considered a Partner. Subject to Article 12, the Partnership and General Partner need deal only with Persons so named or admitted as Partners.

14.9 Waiver of Action for Partition. To the fullest extent permitted by law, each of the Partners irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership may be continued under Article 10 or Article 11 hereof) any right that such Partner may have to maintain an action for partition with respect to the property of the Partnership.

14.10 Successors and Assigns. The provisions of this Agreement shall be binding upon the successors and permitted assigns of the parties hereto.

14.11 Side Letters.

(a) Notwithstanding anything to the contrary contained herein, including Section 14.3 hereof, or the provisions of any Subscription Agreement, it is hereby acknowledged and agreed that the General Partner, on its own behalf or on behalf of the Partnership, and without the approval of any Limited Partner or any other Person, may enter into a side letter or similar agreement with a Limited Partner which has the effect of establishing rights under, or altering or supplementing the terms hereof or any Subscription Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with a Limited Partner shall govern with respect to such

Limited Partner notwithstanding anything to the contrary contained herein or the provisions of any Subscription Agreement.

(b) The Partnership and General Partner represent and warrant that none of the Partnership, the General Partner nor the Key Persons have entered or shall enter into any side letter or similar agreement on or prior to the date hereof with any Milestone Investor in connection with the admission of such Milestone Investor to the Partnership or a Parallel Investment Vehicle (each, a "Side Letter"), except as disclosed to PSERS in writing on or prior to the date hereof. If the Partnership, the General Partner or the Key Persons enter into a Side Letter or similar agreement (including, for purposes hereof, the limited partnership or similar agreement of any Parallel Investment Vehicle) with an existing or future Milestone Investor, PSERS shall promptly be given a copy of such agreement. PSERS may elect to receive the rights and benefits of any provision of any Side Letter or similar agreement by providing written notice thereof to the General Partner, delivered within 30 days of receipt by PSERS of copies of such Side Letter or similar agreement, except that PSERS shall not have the right to elect to receive the rights and benefits of any provisions (i) relating to regulations, requirements or tax provisions applicable to the Milestone Investor that is a party to such Side Letter (unless PSERS is subject to substantially the same regulation, requirement or tax provision in substantially similar circumstances); (ii) provided to a Milestone Investor whose Commitment or commitment to a Parallel Investment Vehicle is greater than PSERS' Commitment; (iii) granting a seat(s) on the Limited Partners Advisory Committee; or (iv) granted to a Milestone Investor in furtherance of a material strategic objective or opportunity of the Partnership or a Parallel Investment Vehicle, or in exchange for the material provision of value-added services to the Partnership or any Parallel Investment Vehicle, in each case under this Section 14.11(b)(iv) to the extent the General Partner shall determine in good faith that the objective, opportunity or service so achieved or obtained is materially beneficial to the Partnership and would not be available if the benefits of the Side Letter or agreement were not provided by the Partnership or a Parallel Investment Vehicle, and the terms of which are approved by the Limited Partners Advisory Committee.

14.12 Entire Agreement. This Agreement, each Subscription Agreement and any side letter agreements constitute the entire agreement among the Partners with respect to the subject matter hereof and supersede any prior agreement or understanding among or between them with respect to such subject matter. The representations and warranties of the Limited Partners in, and the other provisions of, the Subscription Agreements shall survive the execution and delivery of this Agreement.

14.13 Confidentiality.

(a) No Limited Partner shall disclose to any Person any information related to the General Partner, the Partnership, the Management Company, the Principals, any Parallel Investment Vehicle, any Alternative Investment Vehicle, any Portfolio Company or proposed Portfolio Company or any of their respective Affiliates, in each case, that is not publicly available (or that is publicly available as a result of a disclosure by such Limited Partner or any director, employee, officer, legal, financial or tax advisor

of such Limited Partner in violation of this Section 14.13); provided, however, that nothing contained herein shall prevent any Limited Partner from furnishing (i) any required information to any governmental regulatory agency, self-regulating body or in connection with any judicial, governmental or other regulatory proceeding or as otherwise required by law (provided that any such disclosure that is either (A) not to a governmental regulatory agency or (B) not on a confidential basis, shall, to the fullest extent permitted by law, require prior written notice thereof to the General Partner) or (ii) any information, so long as such disclosure is for a *bona fide* business purpose of such Limited Partner, to directors, officers, employees, members of investment committees and oversight boards and legal, financial and tax advisors of such Limited Partner, provided that any such director, officer, employee or advisor is informed of the confidential nature of any such information and that such Limited Partner shall be responsible for any breach of this Section 14.13 by any such Person. Without limitation of the foregoing, each Limited Partner acknowledges that notices and reports to such Limited Partner hereunder may contain material non-public information concerning, among other things, Portfolio Companies, and agrees not to use such information other than in connection with monitoring its investment in the Partnership and agrees, in that regard, not to trade in Securities on the basis of any such information. Furthermore, the Partners hereby acknowledge that the rights of a Limited Partner to obtain information from the Partnership shall be limited to only those rights provided for in this Agreement.

(b) In order to preserve the confidentiality of certain information disseminated by the General Partner or the Partnership under this Agreement that a Limited Partner that is subject to FOIA or any Limited Partner that has one or more equity owners that are subject to FOIA (any such Limited Partner, a "FOIA Limited Partner") is entitled to receive pursuant to the provisions of this Agreement, including, without limitation, quarterly, annual and other reports (other than Schedule K-1s), information provided to the Limited Partners Advisory Committee and any information provided at meetings of the Limited Partners, the General Partner may (i) provide to such FOIA Limited Partner access to such information only on the Partnership's (or Management Company's) website in password protected, non-downloadable, non-printable format or (ii) require such FOIA Limited Partner to return any copies of information provided to it by the General Partner or the Partnership (including any subsequent copies made by such Limited Partner).

(c) Notwithstanding the provisions of Section 14.13(a), the General Partner agrees that each Limited Partner that (i) is a private fund of funds (or other similar private collective investment vehicle) having reporting obligations to its investors and (ii) has, prior to the date on which such Limited Partner was admitted to the Partnership, notified the General Partner in writing that it is electing the benefits of this Section 14.13(c) may, in order to satisfy such reporting obligations, provide the following information to its investors (but only to the extent that such investors are informed of the confidential nature of the information and either agree to be bound by the provisions of this Section 14.13 or are otherwise bound by substantially similar obligations of confidentiality): (A) the name and address of the Partnership; (B) the fact that such

Limited Partner is a limited partner of the Partnership and the Partnership's general investment strategy; (C) the identity of the General Partner; (D) the Final Closing Date; (E) the amount of such Limited Partner's Commitment; (F) the aggregate amount of such Limited Partner's Capital Contributions; (G) the aggregate amount of distributions received by such Limited Partner from the Partnership; (H) such Limited Partner's net internal rate of return with respect to the Partnership's performance as a whole as prepared by such Limited Partner; and (I) the name of any Portfolio Company, a description of the business of such Portfolio Company and information regarding the industry and geographic location of such Portfolio Company. With respect to any disclosure referred to in clauses (A) through (I) above, each Limited Partner shall indicate that such disclosure was not prepared, reviewed or approved, by the General Partner or the Partnership.

(d) The General Partner acknowledges that PSERS is an administrative agency of the Commonwealth of Pennsylvania and may be required by law, including 24 Pa.C.S. §8502(e), and 65 P.S. §§67.101-67.3104 (Right-to-Know Law) to disclose to the public certain information that may be considered confidential under this Agreement ("Disclosure Obligations"). Therefore, the General Partner hereby agrees that PSERS, without prior notice to or approval of the General Partner, may disclose its Disclosure Obligations to the public and exclude sensitive investment or financial information from public disclosure to the extent permitted in 24 Pa.C.S. §8502(e). General Partner further acknowledges that PSERS may be required by law to disclose other information to the public. PSERS will not, without the prior written consent of the General Partner, disclose any information regarding the identity, performance, or value of any Portfolio Company, proprietary business information relating to the services or products of any Portfolio Company, or the Partnership's pending acquisition or pending disposition of a Portfolio Company or proposed investment in a Portfolio Company. Notwithstanding any other provision of this Agreement, the General Partner may, to the fullest extent permitted by law, in order to prevent any such potential disclosure that the General Partner determines in good faith is likely to occur, withhold all or any part of the information otherwise to be provided to a Limited Partner; provided, however, that the General Partner shall not withhold any such information if such Limited Partner confirms in writing to the General Partner, based upon advice of counsel, that compliance with the procedures in Section 14.13(b) is legally sufficient to prevent such potential disclosure; provided further, that the General Partner shall not withhold from PSERS (x) the items described in 24 Pa.C.S. §8502(e)(5)(i) - (viii) and (y) balance sheets, statements of Portfolio Investments (including cost and fair value), income statements and statements of cash flow of the Partnership, the capital account balance of PSERS (prepared in the Partnership's quarterly and annual financial statements delivered to PSERS pursuant to this Agreement), and federal and state tax information statements (including Schedule K-1).

(e) The obligations and undertakings of each Limited Partner under this Section 14.13 shall be continuing and shall survive termination of the Partnership and this Agreement. Any restriction or obligation imposed on a Limited Partner pursuant to

this Section 14.13 may be waived by the General Partner in its discretion. Any such waiver or modification by the General Partner shall not constitute a breach of this Agreement or of any duty stated or implied in law or in equity to any Limited Partner, regardless of whether different agreements are reached with different Limited Partners.

(f) The parties hereto agree that irreparable damage would occur if the provisions of this Section 14.13 were breached. It is accordingly agreed that the parties hereto shall be entitled to seek an injunction or injunctions to prevent breaches of this Section 14.13 and to enforce specifically the terms and provisions hereof in any court of the U.S. or any state having jurisdiction, in addition to any other remedy to which they are entitled at law or in equity.

(g) The Limited Partners acknowledge and agree that: (i) the Partnership or the General Partner and its partners may acquire confidential information related to third parties (e.g., Portfolio Companies) that pursuant to fiduciary, contractual, legal or similar obligations cannot be disclosed to the Limited Partners; and (ii) neither the Partnership nor the General Partner and its partners shall be in breach of any duty (including any fiduciary duty) under this Agreement or the Act in consequence of acquiring, holding or failing to disclose such information to the Limited Partners so long as such obligations were undertaken in good faith.

