AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

NEPA VENTURE FUND, II, L.P.

Dated as of July 24, 1992

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AGREEMENT made as of the 24 day of July, 1992, by and among NEPA II Management Corporation, a Pennsylvania corporation maintaining its principal place of business at 125 Goodman Drive, Bethlehem, Pennsylvania 18015 (the "General Partner"), Frederick J. Beste III, an individual residing in Northampton County, Pennsylvania (the "Initial Limited Partner") and each of the persons from time to time listed on Schedule A hereto (the "Limited Partners").

W I T N E S S E T H:

WHEREAS, the General Partner and the Initial Limited Partner have formed a limited partnership (the "Partnership") pursuant to the provisions of the Pennsylvania Revised Uniform Limited Partnership Act under the name "NEPA Venture Fund II, L.P."; and

WHEREAS, (1) the Initial Limited Partner desires to withdraw as a limited partner; (ii) the Limited Partners desire to be admitted as the limited partners of the Partnership; and (iii) the General Partner and the Limited Partners desire to amend and restate the agreement between them.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements herein contained, and intending to be legally bound hereby, the (i) Initial Limited Partner withdraws as a partner of the Partnership and henceforth shall have no further interest in the Partnership, other than as a shareholder of the General Partner; (ii) the Limited Partners are hereby admitted to the Partnership as limited partners; and (iii) the General Partner and the Limited Partners hereby amend and restate the agreement among them to read in full as follows:

I. THE PARTNERSHIP

1.01. Purpose and Powers. The purpose of this Partnership, subject to the terms and conditions of this Agreement, including, without limitation, Paragraphs 5.06 and 5.07 hereof, is to make, manage, own, supervise, locate, analyze, invest in, hold, sell or otherwise dispose of investments of every kind and character in conducting a venture capital business, including, without limitation, shares of capital stock, bonds, notes, debentures, trust receipts, short-term bankers' acceptances, certificates of deposit, marketable debt securities and interests or shares in money market funds, stocks, notes and other instruments of closely-held entities and other obligations,

choses in action, instruments or evidences of indebtedness, warrants, rights and options relating thereto, limited partnership interests, and other property or interests commonly regarded as securities (any of which items may be acquired on the basis of investment restrictions and all such items being hereinafter collectively referred to as "Securities").

In order to carry out its purpose, the Partnership shall have all powers necessary, appropriate, proper, advisable, incidental to and convenient for the furtherance and accomplishment of its purpose and for the protection and benefit of the Partnership; including, without limitation, to purchase, sell, transfer, pledge and exercise all rights, privileges and incidents of ownership or possession with respect to Securities and any other Partnership Assets.

1.02. Office. The principal office of the Partnership shall be maintained at 125 Goodman Drive, Bethlehem, Pennsylvania 18015, or at such other location in Pennsylvania as the General Partner may determine from time to time upon thirty days' prior written notice to the Limited Partners.

1.03. Term. The term of the Partnership commenced on the date the Certificate of Limited Partnership was filed for record with the Secretary of State of the Commonwealth of Pennsylvania and shall continue through the close of business on December 31, 2002, unless sooner terminated pursuant to the provisions of Article IX hereof; provided, however, that the General Partner may, upon written request made to all Limited Partners and receipt of approval of a Majority in Interest of the Limited Partners given on or before July 1, 2002, extend the term of the Partnership to December 31, 2003. If any such extension of the term of the Partnership occurs, the General Partner similarly may extend the term of the Partnership, not more than two additional times, for similar one year periods, upon such written request and receipt of approval of a Majority in Interest of the Limited Partners on or before each of July 1, 2003 and July 1, 2004.

1.04 Authorized Units. The aggregate number of Units in the Partnership to be issued by the Partnership shall not exceed 80 Units at an initial issuance price of $250,000 per Unit, although the General Partner is authorized to issue fractional Units of not less than one-tenth (1/10) of a Unit and at an initial issuance price of not less than $25,000 per such one-tenth (1/10) of a Unit. Subject to the limitation on the aggregate number of Units which the Partnership may issue, after the Initial Closing Date, the General Partner may admit Limited Partners until the earlier of (a) January 24, 1993, or such later date (which may not be later than May 24, 1993) as to

which a 67% in Interest of the Limited Partners may agree, or (b) the first date upon which the Partnership consummates a Capital Transaction; provided, however, (i) that the initial cash installment payment of the Capital Contribution of any Limited Partner admitted subsequent to the Initial Closing Date shall equal the then per Unit Unreturned Capital Contribution of the then Limited Partners and (ii) upon the admission of any Limited Partner subsequent to the Initial Closing Date, the Partnership shall allocate to the Capital Accounts of all Limited Partners prior to such admission their pro rata share of the Annual Management Fee that such new Limited Partner would have paid if such Limited Partner had been admitted at the Initial Closing Date. Upon any admission of new Limited Partners, whether under this Paragraph 1.04 or under Paragraph 9.02, the General Partner shall so inform all other then Limited Partners, identifying such new Limited Partners and their respective ownership of Units, Capital Accounts, Capital Contributions and percentage interests in the Partnership.

II. DEFINITIONS

"Accounting Firm" means Arthur Andersen & Co., which is to be responsible for auditing the financial statements of the Partnership, or such other independent public accounting firm chosen by the General Partner and approved by a Majority in Interest of the Limited Partners.

"Accounting Period" means the period during which Profits and Losses are to be calculated under this Agreement, which will normally be a period of one year commencing January 1, but may be of shorter duration should the context require a shorter period.

"Act of Bankruptcy" means, as to any Partner, the happening of any of the following events:

(1) If such Partner (i) files a voluntary petition in bankruptcy, (ii) is adjudicated to be bankrupt or insolvent, (iii) files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal Bankruptcy Act or under the present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors, (iv) files no answer, or an answer or other pleading admitting or failing to contest material allegations of a petition filed against him in any proceeding of this nature, or (v) seeks or consents to or acquiesces in the appointment of any trustee, receiver, conservator or liquidator of said Partner, or of all or of any substantial part of such Partner's properties (the term

"acquiesce" includes, but is not limited to the failure to file a petition or motion to vacate or discharge any order, judgment or decree providing for such appointment within ten days after the appointment);

(2) If a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against such Partner seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or future federal Bankruptcy Code or under any other present or future applicable federal, state or other statute or law relating to bankruptcy, insolvency or other relief for debtors, and said Partner acquiesces in the entry of such order, judgment or decree or such order, judgment or decree remains unvacated and unstayed for an aggregate of 90 days (whether or not consecutive) from the date of entry thereof, or any trustee, receiver, conservator or liquidator of such Partner or of all or any substantial part of his properties or his interest in the Partnership is appointed without the consent or acquiescence of such Partner and such appointment remains unvacated and unstayed for an aggregate of 60 days (whether or not consecutive);

(3) Such Partner admits in writing such Partner's inability to pay such Partner's debts as they mature;

(4) Such Partner gives notice to any governmental body of insolvency or pending insolvency, or suspension or pending suspension of operations; or

(5) Such Partner makes an assignment for the benefit of such Partner's creditors or takes any other similar action for the protection or benefit of creditors.

"Adjusted Basis" means the basis of property for determining gain or loss for Federal income tax purposes from the sale or other disposition of property, as defined in Section 1011 of the Code.

"Adjusted Capital Value" is defined in Paragraph 5.08(a).

"Affiliate" of, or a person or entity "affiliated" with, a specified person or entity, means a person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the person or entity specified. For the purpose of this definition, the term "control" (including the terms controlling", "controlled by" and "under common control with") means the possession, directly or indirectly, alone or in concert with others, of the power to direct or cause the direction of the management and

policies of a person or entity, whether through the ownership of securities, by contract or otherwise and, with respect to the General Partner, any officer, or a parent, spouse, brother, sister, child or any equivalent in-law of such officer, or any partnership, corporation or other entity in which the General Partner or any of its officers directly or indirectly controls or has an investment, shall be deemed an "Affiliate" of the General Partner.

"Annual Management Fee" is defined in Paragraph 5.08(a).

"Asset Value." With respect to any Partnership Asset, the asset's Adjusted Basis for Federal income tax purposes, except that the Asset Values of all Partnership Assets shall be adjusted to equal their respective fair market values (as determined by the Valuation Committee, in accordance with this Agreement and the rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, as of: (a) the date of the acquisition of any additional Unit by any new or existing Partner in exchange for more than a de minimis Capital Contribution, other than pursuant to a closing on the Initial Closing Date hereunder; (b) the date of the distribution of more than a de minimis amount of Partnership Assets (other than money) to a Partner; or (c) the date of the termination of the Partnership under Section 708(b)(i)(B) of the Code. Subsequent to any such adjustment of the Asset Value of any Partnership Asset, the Asset Value shall thereafter be adjusted for the Depreciation taken into account with respect to such Partnership Asset for purposes of computing Profit and Loss, and the Capital Accounts shall be adjusted in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

"Capital Account" means the account of each Partner which reflects the Partner's interest in the Partnership, as further defined in Paragraph 3.07.

"Capital Contributions" mean the amounts contributed and agreed to be contributed by the Partners to the capital of the Partnership, in the case of the Limited Partners as reflected on Schedule "A", as the same may be hereafter amended to reflect admission of additional Limited Partners pursuant to Paragraphs 1.04 and 8.02, and, in the case of the General Partner, as provided in Paragraph 3.01.

"Capital Transaction." Any transaction referred to in the definition of "Net Proceeds from Capital Transactions."

"Code" means the Internal Revenue Code of 1986, as amended.

"Depreciation" means, for each fiscal year, an amount equal to the depreciation, amortization and other cost recovery deductions allowable with respect to an asset for such period, except that if the Asset Value of an asset differs from its Adjusted Basis at the beginning of such year, Depreciation shall be an amount which bears the same ratio to such beginning Asset Value as the Federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis. If the amount of any depreciation, amortization or cost recovery deduction for such year is zero, Depreciation shall be determined by reference to beginning Asset Value, using any reasonable method selected by the General Partner.

"Dissenting Limited Partner" is defined in Paragraph 5.07(j).

"Distributable Securities" is defined in Paragraph 6.04(d).

"Economic Interest" is defined in Paragraph 8.02(b)(i).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Freely Tradeable Security" is defined in Paragraph 6.04(c).

"Freely Tradeable Security Transaction Date" is defined in Paragraph 4.01(c).

"General Partner" means NEPA II Management Corporation, and any successor in interest as general partner of the Partnership.

"Gross Income" means the amount of income of the Partnership during an Accounting Period equal to the sum of Net Cash from Operations and Net Proceeds from Capital Transactions during such Accounting Period. Where relevant, Gross Income shall be determined and allocated prior to the calculation of Profits and Losses. Such allocation shall be taken into account in the calculation of Profits and Losses.

"Initial Closing Date" means July 24, 1992.

"Initial Investment" is defined in Paragraph 3.02(b).

"installment" of a Capital Contribution is defined in Paragraph 3.02(a).