14.14 Use of Placement Agents.

(a) The General Partner hereby confirms that it has disclosed to PSERS in writing whether or not the General Partner has used a Placement Agent in connection with this engagement. A "Placement Agent" under this section is any person (excluding regular, full-time employees of the General Partner) or entity hired, engaged, or retained by or acting on behalf of the General Partner or on behalf of another Placement Agent as a finder, solicitor, marketer, consultant, broker, lobbyist, or other intermediary to raise money or investments from or to obtain access to PSERS directly or indirectly. In the event that the General Partner has used a Placement Agent in connection with this engagement, the General Partner also confirms that it has provided full and accurate written disclosure to PSERS of the following:

(i) resumes for each officer, partner, or principal of the Placement Agent, with a section that specifically notes whether such person is a current or former member of the Public School Employees' Retirement Board or PSERS' staff, or a member of the immediate family of such person;

(ii) description of the arrangement with the Placement Agent, including any compensation or other considerations;

(iii) description of the services performed or to be performed;

(iv) whether or not the Placement Agent was utilized for all prospective clients or only a subset of clients;

(v) copy of all agreements with the Placement Agent;

(vi) names of any parties related to PSERS who suggested the retention of the Placement Agent (including, without limitation, current and former members of the Public School Employees' Retirement Board or PSERS' staff, and investment consultants);

(vii) statement of whether the Placement Agent is registered and, if not, why;

(viii) statement of whether the Placement Agent is registered as a lobbyist with any state; and

(ix) any other information deemed pertinent and requested by PSERS.

(x) any other information deemed pertinent by PSERS.

(b) The General Partner agrees that it shall not directly or indirectly charge or pass on any Placement Agent fee or expense, finder's fee, or any similar fee to PSERS (including, without limitation, providing a credit or offset for such payments against other fees or expenses chargeable to PSERS). The General Partner shall provide an update of any changes to the information previously provided to PSERS within five business days. The General Partner further acknowledges and agrees that any material omission or inaccuracy in information submitted by the General Partner under this section shall result in the following:

(i) Reimbursement or payment of the greater of the prior two years of management fees or an amount equal to the amounts paid or promised to be paid to the Placement Agent by the General Partner; and

(ii) PSERS may, in its sole discretion, withdraw without penalty from any partnership or other entity or fund, and cease making further capital contributions (and paying fees on its uncalled capital commitment).

14.15 General Partner Discretion. To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provision of law or equity or otherwise, whenever in this Agreement the General Partner is permitted or required to make a decision (a) in its "discretion," or under a grant of similar authority or latitude, the General Partner shall be entitled to act "in its sole and absolute discretion" and to consider only such interests and factors as it desires and, to the fullest extent permitted by law, shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership, the Partners or any other Person or (b) in its "good faith" or under another express standard, the General Partner shall act under such express standard and shall not be subject to any other or different standard.

14.16 No Third Party Beneficiaries. It is understood and agreed among the parties that this Agreement and the covenants made herein are made expressly and solely for the benefit of the parties hereto, and that no other Person, other than an Indemnified Party pursuant to Section 4.7 hereof, shall be entitled or be deemed to be entitled to any benefits or rights hereunder, nor be authorized or entitled to enforce any rights, claims or remedies hereunder or by reason hereof.

14.17 Other Instruments and Acts. The Partners agree to execute any other instruments or perform any other acts that are or may be necessary to effectuate and carry on the Partnership created by this Agreement.

14.18 Binding Agreement. This Agreement shall be binding upon the transferees, successors, assigns and legal representatives of the Partners.

14.19 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Partners and their respective successors and assigns nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

14.20 Reliance on Authority of Person Signing Agreement. If a Partner is not a natural Person, neither the Partnership nor any Partner shall (a) be required to determine the authority of the individual signing this Agreement to make any commitment or undertaking on behalf of such entity or to determine any fact or circumstance bearing upon the existence of the authority of such individual or (b) be responsible for the application or distribution of proceeds paid or credited to individuals signing this Agreement on behalf of such entity.

14.21 Remedies and Waivers. No delay or omission on the part of any party to this Agreement in exercising any right, power or remedy provided by law or provided hereunder shall impair such right, power or remedy or operate as a waiver thereof. The single or partial exercise of any right, power or remedy provided by law or provided hereunder shall not preclude any other or further exercise of any other right, power or remedy. The rights, powers and remedies provided hereunder are cumulative and are not exclusive of any rights, powers and remedies provided by law. The General Partner acknowledges and agrees that PSERS has not, and shall not be deemed to have, waived any future conflicts of interest with respect to legal counsel.

14.22 Anti-Money Laundering and Anti-Terrorist Laws. Notwithstanding anything to the contrary contained in this Agreement, the General Partner, in its own name and on behalf of the Partnership, shall be authorized without the consent of any Person, including any other Partner, to take such action as it determines in its sole discretion to be necessary or advisable to comply with any anti-money laundering or anti-terrorist laws, rules, regulations, directives or special measures, including the actions contemplated in any Subscription Agreement.

14.23 Governmental Plan Partner. PSERS hereby represents and warrants to the General Partner and the Partnership that PSERS is a "governmental plan partner" as defined in Title 29, Section 1002(32) of the United States Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GENERAL PARTNER:

MILESTONE PARTNERS IV GP, L.P.

By: Milestone Partners IV, LLC,
its general partner

By: _____
Name:
Title: Authorized Signatory

INITIAL LIMITED PARTNER:

solely to reflect his withdrawal from the Partnership as set forth in Section 2.8

_____
Ken Kummerer

MILESTONE PARTNERS IV, L.P. 2
LIMITED PARTNER SIGNATURE PAGE
TO
AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Commonwealth of Pennsylvania
Public School Employees'
Retirement System

By: _____
Name: Alan H. Van Noord, CFA
Title: Chief Investment Officer

By: _____
Name: Jeffrey B. Clay
Title: Executive Director

Approved for form and legality:

_____
Gerald Gornish, Chief Counsel
Public School Employees' Retirement System

SCHEDULE A
TRANSFEREE TAX REPRESENTATIONS

1. The transferee is, and shall at all times continue to be, the sole beneficial owner of Interest to be registered in its name;

2. such transferee is not a trust, estate, partnership or "S corporation" for Federal income tax purposes;

3. such transferee did not purchase, and shall not sell, its Interest through (a) a national, foreign, regional, local or other Securities exchange, (b) PORTAL or (c) over-the-counter market (including an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers by electronic means or otherwise);

4. such transferee did not purchase, and shall not sell, its Interest from, to or through (a) a person, such as a broker or dealer, that makes a market in, or regularly quotes prices for, the Interest or (b) a person that regularly makes available to the public (including customers or subscribers) bid or offer quotes with respect to the Interest and stands ready to effect, buy or sell transactions at the quoted prices for itself or on behalf of others; and

5. such transferee shall only sell its Interest to a buyer who provides the representations similar to these.

* * *

The General Partner may, in its sole and absolute discretion, waive representation 2 above on the advice of counsel that the transfer of an Interest to such transferee shall not cause the Partnership to be treated as a corporation for Federal income tax purposes. These representations may from time to time be revised by the General Partner on the advice of counsel.

SCHEDULE B
NAME, ADDRESS AND COMMITMENTS OF THE PARTNERS

General Partner:	Commitment:
Milestone Partners IV GP, L.P. 555 East Lancaster Ave., Suite 500 Radnor, Pennsylvania 19087	$[ ]
Limited Partner:	
Pennsylvania Public School Employees Retirement System [Address]	$[ ]

EXHIBIT I
VALUATION OF NON-MARKETABLE SECURITIES

The following methodologies shall be employed by the General Partner and the Management Company in valuing any Non-Marketable Securities held by the Partnership:

The Management Company values restricted securities of private companies at the time of acquisition at the cost to acquire such securities. This valuation method is justified because, at the time of valuation, the Management Company's investment professionals have recently completed their due diligence and determined that the price paid for the investment is appropriate. The Management Company typically will adjust the value of these securities at the following times:

a. When the issuer of these securities completes a significant financing. the Management Company will consider certain factors when determining whether or not the financing should affect the valuation of the security, including, for example: (i) whether the terms of the securities to be sold in the new round of financing are substantially similar in the terms of the securities held by the Partnership, and (ii) the size of investment and the level of investment sophistication of the subsequent investors. The restricted securities held by the Partnership will typically be adjusted to a value equal to the price of the securities issued in that financing, adjusted as the Management Company deems appropriate, in its discretion, for any material difference in terms between the securities owned by the Partnership and such newly issued securities.

b. At any time that the Management Company, in its discretion, believes the value of these securities warrants adjustment based on various relevant factors, which may include but are not limited to the following:

    (i) The market approach - whereby fair value is derived by reference to observable valuation measures for comparable companies or assets – e.g., multiplying a key performance metric of the investee company or asset, such as EBITDA, by a relevant valuation multiple observed in the range of comparable companies or transactions – adjusted by the Management Company for differences between the investment and the referenced comparables and in some instances by reference to option pricing models or other similar methods.

    (ii) The income approach – such as the discounted cash flow method, based on the current financial position and operating results of the issuer.

    (iii) Cost for a period of time after an acquisition (where such amount is determined by the Management Company to be the best indicator of fair value).

The Management Company may discount the values of restricted securities of private companies further due to the illiquidity of such securities, and the uncertainty of when the securities may become marketable. Estimates and assumptions of fair value of the securities of private companies may differ significantly from the values that would have been used had a ready market existed, and the differences could be material.

Milestone Partners IV, L.P.

Limited Partner Interests

Subscription Booklet

If you decide not to participate in this offering, please return the Confidential Private Placement Memorandum (together with all amendments thereof and supplements thereto), the Fund Partnership Agreement, this Subscription Booklet and all related documentation to the Partnership at the address contained herein.

INSTRUCTIONS

This Subscription Booklet relates to the offering of limited partner interests (the "Interests") in Milestone Partners IV, L.P., a Delaware limited partnership (the "Partnership"). Investors shall be required to make a minimum Commitment (as defined in the Fund Partnership Agreement of the Partnership described herein) of $5,000,000, unless Milestone Partners IV GP, L.P., a Delaware limited partnership (the "General Partner"), as the general partner of the Partnership, decides, in its sole discretion, to accept Commitments of lesser amounts. As more fully described in the Confidential Private Placement Memorandum of the Partnership (as amended or supplemented from time to time, the "Private Placement Memorandum") investors shall become limited partners of the Partnership and shall make capital contributions to the Partnership in accordance with the Amended and Restated Agreement of Limited Partnership of the Partnership (as amended from time to time, the "Fund Partnership Agreement").