"Limited Partners" means the persons or entities who have executed and delivered to the Partnership a Subscription Agreement in the form approved by the General Partner which has been accepted on behalf of the Partnership by the General Partner, such persons being listed on Schedule A hereto, and all persons thereafter becoming limited partners, but only pursuant to Paragraphs 1.04 and 8.02.

"Liquidator" means the General Partner or such other person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

"Majority in Interest of the Limited Partners" means those of the Limited Partners who, at the time of determination, hold more than 50% of the Units then held by all Limited Partners. Any other stated percentage in Interest of the Limited Partners means the Limited Partners who, at the time of determination, own such stated percentages of the Units then held by all Limited Partners. Except as otherwise provided herein, in the event a Limited Partner fails to pay any portion of its Capital Contribution when due, the Units held by such Limited Partner shall not be deemed to be owned by such Limited Partner for purpose of determining whether the required consent of the Limited Partners has been obtained.

"Net Cash from Operations" means with respect to any fiscal period, gross receipts of the Partnership from all sources (including, without limitation, any dividends or distributions to the Partnership on Securities held by the Partnership), other than the sale or redemption of Securities or Short-Term Investments, reduced by the sum of (i) Operating Expenses paid through such fiscal period other than those paid out of any Reserve; and (ii) those funds, if any, added to the Reserve during such fiscal period by the General Partner. Net Cash from Operations shall be determined without regard to either Capital Contributions or Net Proceeds from Capital Transactions.

"Net Proceeds from Capital Transactions" means the proceeds from the sale or redemption of any Securities or the sale of any other item that, in accordance with generally accepted accounting principles, are attributable to capital (other than the sale or redemption of Short-Term Investments pending the investment of such funds in Securities), less (i) all debts and liabilities of the Partnership required by their terms to be paid from the proceeds of such transaction; and (ii) any amount of such proceeds added to the Reserve, in the discretion of the General Partner.

"Non-Business Day" is defined in Paragraph 4.01(c).

"Non-Capital Transactions" is defined in Paragraph 4.02(b)(iii)(D).

"Normal Fund Expenses" means, with respect to any fiscal period, all recurring and routine expenses of the Partnership such as (i) fees, salaries and expenses of the General Partner, its officers and employees, and any advisors and consultants (including members of any management or technical advisory board to the Partnership that may be established by the General Partner, but excluding attorneys and accountants); (ii) expenses incurred in the course of investigating, negotiating and monitoring Partnership investments; (iii) rent, travel, administrative and office expenses; and (iv) all expenses incurred in organizing the Partnership in an aggregate amount not to exceed $125,000 and itemized in reasonable detail and provided to the Limited Partners upon the Initial Closing Date. Normal Fund Expenses shall not include any "finder's fees" paid or payable by the General Partner or the Partnership to third parties with respect to obtaining any Capital Contribution from any Limited Partner or any brokerage fees paid or payable by the General Partner or the Partnership to third parties with respect to any investment by the Partnership in Securities of a portfolio company.

"Offer" is defined in Paragraph 8.02(b)(i).

"Operating Expenses" means, with respect to any fiscal period, all expenses of conducting the continuing business of the Partnership including, without limitation (i) the Annual Management Fee; (ii) any taxes assessed against the Partnership; (iii) commissions or brokerage fees, if any, incurred in connection with the purchase and/or sale of Securities or Short-Term Investments and not excluded from the definition of Normal Fund Expenses; (iv) investment banking expenses; and (v) the cost of any legal or accounting services provided to the Partnership, including those rendered in connection with the year-end audit of the Partnership; but shall not include Normal Fund Expenses, realized and unrealized depreciation in the Partnership Assets, any capital expenditures or any amounts distributed to the Limited Partners.

"Optionee Partners" is defined in Paragraph 8.02(b)(ii).

"Partners" means the General Partner and the Limited Partners.

"Partnership Act" means the Pennsylvania Revised Uniform Limited Partnership Act, as amended.

"Partnership Assets" means all assets and property, whether tangible or intangible and whether real, personal or mixed, at any time owned by the Partnership.

"Payback" means, with respect to each Limited Partner, any time that such Limited Partner's Unreturned Capital Contribution is less than $1.00, as such definition may be further affected by the operation of the provisions of Paragraph 3.02(a) and (e).

"Pension Contribution Notice" is defined in Paragraph 3.02(b).

"Pension Limited Partner" is defined in Paragraph 3.02(b).

"Pension Trust Account" is defined in Paragraph 3.02(b).

"portfolio company" is defined in Paragraph 5.05(b)(ii).

"Profits or Losses" means, for each Accounting Period, an amount equal to the Partnership's taxable income or loss for such Accounting Period, determined by the Accounting Firm at the close of the relevant Accounting Period, including, without limitation, each item of Partnership income, gain, loss or deduction, taking into account the following adjustments and any other adjustments necessary in order to comply with Treasury Regulations Section 1.704-1(b)(2)(iv):

(a) all income of the Partnership that is exempt from Federal income tax and not otherwise taken into account in computing Profit or Loss pursuant to Paragraph 5.04 shall be added to such taxable income or loss;

(b) any expenditure of the Partnership described in Section 705(a)(2)(B) of the Code or treated as an expenditure described in such Code Section and not otherwise taken into account in computing Profit or Loss (excluding any Syndication Expenses), shall be subtracted from such taxable income or loss;

(c) gain or loss resulting from any disposition of Partnership Assets with respect to which gain or loss is recognized for Federal income tax purposes shall be computed by reference to the Asset Value of the Partnership Assets disposed

of, notwithstanding that the adjusted income tax basis of such Partnership Assets differs from its Asset Value;

(d) in lieu of the depreciation, amortization or other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account the deduction for such items computed in accordance with the definition of Depreciation; and

(e) in the event the Asset Value of any Partnership Asset is adjusted pursuant to the definition of Asset Value set forth in Article I or any other provision of this Agreement, the amount of such adjustment shall be taken into account as income or loss from the disposition of such asset for purposes of computing Profit and Losses.

(f) any items of income specially allocated under Paragraph 4.02(b) shall be excluded from Profits and Losses.

"Realization Reserve" is defined in Paragraph 4.01(d).

"Related Parties" is defined in Paragraph 10.02.

"Reserve" means reasonable amounts set aside by the General Partner to pay Operating Expenses and for contingencies, but does not include the Realization Reserve.

"Securities" is defined in Paragraph 1.01.

"Selling Partner" is defined in Paragraph 8.02(b)(i).

"Short-Term Investments" is defined in Paragraph 5.07(d).

"Special Attorney" is defined in Paragraph 10.01.

"Subsequent Closing Date" means any date after the Initial Closing Date upon which Limited Partners are admitted to the Partnership.

"Syndication Expenses." All expenditures classified as syndication expenses pursuant to Treasury Regulations Section 1.709-2(b).

"Tax Payment Loan" is defined in Paragraph 5.13.

"Transaction Date" and "Transaction Notice" are defined in Paragraph 6.04(d)(i).

"Treasury Regulations" mean the regulations promulgated pursuant to the Code.

"Units" means the number of units of limited partnership interests subscribed for by a Limited Partner, as set forth on the signature page of a Subscription Agreement in the form approved by the General Partner, as executed and delivered by such Limited Partner and accepted by the General Partner on behalf of the Partnership, as such number may be reduced pursuant to the terms of Paragraph 3.03.

"Unreturned Capital Contribution" means that portion of a Limited Partner's Capital Contribution which has been paid in cash, reduced, but not below zero, by all cash (and the value of all Securities) distributed to that Limited Partner pursuant to Article IV and Paragraph 6.04(d).

"Valuation Committee" is defined in Paragraph 6.02.

"Withholding Tax Act" is defined in Paragraph 5.13.

III. PARTNERS AND CAPITAL CONTRIBUTIONS

3.01. General Partner.

On July 24, 1992, the General Partner contributed $20,000 to the capital of the Partnership. On each Subsequent Closing Date or any date on which, pursuant to Paragraph 3.02, Limited Partners pay cash installments of their Capital Contributions, the General Partner shall contribute cash equal to 1% of the aggregate cash installments of the Capital Contributions paid by the Limited Partners on each such Subsequent Closing Date or such installment payment date. No additional general partners may be admitted to the Partnership without the prior written consent of 67% in Interest of the Limited Partners.

3.02. Limited Partners.

(a) Upon its execution of the Agreement, each Limited Partner shall make an initial installment payment, in cash, of 10% of such Limited Partner's Capital Contribution, in the amount per Unit shown opposite such Limited Partner's name on Schedule "A". In addition, each Limited Partner has agreed to and shall make additional installment payments of its Capital Contribution, in cash, of such amount per Unit as notified by the General Partner as provided in this Paragraph 3.02 and in Paragraph 5.07(b). At any time prior to July 24, 1998, the General Partner may, upon 30 days written notice (given no more frequently than once in every 30 days and, subject to Paragraph

3.02(e), requiring no more than 33% of such Limited Partner's Capital Contribution to be paid in cash during any calendar year) to all, but not less than all, of the Limited Partners, require each Limited Partner to pay an increment of its Capital Contribution (an "installment") not smaller than 10% of its total Capital Contribution to the Partnership, in cash (except that the final amount so called may be less than 10% if less than such 10% amount remains to be paid). Such notice shall set forth: (i) the date the installment of the Limited Partners' Capital Contribution is due; and (ii) the amount of such installment per Unit, which shall be the same for all Limited Partners. The General Partner may, at any time, terminate in whole or in part the remaining obligations of the Limited Partners to pay further installments of Capital Contributions to the Partnership; any partial termination shall be made among the Limited Partners pro rata in proportion to their remaining obligations. Upon any such termination, Payback shall be calculated based on the amount of cash installments of their respective Capital Contributions theretofore actually paid by the Limited Partners.

(b) Notwithstanding anything in this Agreement to the contrary, the initial cash installment payment of a Limited Partner's Capital Contribution and any subsequent cash installment payment of a Limited Partner's Capital Contribution required of one or more Limited Partners under Paragraph 3.02(a) shall be deferred to the extent that the General Partner determines it necessary to do so in order that none of the assets of the Partnership are treated as "plan assets" under the provisions of Title I of ERISA. Except as provided in Paragraph 3.02(c), no cash installment payment of a Capital Contribution shall be made by any Limited Partner that is a pension trust subject to Title I of ERISA (a "Pension Limited Partner") until the date on which the first investment of the Partnership in Securities of a portfolio company which will initially allow the Partnership to qualify as a "operating company" within the meaning of U.S. Department of Labor Reg. §2510.3-101 (the "Initial Investment") closes. Prior to the closing date of the Initial Investment, the General Partner shall notify each Pension Limited Partner in writing of the amount of and when the cash installment payment of a Pension Limited Partner's Capital Contribution must be contributed to the Partnership (the "Pension Contribution Notice"). Following receipt of the Pension Contribution Notice, each Pension Limited Partner will establish an account in a financial institution of its choice in the name of the pension trust (the "Pension Trust Account") and fund it with cash equal to the amount of the cash installment amount of the Capital Contribution specified in the Pension Contribution Notice. On the closing date of the Initial Investment or such other date as the General Partner shall specify in writing, the amount held in the Pension Limited Partner's Pension Trust

Account shall be paid to the Partnership in satisfaction of its required cash installment payment of its Capital Contribution.