This Subscription Booklet contains the materials necessary for you to apply to become a limited partner of the Partnership:

1. **Subscription Agreement**
2. **Prospective Investor Questionnaire**
3. **Signature Page to the Subscription Agreement and Prospective Investor Questionnaire (two copies)**

Each prospective investor should read the Private Placement Memorandum, the Fund Partnership Agreement and the Subscription Agreement.

Each prospective investor should then complete the appropriate portions of the Prospective Investor Questionnaire and execute the Signature Pages to the Subscription Agreement and Prospective Investor Questionnaire contained herein. The instructions to the Prospective Investor Questionnaire will inform you of the parts thereof that you are required to complete.

Please return the entire Subscription Booklet, the executed Signature Pages to the Subscription Agreement and Prospective Investor Questionnaire and any additional required documents described in the Prospective Investor Questionnaire to the Partnership's counsel at the address indicated below. **FAILURE TO COMPLY WITH THE INSTRUCTIONS CONTAINED HEREIN SHALL CONSTITUTE AN INVALID SUBSCRIPTION THAT MAY RESULT IN THE REJECTION OF YOUR SUBSCRIPTION REQUEST.** Questions regarding completion of subscription documents should be directed to **Ken Kummerer of Milestone Partners by telephone at (610) 526-2714.**

Please send all executed documents to:

Ken Kummerer
Milestone Partners
555 East Lancaster Avenue
Suite 500
Radnor, PA 19087
Telephone: 610-526-2714 direct
Fax: 610-526-2701 fax
Email: kkummerer@milestonepartners.com

The Partnership does not intend to register the Interests under the Securities Act of 1933, as amended from time to time (the "Securities Act"), but rather intends to offer and sell the Interests pursuant to an exemption from registration thereunder which limits the types of investors that may be permitted to purchase the Interests. Part II.B.1. (for individuals) and Part III.B.1. (for entities) of the Prospective Investor Questionnaire are designed to determine whether a prospective subscriber of Interests (each, a "Subscriber") is a permissible investor, and the General Partner may reject any Subscriber which it, in its sole discretion, determines not to be a permissible investor.

The Partnership does not intend to register as an investment company under the Investment Company Act of 1940, as amended from time to time (the "Investment Company Act"), but rather intends to rely on an exemption from registration thereunder which limits either (i) the type of investors that may be permitted to purchase Interests to those who are "*qualified purchasers*" as defined in Section 2(a)(51) of the Investment Company Act or (ii) the number of beneficial owners of the Interests to not more than 100. Part II.B.2. (for individuals) and Part III.B.2. (for entities) of the Prospective Investor Questionnaire are designed to determine whether the Subscriber satisfies the requirements for classification as a "*qualified purchaser*" in accordance with the Investment Company Act. Part III.B.4. of the Prospective Investor Questionnaire is designed to determine the number of persons by which the Interest to be acquired by the Subscriber would be considered to be beneficially owned for purposes of Section 3(c)(1) of the Investment Company Act.

THE GENERAL PARTNER, IN ITS SOLE DISCRETION, MAY ACCEPT OR REJECT ANY SUBSCRIPTION (WHICH INCLUDES THE COMMITMENT APPLIED FOR BY THE UNDERSIGNED AND SET FORTH ON THE SIGNATURE PAGE HERETO) IN WHOLE OR IN PART.

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND FOREIGN SECURITIES LAWS. IN ADDITION, TRANSFER OR OTHER DISPOSITION OF THE INTERESTS IS RESTRICTED AS PROVIDED IN THE FUND PARTNERSHIP AGREEMENT.

SUBSCRIPTION AGREEMENT

Milestone Partners IV, L.P.
c/o Milestone Partners Management Co., LP
555 East Lancaster Ave., Suite 500
Radnor, Pennsylvania 19087

Ladies and Gentlemen:

1. The subscriber named on the signature page to this Subscription Agreement (the "Subscriber") hereby applies to become a limited partner of Milestone Partners IV, L.P., a Delaware limited partnership (the "Partnership"), or at the discretion of Milestone Partners IV GP, L.P., a Delaware limited partnership (the "General Partner"), to become a limited partner of any Parallel Investment Vehicle (as defined in the Fund Partnership Agreement referred to below) on the terms and conditions set forth in this Subscription Agreement and in the Amended and Restated Agreement of Limited Partnership of the Partnership, as the same may be amended and/or supplemented from time to time (the "Fund Partnership Agreement"), a copy of which has been furnished to the Subscriber. In the event the Subscriber subscribes for interests in a Parallel Investment Vehicle as discussed above, any references herein to the Partnership, the General Partner, a Limited Partner, a Partner, Interests and the Fund Partnership Agreement shall, where applicable, mean such Parallel Investment Vehicle, any general partner thereof, a limited partner thereof, a partner thereof, limited partner interests therein and the agreement thereof governing the rights of the partners thereof. Capitalized terms used in this Subscription Agreement and not otherwise defined in this Subscription Agreement shall have the meanings assigned to them in the Fund Partnership Agreement.

2. (a) To the fullest extent permitted by law, the Subscriber hereby irrevocably subscribes for a limited partner interest in the Partnership (an "Interest") with a Commitment as set forth on the Subscriber's signature page hereto (subject to reduction as provided in Section 3 below). To the fullest extent permitted by law, the Subscriber understands that it is not entitled to cancel, terminate or revoke this subscription or any agreements of the Subscriber hereunder.

(b) The Subscriber acknowledges and agrees that it shall be obligated to pay the amount of its Commitment in such increments, at such times and in such manner as is determined by the General Partner pursuant to the Fund Partnership Agreement. The Subscriber further acknowledges and agrees that, in accordance with Section 5.1 of the Fund Partnership Agreement, if the General Partner structures a potential Portfolio Investment using an Alternative Investment Vehicle, a Feeder Vehicle or a Blocker Corporation, the Subscriber may be admitted as a partner, member or other equity holder of such entity and shall make capital contributions directly to such entity to the same extent, for the same purposes and on the same terms and conditions as Partners are required to make Capital Contributions to the Partnership, and such capital contributions shall reduce the Available Commitment of the Subscriber to the same extent as if Capital Contributions were made to the Partnership with respect thereto.

3. The Subscriber acknowledges and agrees that the General Partner, on behalf of the Partnership, reserves the right, in its sole discretion, to accept or reject this subscription for an Interest (which includes the Commitment applied for by the Subscriber and set forth on the signature page hereto) for any reason or no reason, in whole or in part, at any time prior to acceptance thereof, notwithstanding execution of this Subscription Agreement by or on behalf of the Subscriber.

4. The Subscriber acknowledges and agrees that the General Partner shall notify the Subscriber in writing as to the acceptance, in whole or in part, or rejection of the Subscriber's subscription for an Interest. An Interest shall not be deemed to be sold or issued to, or owned by, the

Subscriber until the date that the Subscriber's subscription is accepted by the General Partner acting on behalf of the Partnership (notice of which shall be given promptly in writing to the Subscriber). The Subscriber agrees that the General Partner reserves the right, in its sole discretion, to admit the Subscriber to the Partnership either on the initial Closing Date or on the date of any subsequent Closing Date (as defined below) following the initial Closing Date (a "Subsequent Closing Date"). For purposes of this Agreement, "Closing Date" means the date, if any, on which the Subscriber is admitted as a Limited Partner to the Partnership.

5. If this subscription is rejected in full, or in the event the closing applicable to the Subscriber does not occur (in which event this subscription shall be deemed to be rejected), this Subscription Agreement shall thereafter have no force or effect. If so rejected, the Partnership shall return to the Subscriber, without interest or deduction, any payment tendered by the Subscriber, if any, and the Partnership and the Subscriber shall have no further obligations to each other hereunder.

6. The Subscriber agrees to furnish to the General Partner all information that the General Partner has requested in this Subscription Agreement (and in the Prospective Investor Questionnaire attached hereto and forming a part of this Subscription Agreement), or may hereafter reasonably require, in order: (a) to comply with any laws, rules or regulations applicable to the Partnership or the General Partner; (b) to determine whether or not the Subscriber is, or shall be on the Closing Date, (i) an "*accredited investor*" as defined in Regulation D, promulgated under the Securities Act of 1933, as amended from time to time (the "Securities Act"), a "*qualified client*" within the meaning of Rule 205-3 under the Investment Advisers Act of 1940, as amended from time to time (the "Advisers Act"), and (iii) a "*qualified purchaser*" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended from time to time (the "Investment Company Act"); and (c) to determine the number of persons by which the Interest to be acquired by the Subscriber would be considered to be beneficially owned for purposes of Section 3(c)(1) of the Investment Company Act.

7. The Subscriber hereby represents and warrants to, and agrees with, the General Partner and the Partnership that the following statements are true as of the date hereof and shall be true and correct as of the Closing Date applicable to the Subscriber:

(a) The Subscriber is acquiring the Interest for its own account, solely for investment purposes and not with a view to, or for resale in connection with, the distribution thereof in violation of the Securities Act. The Subscriber is not obligated to sell or transfer the Interest purchased hereunder pursuant to any binding agreement, undertaking or arrangement and the Subscriber has no current plan or intention to sell or otherwise dispose of the Interest in any transaction that could be integrated with the purchase and sale of Interests contemplated by this Subscription Agreement.

(b) The Subscriber acknowledges that (i) the offering and sale of the Interests have not been and shall not be registered under the Securities Act and are being made in reliance upon federal and state exemptions for transactions not involving a public offering and (ii) the Partnership shall not be registered as an investment company under the Investment Company Act. In furtherance thereof, the Subscriber (i) represents and warrants that it is an "*accredited investor*" (as defined in Regulation D promulgated under the Securities Act), and, unless otherwise indicated in the Prospective Investor Questionnaire, a "*qualified purchaser*" (as defined in the Investment Company Act), and that the information relating to the Subscriber set forth in the Prospective Investor Questionnaire attached hereto and forming a part of this Subscription Agreement is complete and accurate as of the date set forth on the signature page hereto and shall be complete and accurate as of the Closing Date applicable to the Subscriber and (ii) agrees to notify the General Partner of any change in any such information occurring at any time prior to the dissolution or the termination of the Partnership.

(c) The Subscriber (either alone or together with any advisors retained by such person in connection with evaluating the merits and risks of prospective investments) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing an Interest including the risks set forth under the caption "*Investment Considerations*" in the Confidential Private Placement Memorandum for the Partnership (as amended or supplemented from time to time the "Private Placement Memorandum") and is able to bear the economic risk of such investment, including a complete loss. The Subscriber understands that (i) the Interest has not been and shall not be registered under the Securities Act or the securities laws of any U.S. state and accordingly may not be offered, sold, transferred or pledged unless the Interests are duly registered under the Securities Act and all other applicable securities laws or such offer or sale is made in accordance with an exemption from registration, (ii) substantial restrictions shall exist on transferability of the Interest, (iii) no market for resale of any Interest exists or is expected to develop, (iv) the Subscriber may not be able to liquidate its investment in the Partnership and (v) any instruments representing an Interest may bear legends restricting the transfer thereof.

(d) The Subscriber understands that the offering and sale of Interests in non-U.S. jurisdictions may be subject to additional restrictions and limitations and represents and warrants that it is acquiring its Interest in compliance with all laws, rules, regulations and other legal requirements applicable to the Subscriber in jurisdictions in which the Subscriber is resident and in which such acquisition is being consummated. Further, to the Subscriber's knowledge, no governmental orders, permissions, consents, approvals or authorizations are required to be obtained, and no registrations or other filings are required to be made, in connection with the purchase of an Interest by the Subscriber.

(e) The Subscriber has been furnished with, and has carefully read, the Private Placement Memorandum and the Fund Partnership Agreement and has been given the opportunity to (i) ask questions of, and receive answers from, the General Partner or any Affiliate thereof concerning the terms and conditions of the offering and other matters pertaining to an investment in the Partnership and (ii) obtain any additional information which the General Partner can acquire without unreasonable effort or expense that is necessary to evaluate the merits and risks of an investment in the Partnership. In considering a subscription of Interests, the Subscriber has not relied upon any representations made by, or other information (whether oral or written) furnished by or on behalf of, the Partnership or the General Partner or any officer, employee, agent or Affiliate of either thereof, other than as set forth in the Private Placement Memorandum or in the Fund Partnership Agreement. The Subscriber has carefully considered and has, to the extent it believes such discussion necessary, discussed with legal, tax, accounting and financial advisers the suitability of an investment in the Partnership in light of its particular tax and financial situation, and has determined that the Interests being subscribed for by it hereunder are a suitable investment for it.

(f) The Subscriber, if it is a corporation, limited liability company, trust, partnership or other entity, is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and the execution, delivery and performance by it of this Subscription Agreement and the Fund Partnership Agreement are within its powers, have been duly authorized by all necessary corporate or other action on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official (except as disclosed in writing to the General Partner) and do not and shall not contravene, or constitute a default under, any provision of applicable law or regulation or of its certificate of incorporation or other comparable organizational documents or any agreement, judgment, injunction, order, decree or other instrument to which the Subscriber is a party or by which the Subscriber or any of the Subscriber's properties is bound. The signature on the signature page of this Subscription Agreement is genuine, and the signatory has been duly authorized to execute the same, and this Subscription Agreement constitutes, and the Fund Partnership Agreement, when executed and delivered by the General Partner on Subscriber's behalf, shall constitute, a valid and binding agreement of the Subscriber, enforceable against the Subscriber in accordance with its terms.

(g) If the Subscriber is a natural person, the execution, delivery and performance by such person of this Subscription Agreement and the Fund Partnership Agreement are within such person's legal right, power and capacity, require no action by or in respect of or filing with, any governmental body, agency, or official (except as disclosed in writing to the General Partner) and do not and shall not contravene, or constitute a default under, any provision of applicable law or regulation or of any agreement, judgment, injunction, order, decree or other instrument to which such person is a party or by which such person or any of such person's properties are bound. The signature on the signature page of this Subscription Agreement is genuine, the Subscriber has legal competence and capacity to execute the same, and this Subscription Agreement constitutes, and the Fund Partnership Agreement when executed and delivered by the General Partner on Subscriber's behalf shall constitute, a valid and binding agreement of the Subscriber, enforceable against the Subscriber in accordance with its terms.

(h) Unless otherwise indicated in the Prospective Investor Questionnaire, the Subscriber is not a participant-directed defined contribution plan (such as a 401(k) plan), or a partnership or other investment vehicle (i) in which its partners or participants have or shall have any discretion as to their level of investment in the Subscriber or in investments made by the Subscriber (including the Subscriber's investment in an Interest), or (ii) that is otherwise an entity managed to facilitate the individual decisions of its beneficial owners to invest in the Partnership.

(i) If the Subscriber is a private investment company or non-U.S. investment company exempt from registration under the Investment Company Act pursuant to Section 3(c)(1), 3(c)(7) or 7(d) thereunder, unless otherwise indicated in the Prospective Investor Questionnaire, the Subscriber's Interest constitutes, and after the Closing Date applicable to the Subscriber shall continue to constitute, less than 40% of each of the Subscriber's total assets and committed capital.

(j) Unless otherwise disclosed in writing to the General Partner, the Subscriber is not a registered investment company under the Investment Company Act, is not required to register as an investment company under the Investment Company Act and is not a business development company as defined in the Advisers Act.

(k) If the Subscriber is purchasing its Interest with funds that constitute, directly or indirectly, the assets of an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA") or Section 4975 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), it acknowledges that the Subscriber (and, as applicable, any person responsible for the decision to purchase an Interest) has evaluated for itself the merits of such investment, is qualified to make such investment decision and, to the extent it deems necessary, has consulted its own investment advisors and legal counsel regarding the purchase of an Interest and it has not solicited and has not received from the General Partner or any director, officer, employee, agent or Affiliate thereof, any evaluation or other investment advice on any basis in respect of the advisability of a subscription for an Interest in light of the plan's assets, cash needs, investment policies or strategy, overall portfolio composition or plan for diversification of assets and it is not relying and has not relied on the General Partner or any director, officer, employee, agent or Affiliate thereof for any such advice. The Subscriber represents that, based upon the assumption that the assets of the Partnership do not constitute "*plan assets*" under Title I of ERISA or Section 4975 of the Code, neither the execution and delivery of this Subscription Agreement nor the purchase of the Subscriber's Interest in the Partnership constitutes a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available. If the Subscriber is subject to Part 4 of Subtitle B of Title I of ERISA, the Subscriber acknowledges that neither the General Partner nor any of its Affiliates is a "*fiduciary*" (within the meaning of ERISA) of the Subscriber in connection with the Subscriber's purchase of Interests.

(l) Unless otherwise indicated in the Prospective Investor Questionnaire, the Subscriber is not a "*Benefit Plan Investor*"[1] as defined under Section 3(42) of ERISA and any regulations thereunder. The Subscriber agrees to promptly notify the General Partner in writing if there is any change in the percentage of the Subscriber's assets that are treated as "*plan assets*" for the purpose of Section 3(42) of ERISA and any regulations promulgated thereunder.

(m) If the Subscriber is an insurance company and is investing assets of its general account (or the assets of a wholly-owned subsidiary of its general account) in the Partnership, then, unless otherwise indicated in the Prospective Investor Questionnaire, such assets underlying the general account do not constitute "*plan assets*" (within the meaning of Section 401(c) of ERISA). The Subscriber agrees to promptly notify the General Partner in writing if there is any change in the percentage of the general account's assets that constitute "*plan assets*" (within the meaning of Section 401(c) of ERISA).

(n) If the Subscriber is a corporation, limited liability company, trust, partnership or other entity organized under the laws of a jurisdiction outside of the United States, the Subscriber represents and warrants that it is not aware of any foreign laws or regulations that might restrict its ability to make capital contributions pursuant to the Fund Partnership Agreement.

(o) The Subscriber (i)(A) is subscribing for Interests solely for its own account, own risk and own beneficial interest, (B) if it is an entity, including without limitation a fund-of-funds, trust, pension plan or any other entity that is not a natural person (each, an "Entity"), has carried out thorough due diligence as to, and established the identities of, such Entity's Related Persons,[2] holds the evidence of such identities and shall maintain all such evidence for at least 7 years from the date of the completion of the liquidation of the Partnership, and shall make such information available to the Partnership and the General Partner upon the General Partner's reasonable request, and (C) does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Interests to any other person (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction), or (ii)(A) is subscribing for Interests as a record owner and shall not have a beneficial ownership interest in the Interests, (B) is acting as an agent, representative, intermediary, nominee or in a similar capacity for one or more natural persons, Entities, nominee accounts or beneficial owners (each such person or Entity, if any, for whom the Subscriber acts as agent, representative, intermediary, nominee or in a similar capacity, an "Underlying Beneficial Owner"), and understands and acknowledges that the representations, warranties and agreements made in this Subscription Agreement are made by the Subscriber with respect to both the Subscriber and each such Underlying Beneficial Owner, (C) has all requisite power and authority from each such Underlying Beneficial Owner to execute and perform the obligations under this Subscription Agreement, (D) has carried out thorough due diligence as to, and established the identity of, each such Underlying Beneficial

---

[1] A "Benefit Plan Investor" includes: (i) an "*employee benefit plan*" that is subject to the provisions of Title I of ERISA; (ii) a "*plan*" that is not subject to the provisions of Title I of ERISA, but is subject to the prohibited transaction provisions of Section 4975 of the Code, such as IRAs and certain retirement plans for self-employed individuals; and (iii) a pooled investment fund whose assets are treated as "*plan assets*" under Section 3(42) of ERISA and any regulations promulgated thereunder because "*employee benefit plans*" or "*plans*" hold 25% or more of any class of equity interest in such pooled investment fund.

[2] A "Related Person" means, with respect to any Entity, any investor, director, senior officer, trustee, beneficiary or grantor of such Entity; *provided*, that in the case of (i) an Entity the securities of which are listed on a national securities exchange or quoted on an automated quotation system in the United States (a "Publicly Traded Company"), (ii) a wholly-owned subsidiary of such an Entity that is a Publicly Traded Company or (iii) a tax qualified pension or retirement plan in which at least 100 employees participate that is maintained by an employer that is (A) organized in the United States or (B) any United States government or any state department or other political subdivision thereof or any governmental body, agency, authority or instrumentality in any non-U.S. jurisdiction exercising executive, legislative, regulatory or administrative functions of or pertaining to government (a "Qualified Plan"), the term "Related Person" excludes the investors and beneficiaries of such Publicly Traded Company or such Qualified Plan.

Owner (and, if an Underlying Beneficial Owner is not a natural person, the identities of such Underlying Beneficial Owner's Related Persons (to the extent applicable)), holds the evidence of such identities and shall maintain all such evidence for at least 7 years from the date of the completion of the liquidation of the Partnership and shall make such information available to the Partnership and the General Partner upon the General Partner's reasonable request, and (E) does not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Interests to any person (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) other than any such Underlying Beneficial Owner.