(c) At the request of the General Partner each Pension Limited Partner shall make a cash installment payment of its Capital Contribution in an amount equal to or less than the cash installment payment of its Capital Contribution such Pension Limited Partner would have made as of the date such cash installment payment of its Capital Contribution is to have been made if it had been a Limited Partner but not a Pension Limited Partner, provided that such cash installment payment of its Capital Contribution shall, upon receipt, be immediately paid out to satisfy Operating Expenses, not including amounts due the General Partner or the Limited Partners.

(d) Following the closing date of the Initial Investment, each Pension Limited Partner shall, except as otherwise provided in this Section 3.02, make a cash installment payment of its Capital Contribution in an amount which, together with all prior cash installment payments of its Capital Contribution, will equal the amount of the cash installment payments of its Capital Contribution the Pension Limited Partner would have made if it had been a Limited Partner but not a Pension Limited Partner.

(e) Notwithstanding anything in this Agreement to the contrary, to the extent that distributions under Article IV are to be made to Limited Partners at a time when Limited Partners have not yet made all of their Capital Contributions in cash, the General Partner may, upon ten days' prior written notice, either (i) require each Limited Partner to pay an installment of its Capital Contribution equal to the difference between the amount of such distribution and the amount of its Capital Contribution which such Limited Partner previously has paid to the Partnership in cash or (ii) state that the remaining amount of such Limited Partner's Capital Contribution not yet paid in cash shall be deemed, for Payback purposes, to have been made and that no further cash installment payments of Capital Contributions will be required. Except to the extent inconsistent with the preceding sentence, all provisions of Article III of this Agreement shall apply to such cash installment payments. Such election shall be in lieu of a termination, by the General Partner, in whole or in part, of the remaining obligations of the Limited Partners to make further cash installment payments of Capital Contributions pursuant to the terms of Paragraph 3.02(a). Paragraphs 3.02(a) and 3.02(e) are to be interpreted, regardless of the applicable election of the General Partner, such that Payback shall be calculated based solely on the amount of cash installments of Capital Contributions actually paid by Limited Partners to the

Partnership or deemed to have been paid by Limited Partners to the Partnership up to and including the time at which Payback is to be calculated.

3.03. Default by Limited Partner. In the event a Limited Partner fails to pay any portion of its Capital Contribution when the same is due, in addition to all other remedies available to the Partnership, and not as an election of remedies, the General Partner by notice to such Limited Partner may declare the portion of such Limited Partner's Capital Account equal to such Limited Partner's Unreturned Capital Contribution and the number of Units held by such Limited Partner to be reduced to 50% of the amount and number thereof, respectively, immediately prior to such default. The amount of such forfeited Unreturned Capital Contributions and Units shall be allocated pro rata (calculated based on the number of Units held by non-defaulting Partners immediately prior to such default) to all other non-defaulting Partners, as liquidated damages to the Partnership and not as a penalty. Notwithstanding the exercise of such election, the Partnership may also avail itself of all appropriate legal remedies to compel payment of all sums due from the defaulting Limited Partner and all collection expenses, including fees and disbursements of counsel for the Partnership and the General Partner.

3.04. Return of Capital Contributions. Except as may otherwise be provided in this Agreement, the Capital Contributions of the Partners will be returned to them only in the manner and to the extent provided in Article IV and Article IX. No Partner shall have the right to demand redemption of such Partner's Units, whether or not such Partner withdraws from the Partnership. Other than as set forth in Paragraphs 5.01(a)(viii), 6.04(d) and except as otherwise provided elsewhere in this Agreement, no Partner will have the right to demand or receive property other than cash in return for such Partner's Capital Contributions and no interest shall be paid on or with respect to the Capital Account or Unreturned Capital Contribution of any Partner.

3.05. Effect of Default on Other Partners. The failure of any Partner to make any Capital Contribution required under the terms of this Agreement will not obligate any other Partner (other than a substituted Limited Partner) to make such contribution.

3.06. Liability of Limited Partners. The liability of each Limited Partner to the Partnership shall be limited to the amount of such Partner's agreed Capital Contributions, and no Limited Partner will have any further personal liability to contribute money to, or in respect of, the liabilities or the

obligations of the Partnership, nor will any Limited Partner, in its capacity as such, be personally liable for any obligations of the Partnership.

3.07. Capital Accounts.

(a) A separate capital account (the "Capital Account") shall be established and maintained for each Partner. The Capital Account of each Partner shall be credited with such Partner's Capital Contribution paid in cash, all Profits allocated to such Partner pursuant to Article IV, and any items of income or gain which are specially allocated pursuant to Paragraph 4.02(b); and shall be debited with the sum of (i) all Losses and deductions of the Partnership allocated to such Partner pursuant to Article IV, (ii) all cash and the Asset Value of any property (net of liabilities assumed by such Partner and the liabilities to which such property is subject) distributed by the Partnership to such Partner, except distributions referred to in Paragraph 4.02(d), and (iii) such Partner's share of Syndication Expenses. To the extent not provided for in the preceding sentence, the Capital Accounts of the Partners shall be adjusted in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv), as the same may be amended or revised. Any references in any Paragraph of this Agreement to the Capital Account of a Partner shall be deemed to refer to such Capital Account as the same may be credited or debited from time to time as set forth above. In the event of any transfer of any interest in the Partnership in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(b) Except as otherwise specified in Paragraph 9.02(d), no Partner shall be required to pay to the Partnership or to any other Partner the amount of any negative balance which may exist from time to time in such Partner's Capital Account.

(c) No Partner shall have the right to withdraw any part of such Partner's Capital Contribution or be entitled to receive any interest on its Capital Account balance or on any Capital Contribution, notwithstanding any disproportion therein as between Partners.

IV. PARTNERSHIP DISTRIBUTIONS AND ALLOCATIONS

4.01. Distributions in General.

(a) Within 10 days after receipt by the Partnership with respect to cash included in Net Cash from Operations and Net Proceeds from Capital Transactions, and within 45 days after receipt by the Partnership with respect to Freely Tradeable Securities included in Net Cash from Operations and Net Proceeds from Capital Transactions, the Partnership shall distribute to the Partners all Net Cash from Operations and Net Proceeds from Capital Transactions received by the Partnership (or Freely Tradeable Securities in lieu thereof of equal value, valued as provided in Article VI and Paragraph 4.01(c) and distributed consistently with Paragraph 6.04(d)), as follows:

(i) First, 99% to the Limited Partners, as a class, and 1% to the General Partner until Payback has been achieved with respect to all the Limited Partners and the Limited Partners have paid their full Capital Contributions in cash (as the definition of Payback with respect to such cash payment of Capital Contributions may have been affected by the operation of Paragraphs 3.01(a) and (e); and

(ii) Second, the balance, 80% to the Limited Partners, as a class, and 20% to the General Partner.

(b) Notwithstanding the foregoing, distributions upon a dissolution and liquidation of the Partnership shall be made among the Partners in proportion to their positive Capital Account balances, after giving effect to all contributions, distributions under Paragraph 4.01(a) and allocations for all Accounting Periods, up to and including the date of such distribution, and notwithstanding any implication to the contrary contained in this Agreement, in no event shall the operation of this Agreement cause the General Partner to receive distributions of Net Cash from Operations and Net Proceeds from Capital Transactions, after Payback, in excess of 20% of total distributions to all Partners.

(c) In calculating Payback, the value of Freely Tradable Securities received by a Partner shall be deemed to be the closing price for such Freely Tradeable Security (or other valuation as set forth in Paragraph 6.04) on the date on which, after the Partnership has distributed such Freely Tradeable Security to such Partner, such Partner could have caused the sale of such Freely Tradeable Security and received cash or account credit for such sale (the "Freely Tradeable Security Transaction Date"), and in the absence of conclusive evidence to the contrary submitted to the Partnership by the affected Limited Partner, the

Freely Tradeable Security Transaction Date shall be deemed to have occurred on the seventh calendar day after the date on which the General Partner has notified the Partners that such Freely Distributable Security is to be distributed to Partners. If such seventh calendar day is a day on which banks in the Commonwealth of Pennsylvania are or are permitted to be closed (a "Non-Business Day"), the next day which is not a Non-Business Day shall be deemed to be the applicable day.

(d) Notwithstanding the foregoing, on and after July 24, 1997, the General Partner, with the prior written approval of the Valuation Committee and in the discretion of the General Partner, may elect not to distribute an aggregate amount of cumulative aggregate Net Cash from Operations and Net Proceeds from Capital Transactions received by the Partnership prior to July 24, 1997, equal to not more than 10% of the cumulative aggregate Net Proceeds from Capital Transactions received by the Partnership prior to such date (the "Realization Reserve"). From time to time thereafter, the General Partner, in its sole discretion, may make disbursements from the Realization Reserve (i) to make additional investments in Securities of portfolio companies held by the Partnership, (ii) to pay the Annual Management Fee and/or other Operating Expenses and/or (iii) to make distributions to Partners. Upon termination and dissolution of the Partnership under Article IX hereof, all funds then remaining as Realization Reserves shall be distributed to the Partners as required herein for all Partnership Assets upon a liquidation of the Partnership, pursuant to Articles IX and IV.

(e) Notwithstanding the provisions of Paragraph 4.01(a), until and unless the Partnership receives aggregate Net Cash from Operations and Net Proceeds from Capital Transactions equal to or greater than $200,000, Net Cash from Operations and Net Proceeds from Capital Transactions need be distributed by the Partnership to the Partners only within 10 days after the end of each calendar quarter in which such aggregate $200,000 amount has been received.

4.02 Allocation of Partners' Distributive Shares.

(a) Except as provided in Paragraphs 4.02(a)(iii), 4.03 and 4.04, the Profits or Losses of the Partnership, for any applicable Accounting Period, shall be allocated among the Partners in the following order and priority:

(i) Profits of the Partnership shall be allocated between the Limited Partners, as a class, and General Partner in the ratio of 99% to the Limited Partners, as a class, and 1% to the General Partner until the Accounting Period in

which Payback occurs and thereafter in the ratio of 80% to the Limited Partners, as a class, and 20% to the General Partner.

(ii) Losses of the Partnership shall be allocated between the Limited Partners, as a class, and General Partner in proportion to their respective Capital Accounts, calculated after taking into account the determinations made pursuant to subparagraph (iii)(A).

(iii) Notwithstanding the foregoing so long as the Capital Accounts of the Limited Partners, as a class, and the General Partner are not in the ratio of 80% to the Limited Partners, as a class, and 20% to the General Partner:

(A) Commencing with the Accounting Period during which aggregate distributions pursuant to Section 4.01, including all previous distributions, to the Partners causes Payback to occur, before the allocation of Profits and Losses under subparagraphs (a)(i) and (ii) above, Gross Income shall be allocated to the General Partner in such a manner that the Capital Accounts of the General Partner and the Limited Partners, as a class, will be in the ratio of 20% to the General Partner and 80% to the Limited Partners, as a class, at the earliest possible time, provided that this subparagraph shall not be taken into account to the extent that the amount of Gross Income plus Profits less Losses allocated to the General Partner under this Agreement, with respect to any Accounting Period, exceeds 250% of the distributions made (or be made) to the General Partner with respect to such Accounting Period. To the extent that there are Profits which would otherwise be allocated to the General Partner, except for the effect of the preceding proviso, such Profits shall be allocated to the Limited Partners, as a class.

(B) If the allocation of Gross Income pursuant to the preceding subparagraph (a)(iii)(A) results in Partnership Losses, or increases the amount of Partnership Losses, the amount of such Losses shall be allocated between the Limited Partners, as a class, and the General Partner, in the ratio of 80% to the Limited Partners, as a class, and 20% to the General Partner.

(iv) In making the allocations set forth in Section 4.02(a)(i), (ii) and (iii) the following rules shall be applied:

(A) Distributions pursuant to Paragraph 4.01(a), with respect to the relevant Accounting Period, shall be taken into account prior to allocating Profits, Gross Income or Losses.

(B) All distributions made with respect to transactions occurring within a particular Accounting Period or not later than 45 days after the end of such Accounting Period shall be treated as having been made within the Accounting Period.

(C) If Profits include both net gains on Capital Transactions and net income from transactions which are not Capital Transactions ("Non-Capital Transactions"), a portion of each type of income shall be allocated to the Limited Partners, as a class, and the General Partner based on the proportionate share of Profits allocable to each.

(D)(i) If there are Losses on Capital Transactions and Profits from Non-Capital Transactions, the Profits from Non-Capital Transactions and the Losses from Capital Transactions shall not be netted for purposes of making allocations hereunder, and the Profits from the Non-Capital Transactions shall be allocated prior to allocating the Losses on the Capital Transactions.

(ii) If there are Losses from Non Capital Transactions and Profits on Capital Transactions, the Profits from the Capital Transaction and the Losses from the Non Capital Transactions shall not be netted for purposes of making allocations hereunder, and the Profits from the Capital Transactions shall be allocated prior to allocatiang the Losses from the Non-Capital Transactions.

(E) Notwithstanding any other provision of this Agreement, Losses and deductions shall not be allocated to a Limited Partner except to the extent that that Partner has a positive Capital Account after allocating any Profits to such Partner or unless such Partner is obligated to make further Capital Contributions to the Partnership.

(b) Notwithstanding anything to the contrary contained in this Agreement, if a Partner unexpectedly receives an adjustment, allocation or distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which causes or increases a deficit balance in such Partner's Capital Account (in excess of the amount of such deficit which the Partner is obligated to restore), gross income of the Partnership shall be allocated to such Partner in an amount sufficient to eliminate the portion of any such deficit balance in such Partner's Capital Account caused by such adjustment, allocation or distribution as quickly as possible. It is the intent of the parties that any allocations pursuant to this Paragraph 4.02(b) constitute a qualified income offset under Treasury Regulations Section 1.704-1(b)(2)(ii)(D).

(c) Except as provided otherwise in this Agreement, all items of Partnership income, gain, loss or deduction, and any other allocations not otherwise provided for shall be allocated among the General Partner and the Limited Partners, as a class, in the same proportions they share Profits or Losses, as the case may be, for the relevant Accounting Period.

(d) Notwithstanding the provisions of Paragraph 4.02 other than this subparagraph (d), in the event that any fees paid to the General Partner or its Affiliates pursuant to this Agreement and deducted by the Partnership in reliance on Sections 707(a) and/or 707(c) of the Code, are disallowed as deductions to the Partnership on its Federal income tax return and treated as Partnership distributions, the General Partner will be allocated items of Partnership income, if any, in the year such fees were paid, equal to the amount of such fees for which deductions were disallowed and treated as Partnership distributions. The intent of this provision is to allocate income and losses for federal income tax purposes in the same manner as otherwise would have been allocated had the expenditures referred to above been allowed for Federal income tax purposes and as they are allocated under this Agreement for book purposes.

(e) In accordance with Code Section 704(c) and the Treasury Regulations thereunder, items of income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership, shall, solely for Federal income tax purposes, be allocated among the Partners so as to take into account any variation between the adjusted basis of such property to the Partnership for Federal income tax purposes and its Asset Value. In the event the Asset Value of any Partnership Asset is adjusted pursuant to this Agreement, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take into account any variation between the Adjusted Basis of such asset and its Asset Value in the same manner as under Section 704(c) of the Code and applicable Treasury Regulations, including under Section 704(b) of the Code. Allocations pursuant to this Paragraph 4.02(e) are solely for purposes of Federal, state and local taxes and shall not affect or be taken into account in computing Capital Accounts, Profits, Losses, other items or distributions pursuant to this Agreement.

4.03. Allocations and Distributions Among Partners and Classes of Partners.

(a) All allocations and distributions under this Article IV to be made to the Limited Partners as a class shall be allocated or distributed among Limited Partners pro rata in accordance with the number of Units held by each Limited Partner;

provided, however, that: (i) no distributions shall be made to any Limited Partner whose Unreturned Capital Contribution is less than $1.00 until the Unreturned Capital Contributions of all Limited Partners is less than $1.00; (ii) an amount of Profits and Losses with respect to any fiscal year in which Units were issued by the Partnership after January 1 of that year, shall be allocated among the Limited Partners, in proportion to an amount equal to the product of the Profits and Losses allocable to the Limited Partners as a class for such fiscal year and a fraction, the numerator of which is the number of days such Partner held such Unit and the denominator of which is the total number of days all Units were held; (iii) special allocations of income, gain, loss, deduction (including, but not limited to, the Annual Management Fee) or other item shall be made among the Limited Partners so that, notwithstanding the different holding periods for the Limited Partners, all of the Capital Accounts of the Limited Partners, computed on a per Unit basis, will be equalized at the earliest possible date; and (iv) if a Limited Partner is not to receive a distribution pursuant to Paragraph 4.01(a)(i) until all other Limited Partners have received distributions equal to Payback, then the allocation of distributions to the Limited Partners as a class shall be made based upon their respective Unreturned Capital Contributions with respect to Limited Partners for which Payback has not been attained.

(b) If a Unit is transferred in accordance with this Agreement, there shall be allocated to the transferor Partner and the transferee Partner during the fiscal year of transfer the product of: (i) the Partnership's Profits or Losses allocable to such Unit for such fiscal year; and (ii) a fraction, the numerator of which is the number of days such Partner held such Unit (as determined in accordance with Paragraph 8.02(g)) during such fiscal year and the denominator of which is the total number of days in such fiscal year; provided, however, that the General Partner may, in its sole discretion (subject to the provisions of Section 706(d) of the Code), allocate such Profits or Losses by closing the books of the Partnership immediately after the transfer of such Unit. Such allocation shall be made without regard to the date, amount or recipient of any distributions which may have been made with respect to such Unit.

(c) Any distributions made to Partners arising from income on Short-Term Investments shall not be included in determining whether Payback has been achieved and, notwithstanding anything to the contrary contained in this Agreement, all distributions and allocations made or to be made to Partners under this Article IV, and arising from income on Short Term Investments, shall be distributed and allocated 99% to the Limited Partners, as a class and 1% to the General Partner.

4.04. Allocation of Syndication Expenses. Syndication Expenses shall be allocated 1% to the General Partner and 99% to the Limited Partners, as a class. For purposes of computing the Limited Partners' Capital Accounts, the total of the Syndication Expenses of the Partnership shall be determined and allocated among the Partners in proportion to their Partnership Interests. Each Limited Partner's Capital Account shall also be debited by the total amount of Syndication Expenses payable by the Partnership in respect of such Partner's purchase of such Partner's Unit or Units.

4.05. Minimum Allocations to the General Partner. Except as provided in Paragraph 4.03(c), any of the provisions of this Agreement to the contrary notwithstanding, the General Partner shall be allocated at least 1% of each material item of Partnership income, gain, loss, deduction and credit.

V. DUTIES, POWERS AND RESTRICTIONS OF THE GENERAL PARTNER

5.01. Management.

(a) General Powers. The General Partner (who is hereby designated the "tax matters" partner of the Partnership pursuant to and within the meaning of Section 6231(a)7 of the Code) shall have full charge of the business of the Partnership and all decisions with respect to the business of the Partnership shall be made solely by the General Partner. The General Partner shall have the necessary powers to carry out the purpose, business, and, except as otherwise provided in this Agreement or in the Partnership Act, shall possess and enjoy all of the rights and powers of a partner of a partnership without limited partners, including, without limitation, the following specific powers:

(i) subject to Paragraphs 5.07 and 6.04, to select, purchase, sell, dispose of, invest and trade in Securities, checks, moneys and other personal property of the Partnership, whether or not such Securities are Freely Tradable Securities, at such prices and on such terms as the General Partner may determine;

(ii) to lend any Partnership funds or property, with or without security, consistent with the best interests of the Partnership;

(iii) to have the Partnership form or cause to be formed and own the stock of one or more corporations, whether foreign or domestic, which may issue subordinated debentures or incur indebtedness;

(iv) to have the Partnership form or cause to be formed and participate, but only as a limited partner or participant with limited liability, in partnerships and joint ventures, consistent with the best interests of the Partnership;

(v) to enter into, make and perform all contracts, agreements and other undertakings on behalf of the Partnership as may be necessary, advisable or incidental to carrying out the stated purpose of the Partnership;

(vi) to establish Reserves and to invest the funds constituting the Reserves in Short-Term Investments;

(vii) to pay Operating Expenses and other expenses, including extraordinary expenses, from gross receipts of the Partnership from all sources and, in the event such gross receipts are not sufficient in amount to pay all such expenses, then from the proceeds of Short-Term Investments or Securities liquidated to the extent necessary to pay such expenses; provided, however, that the General Partner shall require Limited Partners to make an installment payment on their Capital Contributions under Paragraph 3.02 to pay such expenses prior to liquidating any investment in Securities of portfolio companies held by the Partnership;

(viii) to make cash distributions to the Partners of Net Cash from Operations and Net Proceeds from Capital Transactions and, in the case of Net Proceeds from Capital Transactions, to make distributions in kind at its discretion of Securities selected by the General Partner, such distributions to be made pro rata (as nearly as practicable) to all Partners and subject to the provisions of Paragraph 6.04(d); provided, however, that only Freely Tradeable Securities may be so distributed, other than in connection with the liquidation of the Partnership.