(p) If the Subscriber is a grantor trust, S Corporation or entity treated as a partnership for U.S. federal income tax purposes, (i) at no time during the term of the Partnership shall substantially all of the value of a beneficial owner's interest in the Subscriber (directly or indirectly) be attributable to the Subscriber's ownership of the Interest, or (ii) the Subscriber does not have, in acquiring the Interest, a principal purpose of permitting the Partnership to satisfy the 100 partner limitation in Treasury Regulations Section 1.7704-1(h)(1), and, to the best of Subscriber's knowledge, no beneficial owner has such a principal purpose.

(q) The proposed investment in the Partnership by the Subscriber or any Underlying Beneficial Owner, as the case may be, shall not directly or indirectly contravene anti-money laundering laws, rules and regulations (a "Prohibited Investment") and no capital contribution to the Partnership by such Subscriber or, if applicable, any Underlying Beneficial Owner shall be derived from any illegal or illegitimate activities. The Subscriber does not know or have any reason to suspect that the proceeds from the Subscriber's investment in the Interests will be used to finance any illegal activities.

(r) The Subscriber understands that federal regulations and executive orders administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals.[3] The Subscriber further represents and warrants that none of the Subscriber, any of its Affiliates, or, if applicable, any Underlying Beneficial Owner or Related Person, is a country, territory, person or entity named on an OFAC list, and none of the Subscriber, any of its Affiliates, or, if applicable, any Underlying Beneficial Owner or Related Person, is a natural person or Entity with whom dealings are prohibited under any OFAC regulations.

(s) Neither the Subscriber nor, if applicable, any Underlying Beneficial Owner or Related Person, is, receives deposits from, makes payments to or conducts transactions relating to a foreign bank without a physical presence in any country other than a foreign bank that (i) is an Affiliate of a depositary institution, credit union or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable, (ii) is subject to supervision by a banking authority in the country regulating such affiliated depositary institution, credit union, or foreign bank (each, a "Regulated Affiliate"), (iii) has a fixed address, other than an electronic address or a post office box, in a country in which it is authorized to conduct banking activities, (iv) employs one or more individuals on a full-time basis, (v) maintains operating records related to its banking activities, and (vi) does not provide banking services to any other foreign bank that does not have a physical presence in any country and that is not a Regulated Affiliate.

(t) The Subscriber acknowledges and agrees that, notwithstanding anything to the contrary contained in any document (including the Fund Partnership Agreement, any side letters or similar agreements) if, following the Subscriber's investment in the Partnership, the General Partner reasonably believes that the investment is or has become a Prohibited Investment or if otherwise required by law, the General Partner on behalf of the Partnership may be obligated to "freeze the account" of the

[3] The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <www.treas.gov/ofac>.

Subscriber, either by (i) prohibiting additional capital contributions, (ii) restricting any distributions, (iii) declining any requests to transfer the Subscriber's Interest, and/or (iv) segregating the assets in the Subscriber's account in compliance with governmental regulations. In addition, in any such event, the Subscriber (A) may forfeit its Interest, (B) may be forced to withdraw from the Partnership or may otherwise be subject to the remedies required by law, (C) to the fullest extent permitted by law, the Subscriber shall have no claim against any Indemnified Party (as such term is defined in the Fund Partnership Agreement) for any form of damages as a result of any of the actions described in this paragraph, and (D) shall promptly pay or reimburse the Partnership and the General Partner for any and all expenses and costs incurred by the Partnership or the General Partner in connection with any such actions (which such payment shall not be deemed a capital contribution). The Partnership may also be required to report such action and to disclose the Subscriber's identity or provide other information with respect to the Subscriber to OFAC or other governmental entities.

(u) Except as otherwise disclosed to the General Partner in writing: (i) neither the Subscriber nor, if applicable, any Underlying Beneficial Owner or Related Person, is resident in, or organized or chartered under the laws of, (A) a jurisdiction that has been designated by the Secretary of the Treasury under Section 311 or 312 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act of 2001 (the "PATRIOT Act") as warranting special measures due to money laundering concerns, or (B) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur (a "Non-Cooperative Jurisdiction"); (ii) the subscription funds of the Subscriber and, if applicable, any Underlying Beneficial Owner, do not originate from and shall not be routed through, an account maintained at (A) a Foreign Shell Bank,[4] (B) a foreign bank (other than a Regulated Affiliate) that is barred, pursuant to its banking license, from conducting banking activities with the citizens of, or with the local currency of, the country that issued the license, or (C) a bank organized or chartered under the laws of a Non-Cooperative Jurisdiction; and (iii) neither the Subscriber nor, if applicable, any Underlying Beneficial Owner or Related Person, is a senior foreign political figure, or any immediate family member or close associate of a senior foreign political figure, in each case within the meaning of the PATRIOT Act.

(v) The Subscriber agrees to promptly notify the Partnership should the Subscriber become aware of any change in the information set forth paragraphs (a) through (u) of this Section 7.

(w) The Subscriber understands that legal counsel to the Partnership, the General Partner and to any of their respective Affiliates shall not be representing the Subscriber or any other investor in the Partnership, and no independent counsel has been retained to represent the Subscriber or any other investor in the Partnership.

(x) The Subscriber acknowledges and agrees that any distributions paid to it by the Partnership shall be paid to, and any contributions made by it to the Partnership shall be made from, an account in the Subscriber's name unless the General Partner, in its sole discretion, agrees otherwise.

(y) The Subscriber agrees to provide any information requested by the General Partner which the General Partner reasonably believes shall enable the Partnership to comply with all applicable anti-money laundering laws, rules and regulations, including any laws, rules and regulations applicable to an investment held or proposed to be held by the Partnership and information related to the Subscriber necessary to allow the Partnership to comply with any tax reporting, tax withholding or tax payment obligations of the Partnership or to establish the Partnership's, any Alternative Investment

[4] A "Foreign Shell Bank" means a foreign bank without a physical presence in any country that is not a Regulated Affiliate.

Vehicle's or any Portfolio Company's legal entitlement to an exemption from, or reduction of, withholding tax including U.S. federal withholding tax under Sections 1471 and 1472 of the Code. The Subscriber understands and agrees that the Partnership may release confidential information about the Subscriber and, if applicable, any Underlying Beneficial Owner or Related Person to any person, if the General Partner, in its sole discretion, determines that such disclosure is in the best interests of the Partnership in light of relevant laws, rules and regulations concerning Prohibited Investments.

(z) The Subscriber acknowledges and agrees that: (i) the Partnership has only recently been formed and has no financial or operating history; (ii) Milestone Partners Management Co., LP (the "Management Company"), pursuant to the Investment Management Agreement, and the General Partner shall receive substantial compensation in connection with the management of the Partnership; (iii) neither the General Partner, the Management Company, nor any of their respective Affiliates has acted as or is an agent or employee of or has advised the Subscriber in connection with the investment in the Partnership by the Subscriber; (iv) no federal, state, local or foreign agency has passed upon the Interests or made any finding or determination as to the fairness of the Subscriber's investment; and (v) investment returns set forth in the Private Placement Memorandum or in any supplemental letters or materials thereto are not necessarily comparable to the returns, if any, which may be achieved on investments made by the Partnership.

(aa) The Subscriber has read carefully and understands the privacy statement of the Partnership attached hereto as Annex C.

(bb) The foregoing representations, warranties and agreements shall survive the Closing Date applicable to the Subscriber.

8. Unless otherwise agreed by the General Partner in writing, the Subscriber shall, to the fullest extent permitted by applicable law, indemnify each Indemnified Party and the Partnership against any losses, claims, damages or liabilities to which any of them may become subject in any capacity in any action, proceeding or investigation arising out of or based upon any false representation or warranty, or breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein, or in any other document furnished to the General Partner or the Partnership by the Subscriber in connection with the offering of the Interests. The Subscriber shall reimburse each Indemnified Party and the Partnership for legal and other expenses (including, without limitation, the cost of any investigation and preparation) as they are incurred in connection with any such action, proceeding or investigation (whether incurred between any Indemnified Party or the Partnership and the Subscriber or between any Indemnified Party or the Partnership and any third party). The reimbursement and indemnity obligations of the Subscriber under this Section 8 shall survive the Closing Date applicable to the Subscriber and shall be in addition to any liability which the Subscriber may otherwise have (including, without limitation, liabilities under the Fund Partnership Agreement), and shall be binding upon, and inure to the benefit of, any successors, assigns, heirs, estates, executors, administrators and personal representatives of any Indemnified Party and the Partnership.

9. Neither this Subscription Agreement nor any provisions hereof shall be waived, modified, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, modification, discharge or termination is sought.

10. This Subscription Agreement is not transferable or assignable by the Subscriber. This Subscription Agreement shall be binding upon, and inure to the benefit of, the parties and their successors and permitted assigns. If the Subscriber is more than one person, the obligation of the Subscriber shall be joint and several, and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and its successors and assigns.

11. This Subscription Agreement and the other agreements or documents referred to herein or in the Fund Partnership Agreement contain the entire agreement of the parties, and there are no representations, covenants or other agreements, except as stated or referred to herein and in such other agreements or documents. The signature page to this Subscription Agreement may be executed in several counterparts with the same effect as if the parties executing the several counterparts had all executed one counterpart.

12. This Subscription Agreement and all claims or causes of action that may be based upon, arise out of or relate to this Subscription Agreement, or the negotiation, execution or performance of this Subscription Agreement (including, without limitation, any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Subscription Agreement or as an inducement to enter into this Subscription Agreement) shall be enforced in accordance with and governed by the internal laws of the State of Delaware, without regard to conflicts of laws principles. To the fullest extent permitted by law, in the event of any dispute arising out of or relating to this Subscription Agreement, or the negotiation, execution or performance of this Subscription Agreement (including, without limitation, any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Subscription Agreement or as an inducement to enter this Subscription Agreement), the parties hereto consent and submit to the non-exclusive jurisdiction of the federal and state courts of the State of Delaware, *provided*, that with regard to any actions brought against the Partnership, the General Partner or their respective Affiliates and employees, such jurisdiction shall be exclusive unless otherwise expressly agreed by the General Partner.

13. Any term or provision of this Subscription Agreement that is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Subscription Agreement or affecting the validity or unenforceability of any of the terms or provisions of this Subscription Agreement in any other jurisdiction.