(ix) to arbitrate, compromise, settle, sue on or defend any claim of or against the Partnership;

(x) to insure the Partnership against such risks and hazards in such amounts as it shall determine;

(xi) to designate depositories for the funds of the Partnership and to make deposits therein and withdrawals therefrom in accordance with Paragraph 5.02;

(xii) to file for record an amended Certificate of Limited Partnership in the appropriate office solely to reflect the admission or substitution of Partners, or, upon approval of any amendment to the Agreement by the requisite

amount in Interest of the Limited Partners, to file for record any amendment to this Agreement, in each case, with a copy contemporaneously delivered to all Limited Partners;

(xiii) employ employees, attorneys, accountants, brokers, consultants and agents and terminate such employment;

(xiv) make all decisions as to the registration and qualification of the sale of Securities or Partnership Interests under applicable securities laws;

(xv) to execute, acknowledge and deliver any and all instruments or to perform any other acts which may be deemed necessary or convenient to effect the foregoing; and

(xvi) if required by the Partnership Act, to cause the Partnership to engage in any other lawful act or activity for which limited partnerships may be organized under the Partnership Act.

(xvii) to perform all other necessary business in connection with the management of the Partnership.

(b) Certain Restrictions on Management. The General Partner shall conduct the affairs of the Partnership so that (i) no Limited Partner exempt from income taxation under Sections 501(a) or 501(c)(3) of the Code shall as a result of the activities of the Partnership be deemed to have "unrelated business taxable income" as that term is defined in Section 512 of the Code and as further described in Paragraph 5.07(g) of this Agreement, (ii) no Limited Partner which is a private foundation shall be subject to the penalties provided for "self-dealing transactions" under Section 4941(d) of the Code or the penalties for "excess business holdings" under Section 4943 of the Code, (iii) no Limited Partner which is a pension trust exempt from income taxation under Section 501(a) of the Code shall as a result of the activities of the Partnership be considered to have entered into "prohibited transactions" within the meaning of Section 4975 of the Code.

(c) Other Business Relationships. The General Partner shall and shall cause its corporate officers to devote such time, effort and skill to the activities of the Partnership as may be necessary to promote adequately the interests of the Partnership and shall work diligently for the best interests of the Partnership. Until the Partnership is fully invested, the General Partner (and the officers thereof) shall not, except with respect to NEPA Venture Fund, L.P., a Pennsylvania limited partnership, without prior approval of a Majority in Interest of

the Limited Partners, increase the capitalization of any existing partnership, or form a limited partnership or any other investment vehicle to engage in (i) activities with the same principal purpose as the Partnership or (ii) the general purchase of, or investment in, Securities; and provided, further, that this sentence shall not apply to the officers of the General Partner if either Frederick J. Beste III or Glen R. Bressner is not then the chief executive officer of the General Partner. The Partnership shall be deemed to be fully invested upon the later to occur of (i) at least 75% of Capital Contributions of the Limited Partners having been invested or committed to be invested in Securities (other than Short-Term Investments) or (ii) the fourth anniversary of the Initial Closing Date. Neither the Partnership nor any Partner shall by virtue of this Agreement have any right, title or interest in or to such subsequently formed partnership or other entity.

5.02. Partnership Deposits and Disbursements. Capital Contributions from the Partners made in cash, together with all receipts of the Partnership, shall be deposited and maintained in the name of the Partnership in such bank account(s) as shall be designated by the General Partner, pending investment in Short-Term Investments and Securities.

5.03. Books. The General Partner will maintain full and accurate books and records. All Partners will have the right to inspect and copy such books at reasonable times and upon reasonable notice. The books will be kept on an accrual basis and the fiscal year of the Partnership shall be the calendar year. If such books and records are to be kept at any place other than at the principal office of the Partnership, all Limited Partners shall be notified immediately thereof in writing not less than seven days prior to any movement of such books and records.

5.04. Accounting. (a) The books will be closed and balanced at the end of each fiscal year and audited at the expense of the Partnership by the Accounting Firm. Such financial statements will contain a report of the Accounting Firm which shall include (i) a statement that an audit of such financial statements has been made in accordance with generally accepted auditing standards; (ii) a statement of the opinion of such accountant with respect to the financial statements and the accounting principles and practices reflected therein and in regard to the consistency of the application of the accounting principles; and (iii) an identification of any matters to which the accountant takes exception and a statement, to the extent practicable, of the effect of each such exception on such financial statements. The General Partner shall also cause the Accounting Firm to prepare all tax returns required to be filed

for the Partnership. Each Limited Partner shall be entitled to receive copies of all Federal, state and local income tax returns and information returns, if any, which the Partnership is required to file. The General Partner shall also transmit to each Limited Partner, within the period set forth below, an Internal Revenue Service Schedule K-1 (Form 1065) for such year, as well as a report setting forth the status of its Capital Account as of the end of such year, and such additional information as it may reasonably request to enable it to complete its tax returns or to fulfill any other reporting requirements. For information purposes, the General Partner shall furnish to each Partner as promptly as practicable after the close of each fiscal year (i) a list of the Partnership's investments, valued at fair market value, as of the end of such fiscal year and (ii) a brief narrative report as to the status and operations of the Partnership. In addition, the General Partner shall notify the Partners promptly in writing of any significant litigation which is reasonably likely to have a material adverse effect upon the assets or operations of the Partnership. The Accounting Firm shall prepare such financial statements and the Partnership will distribute them and other materials and information to the Partners all in accordance with Paragraph 5.05.

5.05. Reports.

(a) Accounts and Records; Inspection. At all times the General Partner shall cause to be kept proper and complete books of account, in which shall be entered fully and accurately the transactions of the Partnership. Such books of account, together with an executed copy of this Agreement (and any amendments hereto) and the Certificate of Limited Partnership (and any amendments thereto), together with executed copies of any powers of attorney pursuant to which any certificate has been executed, and a current list of the full name, last known address and taxpayer identification number of each Partner, set forth in alphabetical order, shall at all times be maintained at the principal office of the Partnership and shall be open to inspection by the Partners or their duly authorized representatives. At any time while the Partnership continues and until its complete liquidation (but only during reasonable business hours), each Partner (or the designee thereof) may fully examine and audit the Partnership's books, records, accounts and assets, including bank balances, and may make, or cause to be made, any examination or audit at such Partner's expense. The Limited Partner (or the designee thereof) may, during normal business hours, examine, or request that the General Partner furnish, such additional information as is reasonably necessary to enable the requesting Partner (or the designee thereof) to review the state of the business of the Partnership. The General Partner shall be required to submit further information and

reports as may be reasonably requested by the Limited Partner, from time to time, consistent with the intent of this Paragraph 5.05(a).

(b) Financial Statements; Tax Forms. The General Partner shall use its best efforts to transmit to each Partner within sixty (60) days after the close of each fiscal year, but not later than ninety (90) days after the close of each fiscal year, the financial statements and tax returns of the Partnership for such fiscal year. Such financial statements shall include balance sheets of the Partnership as of the end of such fiscal year and of the preceding fiscal year, statements of income and loss of the Partnership for such fiscal year and for the preceding fiscal year, statements of changes in each Partner's Capital Account for such fiscal year and for the preceding fiscal year, and a schedule setting forth each Partner's net attributable interest, all prepared in accordance with generally accepted accounting principles consistently applied in accordance with the terms of this Agreement and audited by the Accounting Firm. The General Partner shall also transmit to each Partner, within the period set forth above, an Internal Revenue Service Schedule K-1 (Form 1065) for such year, as well as a report setting forth the status of its Capital Account as of the end of such year, and such additional information as it may reasonably request to enable it to complete its tax returns or to fulfill any other reporting requirements. For information purposes, the General Partner shall furnish to each Partner as promptly as practicable after the close of each fiscal year, (i) a list of the Partnership's investments, valued at fair market value as determined in accordance with Article VI, as of the end of such fiscal year and (ii) each set of audited financial statements prepared in accordance with this Paragraph shall be accompanied by a description of each company whose Securities the Partnership holds (a "portfolio company"), including: a narrative of the major events that occurred during the preceding quarter, summary financial information pertaining to the portfolio company's operations (including both historic and forecasted income statements) a summary of the Securities held in the portfolio company (including a description of fully diluted ownership of the portfolio company by the Partnership). Additionally, each set of audited financial statements prepared in accordance with this Paragraph 5.05 shall be accompanied by a description of the overall portfolio, including: amounts being held in reserve for future financings of each portfolio company, plans for realization of gains and losses, and any other information that may be deemed material to the Partnership's overall portfolio. In addition, the General Partner shall notify the Partners promptly in writing of any significant litigation which is reasonably likely to have a material adverse effect upon the assets or operations of the Partnership. The General Partner

shall be required to submit further information and reports as may be reasonably requested by a Majority in Interest of the Limited Partners from time to time.

(c) Unaudited Financial Statements and Portfolio Reports. Each Partner shall be furnished, within forty-five (45) days after the end of each quarter of each fiscal year of the Partnership, unaudited financial statements of the Partnership for the quarter then ended, which statements shall contain sufficient data to inform each Partner as to the current financial status of the Partnership and its investments, setting forth a statement of each Partner's Capital Account, the aggregate Capital Accounts of the Partners as calculated for Partnership purposes and also as adjusted on a pro forma basis to reflect unrealized appreciation or depreciation of the Partnership's investments in Securities of portfolio companies as of the end of such quarter then ended. Each set of unaudited financial statements prepared in accordance with this section shall be accompanied by a description of each portfolio company, including: a narrative of the major events that occurred during the preceding quarter, summary financial information pertaining to the portfolio company's operations (including both historic and forecasted income statements), a summary of the Securities held in the portfolio company (including a description of fully diluted ownership of the portfolio company by the Partnership). Additionally, each set of unaudited financial statements prepared in accordance with this section shall be accompanied by a description of the overall portfolio, including: amounts being held in reserve for future financings of each portfolio company, plans for realization of gains and losses, and any other information that may be deemed material to the Partnership's overall portfolio.

5.06. General Restrictions.

(a) In General. Notwithstanding anything stated to the contrary in this Agreement, the General Partner may not, without the consent of 75% in Interest of the Limited Partners (i) permit any officer, director or shareholder of the General Partner to co-invest with the Partnership in any business or venture other than Freely Tradeable Securities and (ii) invest in any Securities of any entity affiliated with any shareholder in the General Partner.

(b) Transactions to Occur Solely at Fair Market Value. Subject in any event to the provisions of Paragraph 5.06(a), no sale of an interest in Partnership property shall be made to any Partner or any Affiliate or to any entity or business venture in which any Partner has a financial or other interest, other than at its fair market value, as the same shall be

determined by 75% in Interest of the Limited Partners (or by such greater percentage in interest of the Limited Partners as may be required by the Partnership Act). In addition, for services rendered to the Partnership by any Partner or Affiliate thereof and for which the compensation terms have not been provided in this Agreement, compensation for such services shall not be at other than the fair value thereof, defined as those that it is reasonable to believe the Partnership would be most likely to obtain from an unaffiliated party. In the event of any proposed sale of an asset of the Partnership to the General Partner or an Affiliate, or if it is proposed that the General Partner or an Affiliate render material or services to the Partnership for compensation, then 30 days' prior written notice to the Limited Partners will be given which will state the justification for the proposed transaction.

(c) Right to Engage in Other Ventures. Subject, in the case of the General Partner to the restrictions contained in Paragraphs 5.01(c) and 5.06(a), any of the Partners may engage in or possess an interest in other business ventures of every nature and description, independently or with others, whether or not in competition with the Partnership, and neither the Partnership nor the Partners shall have, or have the right to acquire, any right by virtue of this Agreement in and to such independent venture or to the income or profits derived therefrom.

(d) Majority in Interest Determines Actions. Unless otherwise specifically provided in this Agreement, in any situation in which the Limited Partners are authorized or required under this Agreement or by law to vote on or consent to any Partnership action, the Limited Partners agree to be bound by and to vote or consent in such manner as is agreed to by a Majority in Interest of the Limited Partners.

5.07. Investment Guidelines and Decisions; Certain Restrictions.

(a) General Investment Guidelines. The General Partner shall exert its best efforts to follow the business policies and investment guidelines set forth in the Partnership's "Confidential Investment Memorandum" attached hereto as Appendix I. Notwithstanding the foregoing, the General Partner shall have discretion to take whatever actions it deems necessary and advisable to advance and protect the interests of the Partnership and the Partners, subject to the specific restrictions stated in this Agreement and the Confidential Investment Memorandum. In addition, the General Partner may modify the business policies and investment guidelines set forth in Appendix I hereto, but

only after obtaining the written consent of 67% in Interest of the Limited Partners.

(b) Method of Making Investment Decision. No investment (other than Short-Term Investments) will be made by the Partnership unless Frederick J. Beste III, or his successor as the executive officer of the General Partner having principal management responsibility for the day-to-day operations of the venture capital activities of the Partnership, shall have voted in favor of having the Partnership make such investment or shall have otherwise concurred with the decision to make such investment. If Frederick J. Beste III shall cease for any reason to be the executive officer of the General Partner having principal management responsibility for the day-to-day operations of the venture capital activities of the Partnership, the General Partner will propose, within six months after Frederick J. Beste III has ceased to be such executive officer, a duly qualified person as the successor to Frederick J. Beste III, but such person shall be appointed by the General Partner as such successor only after the consent of a Majority in Interest of the Limited Partners to such appointment has been obtained. Until such consent has been obtained, the General Partner shall not request that the Limited Partners pay any additional installments of their Capital Contribution pursuant to Paragraph 3.02 and, to the extent such a request has then already been made and not yet complied with by a Limited Partner, notwithstanding the provisions of the definition of "Majority in Interest of the Limited Partners," such Limited Partner nevertheless shall be counted and entitled to vote its interest and Paragraph 3.03 shall not apply to such Limited Partner.

(c) Restricted Investments.

(1) The Partnership shall not invest, directly or indirectly, in the securities of any entity in which the General Partner or any of its corporate officers or their respective Affiliates directly or indirectly controls or has a prior investment, other than as to prior investments, including, without limitation, any investments made by NEPA Venture Fund, L.P., a Pennsylvania limited partnership, in which event the Partnership may invest further in Securities of such prior investment, upon the prior approval of 75% in Interest of the Limited Partners and of the Valuation Committee. Except for purchases of Securities which are Freely Tradeable Securities, the General Partner, its corporate officers and their Affiliates may not invest for their own accounts in the Securities of any such portfolio company.

(2) Unless otherwise approved by a Majority in Interest of the Limited Partners, the Partnership's

investments in Securities, on an aggregate actual cost basis (including commitments and any amount for which the Partnership may be contingently liable as a guarantor of such issuer's obligations) shall not exceed the following respective percentages of the aggregate Capital Contributions made and to be made by the Limited Partners: (i) 10% in the Securities of any one issuer; or (ii) 10% in Freely Tradeable Securities which are purchased in the open market (excluding Freely Tradeable Securities which become Freely Tradeable Securities after their acquisition by the Partnership or received by the Partnership upon conversion or exchange of Securities which were not Freely Tradeable Securities).

(3) The Partnership shall not invest in any of the following: (A) any entity engaged principally in the business of purchasing or investing in Securities; (B) the Securities of issuers domiciled outside of the United States; (C) the Securities of issuers principally engaged in oil or gas exploration, exploitation, production or distribution and (D) the Securities of issuers principally engaged in real estate development.

(d) Funds Pending Investment. Until invested in Securities which are intended to achieve the investment objectives of the Partnership, it is the intent of the General Partner that the funds of the Partnership shall be invested only in (i) securities issued by governmental agencies backed by the full faith and credit of the United States government, (ii) certificates of deposit issued by and securities repurchase contracts with commercial banks with capital in excess of $500,000,000, (iii) commercial paper rated A-I or PI, or (iv) shares in investment companies generally known as "money market funds" which have assets in excess of $500,000,000; provided, however, that no such funds of the Partnership shall be invested with any person or entity affiliated, directly or indirectly, with the General Partner or its officers. The Securities described in (i), (ii), (iii) and (iv) of this Paragraph 5.07(d) are collectively referred to in this Agreement as "Short-Term Investments."

(e) Related Party Transactions. The Partnership shall not, other than as permitted by other terms of this Agreement, be a party to any transaction between the Partnership and the General Partner or any officer or employee of the General Partner, or their respective Affiliates.

(f) Compensation. The General Partner, the partners of the General Partner and their officers, directors and employees, or their Affiliates shall be permitted to receive transaction fees, consulting and directors' fees from entities

other than the Partnership; provided, however, that the activity from which such compensation arises is consistent with Paragraphs 5.01(a) and (c) and their respective obligations; and provided, further, that any transaction, consulting or directors' fees paid by a portfolio company for services rendered shall be received by such person as an agent, officer or employee of the General Partner of the Partnership and said funds shall be received by the Partnership exclusively for application toward payment of the Annual Management Fee, it being the intention of the Partners that said transaction, consulting and directors' fees be an offset to the Annual Management Fee on a dollar-for-dollar basis. To the extent said funds fully offset the Annual Management Fee and there are funds remaining after such application, such excess funds shall be offset against the Annual Management Fee for the next period on a dollar-for-dollar basis. In the event the General Partner or any of its corporate officers, or their respective Affiliates receive any transaction fees, directors' fees, consulting fees or other remuneration paid by any entity in which the Partnership has made an investment, the General Partner shall determine that portion of such amounts (based upon the relative investments of the Partnership and/or such other funds) attributable to services rendered on behalf of the Partnership.

(g) Unrelated Business Taxable Income. The General Partner shall take all necessary actions to conduct the affairs of the Partnership in a manner that does not cause the Limited Partners to have any "unrelated business taxable income" (as that term is defined in Section 512 of the Code) and shall use its best efforts accordingly with respect to all Partnership investments. The obligation of the General Partner under the preceding sentence shall include, but shall not be limited to, the following:

(1) The General Partner shall not take any action which will cause the Limited Partners to realize any taxable income from services performed;

(2) The General Partner shall not cause the Partnership to borrow funds unless the General Partner receives, in advance, a legal opinion of counsel to the effect that such borrowing would not cause the Limited Partners to realize any unrelated business taxable income attributable to "debt-financed property" (as that term is defined in Section 514 of the Code);

(3) The General Partner shall not cause the Partnership to invest in another partnership or any other noncorporate entity unless such partnership or non-corporate entity, as the case may be, is subject to substantially similar restrictions with respect to its realization of unrelated

business taxable income and makes such representation in writing upon the Partnership's investment; and

(4) Notwithstanding the foregoing, if at any time, the General Partner becomes aware that it is reasonably likely that the Limited Partners have incurred or will incur unrelated business taxable income as a result of the Limited Partners' participation in the Partnership, the General Partner shall notify the Limited Partners in writing as soon as practicable, but in any event within the time for furnishing financial statements to the Limited Partners pursuant to Paragraph 5.05 and otherwise as necessary for the federal tax reporting purposes of the Limited Partners and the General Partner shall take all necessary actions to prevent unrelated business taxable income from being incurred again.

(h) Investment Opportunities. The General Partner and its corporate officers shall make available to the Partnership all investment opportunities which come to the attention of the General Partner and its officers in the course of performing their duties hereunder, except for those investment opportunities which such persons reasonably believe not to be within the purposes of the Partnership.

(i) Borrowing; Guarantees. The Partnership may not borrow or reborrow money at any time on behalf and in the name of the Partnership and/or guarantee the obligations of any portfolio company whose Securities are held by the Partnership.

(j) Interest of Current CEO of General Partner; Certain Restrictions on Shareholders of General Partner. Without the consent of a Majority in Interest of Limited Partners with Capital Contributions greater than or equal to $1,000,000, (i) neither Frederick J. Beste III nor Glen R. Bressner shall, for any reason, hold less than 80% of the percentage of shares of capital stock of the General Partner he held on the Initial Closing Date, which amount is set forth as Appendix II hereto, (ii) Frederick J. Beste III shall not cease to be chief executive officer of the General Partner, (iii) Glen R. Bressner shall be at least a Vice President of the General Partner with substantial management authority and shall either report to Frederick J. Beste III or shall be the chief executive officer of the General Partner and/or (iv) the Annual Management Fee shall not be increased except as set forth in Paragraph 5.08; provided, however, that Frederick J. Beste III and/or Glen R. Bressner may hold less than 80% of the percentage of shares of capital stock of the General Partner he held on the Initial Closing Date due to (A) transfers of such stock to an additional full-time officer of the General Partner, who shall report to Frederick J. Beste III or his successor as chief executive officer of the General

Partner, as approved by the Limited Partners under the terms of this Agreement, in an amount not to exceed the amount of shares of capital stock of the General Partners held by Glen R. Bressner or (B) transfers by Frederick J. Beste III or Glen R. Bressner of such shares of capital stock of the General Partner as gifts to any of their respective spouses, children, parents or parents-in-law or trusts for the benefit of any of them. Until such consent has been obtained, the General Partner shall not request that the Limited Partners pay any additional installments of their Capital Contributions in cash pursuant to Paragraph 3.02 and any such Limited Partner with a Capital Contribution equal to or greater than $1,000,000 who does not so consent (a "Dissenting Limited Partner") shall not be required to pay any further installments of such Dissenting Limited Partner's Capital Contribution in cash, Paragraph 3.03 shall not apply to such Dissenting Limited Partner and, notwithstanding the definition of "Majority in Interest of the Limited Partners," such Dissenting Limited Partner shall be counted and its interest shall be included in the voting of a Majority in Interest of the Limited Partners. In addition to the items set forth in subparagraphs (j)(i) through (iv) above, without the consent of a Majority in Interest of Limited Partners with Capital Contributions equal to or greater than $1,000,000, the Shareholders' Agreement, attached as Appendix III hereto, among all shareholders of the General Partner and the Employment Agreements, attached as Appendix IV hereto, between each of Frederick J. Beste III and Glen R. Bressner and the General Partner shall remain in full force and effect, with no breach by any of the General Partner and Frederick J. Beste III and Glen R. Bressner, as applicable, at all times during the term of this Agreement.