14. The Subscriber hereby irrevocably constitutes, appoints and empowers the General Partner, its general partner and each of its duly authorized officers, managers, successors and assigns, with full power of substitution and resubstitution, as its true and lawful attorney-in-fact, in its name, place and stead and for its use and benefit, to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the following:

(a) any and all organizational documents pertaining to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle that may be permitted or required by the Fund Partnership Agreement or the Act;

(b) the Fund Partnership Agreement and any and all duly adopted amendments to the Fund Partnership Agreement (or organizational documents pertaining to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle) that may be permitted or required by the Fund Partnership Agreement (or similar agreement pertaining to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle) or the Act, including, without limitation, amendments required to effect the admission of Additional or substituted Limited Partners pursuant to and as permitted by the Fund Partnership Agreement or to revoke any admission of a Limited Partner which is prohibited by the Fund Partnership Agreement;

(c) any instruments relating to the Interest of a Defaulting Limited Partner in connection with the taking of any actions contemplated by Section 3.7 of the Fund Partnership Agreement;

(d) any certificate of cancellation of the Certificate (or similar instrument pertaining to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle) that may be necessary upon the termination of the Partnership;

(e) any business certificate, certificate of limited partnership (or similar instrument pertaining to any Alternative Investment Vehicle, Blocker Corporation or Feeder Vehicle), amendment thereto, or other instrument or document of any kind necessary to accomplish the Partnership Business; and

(f) all other instruments that may be required or permitted by law to be filed on behalf of the Partnership and that are not inconsistent with the Fund Partnership Agreement.

The Subscriber authorizes such attorney-in-fact to take any further action which such attorney-in-fact shall consider necessary or advisable in connection with any of the foregoing, hereby giving such attorney-in-fact full power and authority to do and perform each and every act or thing whatsoever necessary or advisable to be done in and about the foregoing as fully as such Subscriber might or could do if personally present, and hereby ratifying and confirming all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. The appointment by the Subscriber of the General Partner and each of its duly authorized officers, successors and assigns with full power of substitution and resubstitution, as aforesaid, as attorneys-in-fact shall be deemed to be a power coupled with an interest, shall be irrevocable and shall survive and not be affected by the dissolution, bankruptcy, incapacity, disability or death of the Subscriber, in recognition of the fact that the Subscriber under the Fund Partnership Agreement shall be relying upon the power of the General Partner, its general partner and such officers, managers, successors and assigns to act as contemplated by the Fund Partnership Agreement in such filing and other action by it on behalf of the Partnership. The foregoing power of attorney shall survive the Transfer by the Subscriber of the whole or any part of its Interest in accordance with the Fund Partnership Agreement.

By executing the signature pages to this Subscription Agreement, the Subscriber agrees to be bound by the foregoing.

[*The remainder of this page is intentionally left blank.*]

PROSPECTIVE INVESTOR QUESTIONNAIRE

The Prospective Investor Questionnaire contains three parts. Prospective investors should complete each applicable part.

Part I (p. 2-4): **To be completed by all prospective investors.**

Part II (pp. 5-8): **To be completed by individuals.**

Part III (pp. 9-16): **To be completed by corporations, limited liability companies, partnerships, trusts and other entities.**

In addition, each prospective investor (i) that is a "*United States person*"[5] including a disregarded entity owned by a United States person) must submit to the General Partner a fully completed and executed Form W-9 and (ii) that is a non-United States individual, non-United States corporation, non-United States partnership or other non-United States entity (or a disregarded entity owned by a non-United States person) must submit to the General Partner a fully executed Form W-8BEN, W-8ECI, W-8IMY or W-8EXP, as applicable, to claim an exemption from: (a) U.S. information and back-up withholding, (b) U.S. withholding tax on portfolio interest, (c) U.S. withholding tax on U.S. source interest or dividend under any applicable income tax treaty, (d) U.S. withholding tax because income is effectively connected with the conduct of a U.S. trade or business or (e) U.S. withholding tax because the recipient is an exempt non-United States government or international organization.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Subscription Agreement to which this Prospective Investor Questionnaire is attached or the Fund Partnership Agreement.

* * * * * * * * * * * *

[5] "U.S. Person" means (i) a citizen or resident of the United States, (ii) a domestic partnership, (iii) a domestic corporation, (iv) any estate (other than a foreign estate), and (v) any trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust, and (B) one or more United States persons have the authority to control all substantial decisions of the trust. "Non-U.S. Person" means a person who is not a U.S. Person.

PART I
Milestone Partners IV, L.P.
Subscriber Information Page

SUBSCRIBER (Legal Name): Public School Employees' Retirement System

TOTAL COMMITMENT: an amount equal to 25% of the committed capital but not to exceed $70 million plus reasonable normal investment expenses

STATE IN WHICH SUBSCRIPTION AGREEMENT WAS SIGNED (or if not in the U.S., Country): PA

DATE OF EXECUTION

The Subscriber represents that it is a/an (as such terms are defined in the Fund Partnership Agreement):

BHC PARTNER:	YES ☐	NO ☑
ERISA PARTNER:	YES ☐	NO ☑
FOIA LIMITED PARTNER:	YES ☐	NO ☑
GOVERNMENTAL PLAN PARTNER:	YES ☑	NO ☐
NON-U.S. PARTNER	YES ☐	NO ☑
TAX-EXEMPT PARTNER:	YES ☑	NO ☐

CLASS (TYPE OF INSTITUTION):

Bank	☐	Insurance	☐
Corporation	☐	Nominee Trust	☐
Endowment (School)	☐	Partnership	☐
Endowment (Non-School)	☐	Pension	☐
Family Limited Partnership	☐	Trust	☐
Financial	☐		
Foundation	☐	Other govt. entity	☑
Fund-of-Funds	☐		
Individual	☐		

INFORMATION FOR TAX:

U.S. Person	☑	Non-U.S. Person	☐

STATE/COUNTRY OF DOMICILE FOR TAX: PA

TAX ID NUMBER: [redacted]

TAX STATUS:

501c3 Exempt Corp.	☐	Individual	☐	Nominee	☐
C-Corporation	☐	IRA	☐	Partnership	☐
Corporation	☐	Limited Liability Company – Disregarded Entity	☐	S-Corporation	☐
Exempt Organization	☑	Limited Liability Company - Corporation	☐	Trust	☐
Foundation	☐	Limited Liability Company - Partnership	☐		
Grantor Trust	☐	Limited Liability Partnership	☐		

PRIMARY CONTACT:

Name	Charles Spiller
Title	Managing Director, Private Markets and Real Estate
Company	Public School Employees' Retirement System
Department	
Address	5 N. 5th Street
Address	
City, State, ZIP	Harrisburg, PA 17101
E-Mail **(Required)**	cspiller@pa.gov
Telephone	717-720-4720
Facsimile	717-772-5375

Please note that ALL notifications will be sent to the Primary Contact unless otherwise indicated. Please list any additional contacts who should receive information and the type of information required.

Contact		If Group E-Mail, please list names associated with group	Capital Calls	Cash Distributions	Stock Distributions	Financials	Legal	Tax	Annual Meeting Invitation
Name			☐	☐	☐	☐	☐	☐	☐
E-Mail									
Title									
Company									
Department									
Address									
Telephone									
Facsimile									
Name			☐	☐	☐	☐	☐	☐	☐
E-Mail									
Title									
Company									
Department									
Address									
Telephone									
Facsimile									
Name			☐	☐	☐	☐	☐	☐	☐
E-Mail									
Title									
Company									
Department									
Address									
Telephone									
Facsimile									
Name			☐	☐	☐	☐	☐	☐	☐
E-Mail									
Title									
Company									
Department									
Address									
Telephone									
Facsimile									

[Pages 5 through 8 have been omitted
as they are only applicable to subscribers that are natural persons.]

PART III
TO BE COMPLETED BY CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS, TRUSTS AND OTHER ENTITIES

A. ***General Information***

PLEASE NOTE: If any of questions 1, 2 or 3 below is answered "Yes," please provide identifying information or contact the General Partner.

1. Is the Subscriber subscribing for an Interest as agent, nominee, trustee or otherwise on behalf of, for the account of or jointly with any other person or entity?

☐ Yes ☑ No

2. Will any other person or persons have a beneficial interest in the Interest acquired (other than as a shareholder, partner, member, trust beneficiary or other beneficiary owner of equity interests in the Subscriber)?

☐ Yes ☑ No

3. Does the Subscriber control, or is the Subscriber controlled by or under common control with, any other existing or prospective investor in the Partnership?

☐ Yes ☑ No

4. Legal form of Subscriber: governmental entity

5. U.S. State or foreign jurisdiction in which Subscriber was incorporated or formed:

PA

6. Date of incorporation or formation of Subscriber: July 18, 1917

7. Is the Subscriber in any way affiliated with the General Partner or the Partnership?

☐ Yes ☑ No

If yes, please describe the relationship below.

8. Is the Subscriber in any way affiliated with a senior non-U.S. government, political or military official, or an immediate family member or close associate of such person (a "*politically exposed person*")?

☐ Yes ☑ No

If yes, please describe:

(a) which government? _____

(b) what position in the government? _____

(c) if an immediate family member or close associate of a politically exposed person, what relationship to the politically exposed person? _____

9. The authorized individual executing the Subscription Agreement on behalf of the investing entity is:

Name: Alan H. Van Noord and Jeffrey B. Clay

Current position or title: Chief Investment Officer and Executive Director

Telephone number: 717-720-4720

Facsimile number: 717-772-5375

B. ***Subscriber Qualification***

1. **Accredited Investor.** Interests shall be sold only to investors who are "*accredited investors*" (as defined in Regulation D promulgated by the SEC pursuant to the Securities Act). Please indicate the basis of "*accredited investor*" status of the Subscriber by checking the applicable statement or statements.

☐ The Subscriber has total assets in excess of $5,000,000, was not formed for the purpose of investing in the Partnership and is one of the following:

___ a corporation; or

___ a partnership; or

___ a limited liability company; or

___ a business trust; or

___ a tax-exempt organization described in Section 501(c)(3) of the Code.

☐ The Subscriber is a personal (non-business) trust, other than an employee benefit trust, with total assets in excess of $5,000,000 which was not formed for the purpose of investing in the Partnership and whose decision to invest in the Partnership has been directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the investment.

- ☐ The Subscriber is licensed, or subject to supervision, by U.S. federal or state examining authorities as a "*bank*," "*savings and loan association*," "*insurance company*," or "*small business investment company*" (as such terms are used and defined in 17 CFR §230.501(a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity.

- ☐ The Subscriber is registered with the SEC as a broker or dealer or an investment company, or has elected to be treated or qualifies as a "*business development company*" (within the meaning of Section 2(a)(48) of the Investment Company Act or Section 202(a)(22) of the Advisers Act).

- ☐ The Subscriber is an employee benefit plan within the meaning of ERISA (including an individual retirement account ("IRA")), which satisfies at least one of the following conditions:

  ___ it has total assets in excess of $5,000,000; or

  ___ the investment decision is being made by a plan fiduciary which is a bank, savings and loan association, insurance company or registered investment adviser; or

  ___ it is a self-directed plan (i.e., a tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to the participant's account) and the decision to invest is made by those participants investing, and each such participant qualifies as an accredited investor.

- ☑ The Subscriber is an employee benefit plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, which has total assets in excess of $5,000,000.

- ☐ The Subscriber is an entity in which *all* of the equity owners are accredited investors. *PLEASE NOTE: This certification is not applicable to beneficiaries of an irrevocable trust.*

If the Subscriber does not qualify in an accredited category above (and is not a natural person or grantor trust), please indicate this by checking the statement below.

- ☐ The Subscriber does not qualify in any of the above accredited investor categories.

2. **Qualified Purchaser.** To the extent that the Partnership claims exemption from registration under the Investment Company Act in reliance on Section 3(c)(7) thereof, Interests shall be sold only to investors who are "*qualified purchasers*" (as defined in Section 2(a)(51) of the Investment Company Act). Please indicate the basis of "*qualified purchaser*" status of the Subscriber by checking the applicable statement or statements. In connection therewith, **the Subscriber must read Annexes A and B to this Subscription Booklet** for the definition of "*investments*" and for information regarding the valuation of "*investments*," respectively.

   - ☐ (a) A company, partnership or trust that owns not less than $5,000,000 in "*investments*" and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations or trusts established by or for the benefit of such persons (a "Family Company").

☐ (b) A trust that is not covered by (a) above as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is either (i) a person described in clause (a), (c) or (d) hereof or (ii) a natural person (including any person who holds a joint, community property or other similar shared ownership interest in the Partnership with that person's qualified purchaser spouse) who owns not less than $5,000,000 in "*investments*."

☑ (c) A person, acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis not less than $25,000,000 in "*investments*."

☐ (d) A qualified institutional buyer as defined in paragraph (a) of Rule 144A under the Securities Act, acting for its own account, the account of another qualified institutional buyer, or the account of a qualified purchaser, *provided* that (i) a dealer described in paragraph (a)(l)(ii) of Rule 144A shall own and invest on a discretionary basis at least $25,000,000 in securities of issuers that are not affiliated persons of the dealer and (ii) a plan referred to in paragraph (a)(1)(D) or (a)(1)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(F) of Rule 144A that holds the assets of such a plan, shall not be deemed to be acting for its own account if investment decisions with respect to the plan are made by the beneficiaries of the plan, except with respect to investment decisions made solely by the fiduciary, trustee or sponsor of such plan.

☐ (e) A company, partnership or trust, each beneficial owner of the securities of which is a qualified purchaser.

PLEASE NOTE: This certification does not apply to beneficiaries of an irrevocable trust.

If the Subscriber does <u>not</u> qualify in a qualified purchaser category above (and is not a natural person or grantor trust), please indicate this by checking the statement below.

☐ The Subscriber does not qualify in any of the above qualified purchaser categories.

3. **Qualified Client.** Interests will be sold only to investors who are "*qualified clients*" (within the meaning of Rule 205-3 under the Advisers Act). Please indicate the basis of "*qualified client*" status of the Subscriber by checking the applicable statement or statements.

☑ (a) An entity that was not formed for the specific purpose of acquiring the Interests and is a qualified purchaser on the basis of any of category 2(a) through 2(e) above, or an entity that was formed for the specific purpose of acquiring the Interests and is a qualified purchaser on the basis of category 2(e) above.

☐ (b) The Subscriber has at least $750,000 under the management of the Management Company including investments made hereby and the Subscriber is not a private investment fund excepted under Section 3(c)(1) of the Investment Company Act, an investment company registered under the Investment Company Act, or a "*business development company*" as defined in Section 202(a)(22) of the Advisers Act.

☐ (c) The Subscriber's net worth exceeds $1,500,000 and the Subscriber is not a private investment fund excepted under Section 3(c)(1) of the Investment Company Act, an investment company registered under the Investment Company Act, or a "*business development company*" as defined in Section 202(a)(22) of the Advisers Act.

□ (d) The Subscriber is a private investment fund excepted under Section 3(c)(1) of the Investment Company Act, an investment company registered under the Investment Company Act, or a "*business development company*" as defined in Section 202(a)(22) of the Advisers Act, and each equity owner of the Subscriber (other than an equity owner that is not charged a fee on the basis of a share of capital gains or capital appreciation) qualifies as a "*qualified client.*"

If the Subscriber does not qualify in a qualified client category above (and is not a corporation, limited liability company, partnership, trust or other entity), please indicate this by checking the statement below.

□ The Subscriber does not qualify in any of the above qualified client categories.

4. Supplemental Data

(a) Was the Subscriber organized for the specific purpose of acquiring the Interests?

□ Yes ☑ No

PLEASE NOTE: If the answer to question 4(a) is "Yes," each Person who is an equity owner of the Subscriber must complete a copy of the Prospective Investor Questionnaire as if such person were directly purchasing an Interest.

(b) With respect to its acquisition of the Interests, is the Subscriber a participant-directed defined contribution plan (such as a 401(k) plan), or a partnership or other investment vehicle (i) in which its partners or participants have or shall have any discretion as to their level of investment in the Subscriber or in investments made by the Subscriber (including the Subscriber's investment in an Interest), or (ii) that is otherwise an entity managed to facilitate the individual decisions of its beneficial owners to invest in the Partnership?

□ Yes ☑ No

(c) Does the Subscriber own less than 10% of the voting securities of the Partnership?

□ Yes ☑ No

If the answer to question 4(c) is "*Yes*," does the Subscriber count as one beneficial owner under Section 3(c)(1) of the Investment Company Act?

□ Yes □ No

If the answer to the previous question is "*No*," how many beneficial owners does the Subscriber count as under Section 3(c)(1) of the Investment Company Act?

_____

(d) Is the Subscriber a private investment company or a non-U.S. investment company exempt from registration under the Investment Company Act, in reliance on Section 3(c)(1), 3(c)(7) or 7(d) thereof?

□ Yes ☑ No

If the answer to question 4(d) is "*Yes*," does the Subscriber's Interest constitute, and after the Closing Date applicable to the Subscriber shall continue to constitute, less than 40% of each of the Subscriber's total assets and committed capital?

□ Yes □ No

If the answer to question 4(d) is "*Yes*," was the Subscriber formed on or before April 30, 1996?

□ Yes □ No

If the answer to the previous question is "*Yes*," has the Subscriber obtained the consent of its direct and indirect beneficial owners to be treated as a "*qualified purchaser*" as provided in Section 2(a)(51)(c) of the Investment Company Act and the rules and regulations thereunder?

□ Yes □ No

5. ERISA Information.

(a) Is the Subscriber a "*benefit plan investor*" (a "Benefit Plan Investor") as defined in Section 3(42) of ERISA and any regulations thereunder (i.e., (i) an "*employee benefit plan*" that is subject to the provisions of Title I of ERISA; (ii) a "*plan*" that is not subject to the provisions of Title I of ERISA, but is subject to the prohibited transaction provisions of Section 4975 of the Code, such as IRAs and certain retirement plans for self-employed individuals; or (iii) a pooled investment fund whose assets are treated as "*plan assets*" under Section 3(42) of ERISA and any regulations promulgated thereunder because "*employee benefit plans*" or "*plans*" hold 25%[7] or more of any class of equity interest in such pooled investment fund)?

□ Yes ☑ No

If the answer to question 5(a) is "*Yes*" because the Subscriber is a pooled investment fund whose assets are treated as "*plan assets*" under Section 3(42) of ERISA and any regulations promulgated thereunder, what percentage of the equity interests in the Subscriber is held by Benefit Plan Investors?

_____%

(b) Is the Subscriber an insurance company investing the assets of its general account (or the assets of a wholly owned subsidiary of the general account) in the Partnership?

□ Yes ☑ No

[7] Please note that the following interests in the Subscriber are excluded from the denominator of this computation: (a) any individual or entity (other than a Benefit Plan Investor) having discretionary authority or control over the assets of the Subscriber, (b) any individual or entity who provides investment advice for a fee (directly or indirectly) with respect to the assets of the Subscriber and (c) any affiliate of such individuals or entities.

If the answer to question 5(b) is "*Yes*," does any portion of the underlying assets of the Subscriber's general account constitute "*plan assets*" within the meaning of Section 401(c) of ERISA?

☐ Yes ☐ No

If the answer to the previous question is "*Yes*," what percentage of the general account assets of the Subscriber constitute "*plan assets*" within the meaning of Section 401(c) of ERISA?

_____%

(c) Is the Subscriber a "*governmental plan*" as defined in Section 3(32) of ERISA or a "*church plan*" as defined in Section 3(33) of ERISA?

☐ Yes ☑ No

(d) Is the Subscriber subscribing as a trustee or custodian for an Individual Retirement Account?

☐ Yes ☑ No

If the answer to question 5(d) is "*Yes*," is the Subscriber a qualified IRA custodian or trustee?

☐ Yes ☐ No

6. Tax Information

(a) Is the Subscriber a "*United States person*" as defined in Section 7701(a)(30) of the Code and the regulations promulgated thereunder?[8]

☑ Yes ☐ No

If the answer to question 6(a) is "*Yes*," has the Subscriber included a fully executed Form W-9 with this Prospective Investor Questionnaire?

☑ Yes ☐ No

If the answer to question 6(a) is "*No*," has the Subscriber included a fully executed Form W-8BEN, W-8ECI, W-8IMY OR W-8EXP, as applicable, with this Prospective Investor Questionnaire?

☐ Yes ☐ No

[8] As per Section 7701(a)(30) of the Code and the regulations promulgated thereunder, "United States person" means: (i) a citizen or resident of the United States, (ii) a U.S. partnership, (iii) a U.S. corporation, (iv) any estate (other than a non-United States estate, within the meaning of Section 7701(a)(31) of the Code), (v) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (vi) any trust which has elected to be taxed as a trust described in (v).

(b) Please provide the Subscriber's U.S. state or foreign country of residence for tax purposes:

PA

(c) Subscriber reports income for federal income tax purposes on the following basis:

☑ calendar year taxable year; or

☐ other taxable year (please specify):_____

(d) Is the Subscriber exempt from U.S. federal income tax (e.g., a qualified employee benefit plan or trust, retirement account, charitable remainder trust, or a charitable foundation or other tax-exempt organization described in Section 501(c)(3) of the Code)?