5.08. Compensation of General Partner.

(a) For the services to be provided to the Partnership by the General Partner, the Partnership will pay the General Partner an annual management fee (the "Annual Management Fee") based on the value of the "Adjusted Capital Value" (as defined below) at the close of the last preceding fiscal year of the Partnership. For purposes of this Agreement, "Adjusted Capital Value" shall mean the sum of (i) the aggregate cost basis of all Partnership investments in Securities of portfolio companies, (ii) cash held by the Partnership pursuant to payment of installments of Capital Contributions by Limited Partners pursuant to Paragraph 3.02 but not yet invested in Securities of portfolio companies, and (iii) the aggregate amount of commitments to pay cash installments of Capital Contributions by Limited Partners pursuant to Paragraph 3.02 remaining at the time Adjusted Capital Value is to be determined, minus (i) the aggregate amount of distributions of Net Cash from Operations and/or Net Proceeds from Capital Transactions made through the

time Adjusted Capital Value is to be determined which constitute a return of a Limited Partner's installments of its Capital Contributions previously paid by such Limited Partner to the Partnership in cash and (ii) capital losses recognized by the Partnership in the value of Securities of portfolio companies held by the Partnership and set forth by the General Partner in its reports under Paragraphs 5.04, 5.05 and 6.01 unless the Valuation Committee, pursuant to Paragraph 6.02, objects to the recognition of such capital losses. The Annual Management Fee is intended to qualify as a "guaranteed payment" under Sections 707(a) and/or 707(c) of the Code. The Annual Management Fee to be paid by the Partnership to the General Partner pursuant to this Paragraph 5.08 shall be equal to the aggregate of three percent (3%) of each Limited Partner's pro rata share of the Adjusted Capital Value; provided, however, that if a Limited Partner's Capital Contribution is equal to or greater than $2,000,000, such Limited Partner's portion of the aggregate Annual Management Fee attributable to the pro rata share of the Adjusted Capital Value of such Limited Partner shall be the sum of: (i) three percent (3%) of such Limited Partner's pro rata share of the Adjusted Capital Value, assuming, for this purpose only, that such Limited Partner has a Capital Contribution less than $2,000,000 and (ii) two and thirty-two hundredths percent (2.32%) of such Limited Partner's pro rata share of the Adjusted Capital Value, assuming, for this purpose only, that such Limited Partner's Capital Contribution is $2,000,000 less than the actual Capital Contribution of such Limited Partner. The Annual Management Fee shall be payable in advance, as described below, on January 1, April 1, July 1 and October 1.

(b) The first installment of the Annual Management Fee will be payable on the first regularly scheduled installment payment date to occur on or after the date hereof. Prior to the payment of such first installment of the Annual Management Fee, the Partnership will pay all Normal Fund Expenses.

(c) In consideration of the payment of the Annual Management Fee, the General Partner agrees to pay, from its own funds and without reimbursement, all Normal Fund Expenses of the Partnership incurred after the date of the first scheduled installment payment of the Annual Management Fee.

(d) To the extent that the Annual Management Fee paid to the General Partner exceeds the Normal Fund Expenses for any fiscal year, the General Partner agrees to distribute no more than 50% of such excess (or such greater percentage as may be equivalent in that year to the highest tax rate then applicable to individuals for federal income tax purposes) to the individual stockholders of the General Partner.

(e) For each partial calendar year of Partnership operations pursuant to this Agreement, the General Partner shall receive, as full compensation for its services, the Annual Management Fee pro-rated by a fraction, the numerator of which shall be the number of days during such calendar year that the Partnership is conducting operations pursuant to this Agreement and the denominator of which shall be 365. Such pro-rated Annual Management Fee shall also be payable quarterly in advance as provided in Paragraph 5.08(a) for the calendar quarter or portions thereof during which the Partnership is conducting operations.

(f) "Normal Fund Expenses" shall exclude, without limitation, organizational expenses, including legal and accounting fees; taxes, commissions and brokerage fees; the cost of independent audit services to the Partnership; investment banking fees; fees and expenses of the Management Advisory Council; expenses related to litigation and threatened litigation; and all other non-recurring or extraordinary expenses (hereinafter referred to as "Excluded Expenses"). All Excluded Expenses shall be borne by the Partnership. All Normal Fund Expenses which exceed the Annual Management Fee shall be borne by the General Partner.

(g) The Annual Management Fee may be increased with the written consent of 67% in Interest of the Limited Partners.

5.09. Management Advisory Council. The General Partner may appoint from time to time a Management Advisory Council (the "MAC") of up to ten members for the purpose of providing technical and state-of-the-market advice to assist the General Partner in the making and monitoring of future investments, all of the members of which shall serve at the pleasure of the General Partner. Members of the MAC may also serve, at the request of the General Partner, as directors, trustees, or officers of investees of the Partnership. Members of the MAC who are not officers or directors of the General Partner may receive compensation for their services to the Partnership in amounts to be determined and paid by the General Partner as Normal Fund Expenses.

5.10. Right to Rely on Authority of the General Partner. In no event shall any person dealing with the General Partner or its representatives with respect to any property of the Partnership be obligated to ascertain that the terms of this Agreement have been complied with, or be obligated to inquire into the necessity or expediency of any act or action of the General Partner or its representatives; and every contract, agreement, promissory note, or other instrument or document

executed by the General Partner or its representatives with respect to any property of the Partnership shall be conclusive evidence in favor of any and every person relying thereon or claiming thereunder that (i) at the time of the execution and/or delivery of such instrument or document, this Agreement was in full force and effect, (ii) such instrument or document was duly executed in accordance with the terms and provisions of this Agreement and is binding upon the Partnership and all of the Partners hereof, and (iii) the General Partner or its representatives were duly authorized and empowered to execute and deliver any and every such instrument or document for and on behalf of the Partnership.

5.11. Prohibition on Management Participation by Limited Partners. No Limited Partner, except for a Limited Partner who is also a General Partner, shall participate in the management of the Partnership's business.

5.12. Removal of the General Partner. (a) Without limiting the rights of the Limited Partners pursuant to the Partnership Act, the General Partner may be removed as General Partner at any time by a vote of 67% in interest of the Limited Partners but only for fraud, gross negligence or willful misconduct.

(b) Notwithstanding the foregoing, the Limited Partners hereby agree that they will not exercise their right to remove the General Partner until such time as they shall have given written notice to the General Partner of their intention to exercise such right and the reasons therefor and have provided the General Partner with a reasonable time thereafter, in no event more than 10 days unless otherwise extended by a Majority in Interest of the Limited Partners, within which to cure the cause which was the source of such right. If such cure is effected within the permitted time, the rights of the Limited Partners under Paragraph 5.12(a) with respect to that particular default will terminate; provided, however, that if the Limited Partners, under Paragraph 5.12(a) would have the right to remove the General Partner within 120 days of such cure, the Limited Partners shall have the right to remove the General Partner under Paragraph 5.12(a) without providing the General Partner with the cure period described in the first sentence of Paragraph 5.12(b).

(c) The General Partner agrees that it will replace its then chief executive officer, if such person is other than Frederick J. Beste III, within 60 days after receipt of the direction of a Majority in Interest of the Limited Partners.

5.13 Taxes Withheld. Unless treated as a "Tax Payment Loan" (as hereinafter defined), any amount paid by the

Partnership for or with respect to any Partner on account of any withholding tax or other tax payable with respect to the income, profits or distributions of the Partnership pursuant to the Code, the Treasury Regulations, or any state or local statute, regulation or ordinance requiring such payment (a "Withholding Tax Act") shall be treated as a distribution to such Partner for all purposes of this Agreement, consistent with the character or source of the income, profits or cash which gave rise to the payment or withholding obligation. To the extent that the amount required to be remitted by the Partnership under the Withholding Tax Act exceeds the amount then otherwise distributable to such Partner, the excess shall constitute a loan from the Partnership to such Partner (a "Tax Payment Loan") which shall be payable upon demand and shall bear interest, from the date that the Partnership makes the payment to the relevant taxing authority, at the prime lending rate as announced from time to time by Meridian Bank, or its successor, plus 2 percentage points, compounded monthly. So long as any Tax Payment Loan or the interest thereon remains unpaid, the Partnership shall make future distributions due to such Partner under this Agreement by applying the amount of any such distribution first to the payment of any unpaid interest on all Tax Payment Loans of such Partner and then to the repayment of the principal of all Tax Payment Loans of such Partner.

The General Partner shall have the authority to take all actions necessary to enable the Partnership to comply with the provisions of any Withholding Tax Act applicable to the Partnership and to carry out the provisions of this Section. Nothing in this Section shall create any obligation on the General Partner to advance funds to the Partnership or to borrow funds from third parties in order to make any payments on account of any liability of the Partnership under a Withholding Tax Act.

VI. VALUATION OF PARTNERSHIP ASSETS

6.01. Valuation. Promptly after the end of each fiscal year and, on an interim basis, at the end of each fiscal quarter (and when otherwise required except in the case of an Act of Bankruptcy, dissolution, removal or withdrawal of the General Partner provided for in Paragraph 6.06 hereof) the General Partner shall, with the assistance of the Valuation Committee, make a good faith determination of the value of all assets of the Partnership, including the fair value of all non-cash assets of the Partnership (or, when otherwise required, of any particular asset), as of the end of each fiscal year and, on an interim basis, at the end of each fiscal quarter.

6.02. Valuation Committee.

(a) As soon as possible after the Initial Closing Date, a "Valuation Committee" shall be formed. The Valuation Committee shall be composed of three members, all of whom shall be representatives of the Limited Partners, of which the Commonwealth of Pennsylvania's Public School Employes' Retirement System shall select one member and the Commonwealth of Pennsylvania State Employes' Retirement System shall select one member. The functions of the Valuation Committee shall be to determine the fair value of the non-cash assets of the Partnership (including any non-cash assets of a wholly-owned subsidiary of the Partnership) as of the end of each fiscal year, and at such other times that such a determination is either required by the terms of this Agreement, by law, or is considered advisable or proper by the General Partner, to determine potential conflicts of interest of the General Partner under Paragraph 5.07, and to exercise such other powers and duties as are set forth elsewhere in this Agreement. The Valuation Committee shall have the authority to adopt rules and procedures, not inconsistent with this Agreement, relating to the conduct of its affairs.

(b) The recommendations of the Valuation Committee shall be made to the General Partner after a majority of the Committee members have voted in favor of such recommendations. Determinations of fair value of the Partnership's non-cash assets shall be made in accordance with the principles set forth in Paragraph 6.04. Whenever the Valuation Committee arrives at a determination of the fair value of any assets or of all non-cash assets of the Partnership, it shall as promptly as practicable communicate the same in writing to the General Partner. Recommendations made by the Valuation Committee pursuant to this Paragraph 6.02 shall obligate the General Partner to act in accordance therewith.

6.03. Valuation Expenses. Expenses incurred by the Partnership for each valuation required by Paragraph 6.01 hereof shall constitute Normal Fund Expenses. Expenses incurred by the Partnership for any other valuation performed at the request of the Limited Partners shall not be Normal Fund Expenses and shall be payable by the Partnership.