☑ Yes ☐ No

(e) Is the Subscriber treated as a disregarded entity for U.S. federal income tax purposes?

☐ Yes ☑ No

If the answer to question 6(e) is "*Yes*," is the beneficial owner an individual?

☐ Yes ☐ No

If the answer to question 6(e) is "*Yes*," is the owner of the Subscriber a "*United States person*"?

☐ Yes ☐ No

If the answer to the previous question is "*Yes*," please provide a fully executed Form W-9 of such owner.

If the answer to the previous question is "*No*," please provide a fully executed Form W-8BEN, W-8ECI, W-8IMY OR W-8EXP, as applicable.

(f) Is the Subscriber a "*simple trust*" or a "*grantor trust*" for U.S. federal income tax purposes?

☐ Yes ☑ No

If the answer to question 6(f) is "*Yes*," please provide a fully executed Form W-9 or Form W-8BEN, W-8ECI, W-8IMY OR W-8EXP, as applicable, with respect to the persons who are subject to U.S. federal income tax on the trust's income.

(g) Is the Subscriber a "*grantor trust*," "*S Corporation*" or an entity treated as a partnership for U.S. federal income tax purposes?

☐ Yes ☑ No

SIGNATURE PAGE

This page constitutes the signature page for the Subscription Agreement and the Prospective Investor Questionnaire relating to the offering of Interests in the Partnership. Execution of this signature page constitutes execution of the Subscription Agreement and the Prospective Investor Questionnaire.

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement and Prospective Investor Questionnaire as of this 30th day of August, 2011.

$ an amount equal to 25% of the committed capital but not to exceed $70 million plus reasonable normal investment expenses
Commitment Applied For

Public School Employees' Retirement System
Name of Prospective Investor (print or type)

By: see next page
(Signature, if individual)

By: _____
(Signature, if executing on behalf of an Entity)

Name: _____
Title: _____

MILESTONE PARTNERS IV, L.P.

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT AND PROSPECTIVE INVESTOR QUESTIONNAIRE

Limited Partner:

Commonwealth of Pennsylvania
Public School Employees'
Retirement System

By: Alan H. Van Noord, CFA
Title: Chief Investment Officer

By: Jeffrey B. Clay
Title: Executive Director

Approved for form and legality:

Gerald Gornish, Chief Counsel
Public School Employees' Retirement System

$ _____

Commitment Accepted

Accepted and Agreed, as of _____, 2011

MILESTONE PARTNERS IV, L.P.

By: Milestone Partners IV GP, L.P.
its general partner

By: Milestone Partners IV GP, LLC
its general partner

By: _____

Name:
Title:

SIGNATURE PAGE

This page constitutes the signature page for the Subscription Agreement and the Prospective Investor Questionnaire relating to the offering of Interests in the Partnership. Execution of this signature page constitutes execution of the Subscription Agreement and the Prospective Investor Questionnaire.

IN WITNESS WHEREOF, the Subscriber has executed this Subscription Agreement and Prospective Investor Questionnaire as of this 30th day of August, 2011.

an amount equal to 25% of the committed capital but not to exceed $70 million

$ plus reasonable normal investment expenses
Commitment Applied For

Public School Employees' Retirement System
Name of Prospective Investor (print or type)

By: see next page
(Signature, if individual)

By: _____
(Signature, if executing on behalf of an Entity)

Name: _____
Title: _____

MILESTONE PARTNERS IV, L.P.

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT AND PROSPECTIVE INVESTOR QUESTIONNAIRE

Limited Partner:

Commonwealth of Pennsylvania
Public School Employees'
Retirement System

By: Alan H. Van Noord, CFA
Title: Chief Investment Officer

By: Jeffrey B. Clay
Title: Executive Director

Approved for form and legality:

Gerald Gornish, Chief Counsel
Public School Employees' Retirement System

$ _____

Commitment Accepted

Accepted and Agreed, as of _____, 2011

MILESTONE PARTNERS IV, L.P.

By: Milestone Partners IV GP, L.P.
its general partner

By: Milestone Partners IV GP, LLC
its general partner

By: _____

Name:
Title:

Annex A

DEFINITION OF "*INVESTMENTS*"

The term "*investments*" means:

(1) Securities, other than securities of an issuer that controls, is controlled by, or is under common control with, the investor that owns such securities, unless the issuer of such securities is:

(i) an investment company or a company that would be an investment company but for the exclusions provided by Sections 3(c)(1) through 3(c)(9) of the Investment Company Act or the exemptions provided by Rule 3a-6 or 3a-7 promulgated under the Investment Company Act, or a commodity pool; or

(ii) a Public Company (as defined below); or

(iii) a company with shareholders' equity of not less than $50,000,000 (determined in accordance with generally accepted accounting principles) as reflected on the company's most recent (and in any event not more than sixteen months old) financial statements;

(2) Real estate held for investment purposes;

(3) Commodity Interests (as defined below) held for investment purposes;

(4) Physical Commodities (as defined below) held for investment purposes;

(5) To the extent not securities, Financial Contracts (as defined below) entered into for investment purposes;

(6) In the case of an investor that is a company that would be an investment company but for the exclusions provided by Section 3(c)(1) or 3(c)(7) of the Investment Company Act, or a commodity pool, any amounts payable to such investor pursuant to a firm agreement or similar binding commitment pursuant to which a person has agreed to acquire an interest in, or make capital contributions to, the investor upon the demand of the investor; and

(7) Cash and cash equivalents held for investment purposes.

Real estate that is used by the investor or a Related Person (as defined below) of the investor for personal purposes, or as a place of business, or in connection with the conduct of the trade or business of such investor or a Related Person of the investor, will NOT be considered real estate held for investment purposes, *provided* that real estate owned by an investor who is engaged primarily in the business of investing, trading or developing real estate in connection with such business may be deemed to be held for investment purposes. However, residential real estate will not be deemed to be used for personal purposes if deductions with respect to such real estate are not disallowed by Section 280A of the Code.

A Commodity Interest or Physical Commodity owned, or a Financial Contract entered into, by the investor who is engaged primarily in the business of investing, reinvesting, or trading in Commodity Interests, Physical Commodities or Financial Contracts in connection with such business may be deemed to be held for investment purposes.

For purposes of determining the amount of investments owned by an investor that is a company, there may be included investments owned by majority-owned subsidiaries of the investor and investments owned by a company ("Parent Company") of which the investor is a majority-owned subsidiary, or by a majority-owned subsidiary of the investor and other majority-owned subsidiaries of the Parent Company.

In determining whether a natural person is a qualified purchaser, there may be included in the amount of such person's investments any investment held jointly with such person's spouse, or investments in which such person shares with such person's spouse a community property or similar shared ownership interest. In determining whether spouses who are making a joint investment in the Partnership are qualified purchasers, there may be included in the amount of each spouse's investments any investments owned by the other spouse (whether or not such investments are held jointly). There shall be deducted from the amount of any such investments any amounts specified by paragraph 2(a) of Annex B incurred by such spouse.

In determining whether a natural person is a qualified purchaser, there may be included in the amount of such person's investments any investments held in an individual retirement account or similar account the investments of which are directed by and held for the benefit of such person.

As used in Annexes A and B, the following terms shall have the meaning set forth below:

"Commodity Interests" means commodity futures contracts, options on commodity futures contracts, and options on physical commodities traded on or subject to the rules of:

(i) any contract market designated for trading such transactions under the Commodity Exchange Act and the rules thereunder; or

(ii) any board of trade or exchange outside the United States, as contemplated in Part 30 of the rules under the Commodity Exchange Act.

"Family Company" means a company, partnership or trust that owns not less than $5,000,000 in "*investments*" and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations or trusts established for the benefit of such persons.

"Financial Contract" means any arrangement that:

(i) takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets;

(ii) is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and

(iii) is entered into in response to a request from a counterparty for a quotation, or is otherwise entered into and structured to accommodate the objectives of the counterparty to such arrangement.

"Physical Commodities" means any physical commodity with respect to which a Commodity Interest is traded on a market specified in the definition of Commodity Interests above.

"Public Company" means a company that:

(i) files reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended from time to time; or

(ii) has a class of securities that are listed on a Designated Offshore Securities Market, as defined by Regulation S of the Securities Act.

"Related Person" means a person who is related to the investor as a sibling, spouse or former spouse, or is a direct lineal descendant or ancestor by birth or adoption of the investor, or is a spouse of such descendant or ancestor, provided that, in the case of a Family Company, a Related Person includes any owner of the Family Company and any person who is a Related Person of such an owner.

Annex B

VALUATIONS OF INVESTMENTS

The general rule for determining the value of investments in order to ascertain whether an investor is a qualified purchaser is that the value of the aggregate amount of investments owned and invested on a discretionary basis by the investor shall be their fair market value on the most recent practicable date or their cost. This general rule is subject to the following provisos:

(1) In the case of Commodity Interests, the amount of investments shall be the value of the initial margin or option premium deposited in connection with such Commodity Interests; and

(2) In each case, there shall be deducted from the amount of investments owned by the investor the following amounts:

(a) The amount of any outstanding indebtedness incurred to acquire the investments owned by the investor.

(b) A Family Company, in addition to the amounts specified in clause (a) above shall have deducted from the value of such Family Company's investments any outstanding indebtedness incurred by an owner of the Family Company to acquire such investments.

Annex C

PRIVACY STATEMENT

Milestone Partners Management Co., LP ("we", "us" or "our") takes precautions to maintain the privacy of personal information of the investors in the private investment funds that we manage ("our investors"). This notice summarizes our policies and practices with respect to the treatment of nonpublic personal information that we acquire about our investors. The provisions of this policy apply to all of our investors and are subject to change.

We collect non-public personal information about our investors from the following sources:

- Information received in the subscription materials or other forms; and
- Information about our investors' transactions with our private investment funds and their respective affiliates.

This information may be received in any manner, including in-person discussions, telephone conversations and electronic or other written communications.

We do not disclose any non-public personal information about our investors to anyone, other than to our affiliates, employees and agents, and except as permitted or required by law or contract (including the disclosure of such information to third party lenders in connection with our private investment funds' credit facilities).

Except as described in the previous paragraph, we restrict access to non-public personal information about our investors to those of our affiliates, employees and agents who need to know the information to enable us to provide services to our investors.

We maintain physical, electronic and procedural safeguards that comply with federal standards to guard our investors non-public personal information.

We reserve the right to change these policies and practices at any time and will provide notice to our investors describing the revised policies.