6.04. Basis for Valuation.

(a) In General. Each determination of fair value of the non-cash assets of the Partnership shall be based upon all relevant factors, including, without limitation, type of Security, marketability, cost of the Security, restrictions on disposition, recent purchases of the same or similar Securities

by other investors, pending mergers or acquisitions, market conditions, current financial position and operating results, developments at the investee and projections provided to the Partnership by the investee, and risks and potential of the Security, and such other factors as may be deemed relevant.

(b) Fair Market Value. The fair market value of any security owned by the Partnership which is a Freely Tradeable Security shall be determined as of the close of trading on the date as of which the value is being determined by taking the last reported trade price of such security on such date on the exchange where it is primarily traded or, if such security is not traded on an exchange, such security shall be valued at the last reported sale price on the NASDAQ National Market List, or, if such security is not reported on the NASDAQ National Market List, such security shall be valued at the reported closing bid price (or average of bid prices) last quoted on such date as reported by an established quotation service for over-the-counter securities; provided, however, that in the case of securities to be distributed in kind to Partners, the fair market value shall be determined by taking the average of the last reported sales prices or the closing bid prices, as the case may be, over the fifteen (15) most recent trading days preceding the effective date of distribution. The determination of the fair market value of all other assets of the Partnership shall be based upon all appropriate factors, including, without limitation, such of the following factors as may be relevant: current financial position and current and historical operating results of the issuer; sales prices of recent public or private transactions in the same or similar securities, including transactions on any securities exchange on which such securities are listed or in the over-the-counter market; general level of interest rates; recent trading volume of the security; restrictions on transfer, including the Partnership's right, if any, to require registration of its securities by the issuer under the securities laws; significant recent events affecting the issuer, including pending mergers and acquisitions; the price paid by the Partnership to acquire the asset; the percentage of the issuer's outstanding securities that is owned by the Partnership; and all other factors affecting value, including without limitation, those set forth in Paragraph 6.04(a). In making any such determination of the fair market value of the assets of the Partnership, no allowance of any kind shall be made for goodwill or the name of the Partnership or of the General Partner, the Partnership's office records, files and statistical data or any intangible assets of the Partnership.

(c) Freely Tradeable Securities. For purposes of this Agreement a security shall be deemed to be a "Freely Tradeable Security" if: (i) the Partnership's entire holding of

such security (or in the case of a security which can be sold pursuant to Rule 144 of the Securities Act, that portion of the Partnership's holding which could be sold by the Partners upon distribution under the volume limitations of Rule 144) can be sold immediately by the Partnership to the general public without the necessity of any federal, state or local government consent, approval or filing (other than any notice filings of the type required pursuant to Rule 144(h) under the Securities Act) and (ii) such securities are either listed on a national securities exchange or carried on the NASDAQ system and market quotations are readily available for such securities.

(d) Optional Distribution of Certain Securities. In the event that the General Partner proposes to sell in the open market any Freely Tradeable Securities of a portfolio company (such Freely Tradeable Securities being hereinafter referred to as "Distributable Securities"), the General Partner shall provide the Limited Partners the opportunity to elect to receive a distribution in kind of its share of such Distributable Securities in accordance with the terms of this Paragraph 6.04(d). Distributions in kind under this Paragraph 6.04(d) shall be treated the same as all other distributions in kind under the terms of this Agreement except as expressly provided in this Paragraph 6.04(d).

(i) Not less than two business days prior to the proposed date of sale by the Partnership of the Distributable Securities (such proposed date of sale being referred to as the "Transaction Date"), the General Partner shall notify the Limited Partner by telecopier of the Partnership's intent to sell the Distributable Securities which notice (the "Transaction Notice") shall set forth the identity of the Distributable Securities, the number of shares of the Distributable Securities constituting the Limited Partner's distributable share thereof (determined in accordance with the provisions of Article IV hereof) and the proposed Transaction Date. Upon receipt of the Transaction Notice, the Limited Partner shall have the right, exercisable by delivery to the Partnership of notice (by telephone) to such effect not later than the opening of business on the second business day after transmission of the Transaction Notice, to require the Partnership to distribute to the Limited Partner its share of such Distributable Securities in lieu of effecting the proposed open-market sale thereof. If the Limited Partner fails to give notice in the manner and within the time period hereinabove provided, it shall be deemed to have elected to have the Partnership sell its share of the Distributable Securities. The General Partner shall have the right to sell the Distributable Securities (including the Limited Partner's share thereof if it has not elected to receive an in-kind distribution of its share

of the Distributable Securities) at any time within 30 days after the proposed Transaction Date. If, however, the General Partner does not effect a sale of the Distributable Securities within 30 days after the proposed Transaction Date, the Partnership shall not sell such Distributable Securities without again complying the notice provisions of this Paragraph 6.04(d).

(ii) As soon as practicable after any sale of the Distributable Securities, the General Partner shall cause the Partnership to distribute to the Limited Partner its share of the Distributable Securities (if the Limited Partner has elected to receive an in-kind distribution of its share of such Distributable Securities) and to distribute the proceeds of such sale among the Partners (including the Limited Partner if it has elected to have the Partnership sell its share of such Distributable Securities) in proportion to their respective shares of such Distributable Securities.

(iii) All expenses incurred by the Partnership in connection with a sale of Distributable Securities shall be borne by the Partners electing to have the Partnership sell such Distributable Securities under Paragraph 6.04(d) (i) above. Each share of Distributable Securities distributed in kind to the Limited Partner pursuant to this Paragraph 6.04(d) shall be valued, for all purposes of this Agreement, at the average per share sale price paid to the Partnership for the Distributable Securities sold by it net of expenses of sale (including brokers' commissions). If the Limited Partner elects to have the Partnership sell its share of such Distributable Securities as are distributed to the General Partner, and the General Partner shall not have any rights in respect of the proceeds from the sale of such Distributable Securities for the account of the Limited Partner. As a condition to the delivery of Distributable Securities to the Limited Partner under this Paragraph 6.04(d), the General Partner, in its sole discretion, may require any Limited Partner to execute and deliver to the Partnership an agreement in form and substance deemed necessary and desirable by the General Partner to ensure continued compliance by the Partnership and the Partners with applicable Federal and state securities laws.

(e) Goodwill. The Partnership's name and goodwill shall, as among the Partners, be deemed to have no value and shall belong to the Partnership or any successor thereof, and no Partner shall have any right or claim individually to the use thereof. Upon termination of the Partnership the goodwill attached to its name shall be assigned to the General Partner.

(f) Valuation at Cost in Certain Circumstances. Each non-cash asset of the Partnership that is non-marketable may

be valued at cost until such time as the General Partner, with the advice of the Valuation Committee, determines that use of another method of valuation is warranted to reflect significant positive or adverse developments in an investee subsequent to the date of the Partnership's original investment in such asset. Such revaluation, if any, need be done no more frequently than quarterly.

6.05. Objections to Valuation.

(a) Whenever the General Partner makes a determination of value as required under Paragraph 6.01, upon the advice of the Valuation Committee, the General Partner shall promptly give notice of such valuation to all Partners. Such valuation shall be binding and conclusive upon all Partners and their assignees and successors, unless the General Partner receives written notice objecting to such valuation by any Partner within 30 calendar days after the date on which notice of the General Partner's determinations are given. Written notice of such objection shall promptly be given to all other Partners. If written objections to any particular valuation are received by the General Partner from a Majority in Interest of the Limited Partners, such valuation shall be resolved as follows:

(i) The General Partner shall promptly submit to the then president of the Philadelphia Stock Exchange or its successor the names of two independent investment banking firms of national repute and experienced in the valuation of the types of Securities then held by the Partnership;

(ii) The Limited Partners, acting with the consent of those Limited Partners holding a Majority in Interest of the Limited Partners, shall promptly submit to the then president of the Philadelphia Stock Exchange or its successor the names of two independent investment banking firms of national repute and experienced in the valuation of the types of Securities then held by the Partnership;

(iii) The then president of the Philadelphia Stock Exchange or its successor shall select one investment banking firm from the firms nominated in accordance with the provisions of this Paragraph 6.05, and such investment banking firm, following such independent study as it shall deem appropriate, shall make a determination of the fair value of the property in question. The determination so made shall be final and binding upon all Partners. The expenses of making such determination shall be payable by the Partnership as Operating Expenses.

6.06. Special Valuation. In the case of the dissolution, withdrawal, Act of Bankruptcy or removal of the General Partner, the fair value of all of the Partnership's non-cash assets shall be determined within 30 days after such event pursuant to Paragraph 6.04 hereof by the Valuation Committee (without the participation of the Committee members who are Affiliates of the General Partner). Written notice shall be sent by the Valuation Committee to the affected General Partner and all Limited Partners promptly after the Valuation Committee has made its fair value determination. If a Majority in Interest of the Limited Partners object to such valuation in writing, delivered by certified mail to the Valuation Committee within 30 days of the date of the notice, or the affected General Partner shall object to such valuation in writing, delivered to the Valuation Committee within 30 days of the date of such notice, the procedures set forth in Paragraph 6.05 hereof shall be followed.

VII. MODIFICATION OF GENERAL PARTNER'S INTEREST

7.01. Right of General Partner to Nominate Successor General Partner. If at any time the General Partner withdraws, dissolves, commits an Act of Bankruptcy or is removed, the General Partner (or its authorized representative, as the case may be) will be entitled, within 45 days after the occurrence of any such event, to submit to the Partners for approval, under Paragraph 8.01, of 67% in Interest of the Limited Partners, the name of a proposed successor(s) to the right of the General Partner to manage the Partnership's affairs. Such approval shall have no effect upon the rights of the Limited Partners to select the chief executive officer of the General Partner under Paragraphs 5.07(b) and/or 5.12(c).

7.02. Reduction of General Partner's Interest in the Partnership. If the General Partner withdraws, dissolves, commits an Act of Bankruptcy or is removed, and either (i) the General Partner fails to submit the name of a substitute general partner pursuant to Paragraph 7.01 within 30 days after any such occurrence, or (ii) 67% in Interest of the Limited Partners fail to approve any candidate proposed by the General Partner in this regard, the General Partner's interest in the Partnership shall be reduced to the extent reasonably required to attract a substitute general partner acceptable to 67% in Interest of the Limited Partners.

7.03. Nature of Remaining Interest. Any interest of the General Partner in the Partnership remaining after its commission of an Act of Bankruptcy, its dissolution, removal or withdrawal, and after any reduction pursuant to Paragraph 7.02,

shall be held by it solely in the capacity of a Limited Partner from and after the date of such transaction.

VIII. TRANSFER OF PARTNERS' INTERESTS

8.01. General Partner. The General Partner may not assign or transfer any portion of its interest in the Partnership without the consent of 67% in Interest of the Limited Partners. If the General Partner wishes to assign or transfer any portion of its interest, it must give written notice of such intention to the Limited Partners. Each Limited Partner shall have 20 days to reply after such notice has been sent, and any Limited Partner who does not vote against such assignment or transfer within such period shall be deemed to have consented to such transfer or assignment. Notwithstanding the foregoing, however, any such partial assignment or transfer shall not discharge the General Partner from any liability or obligation to the Partnership by reason of such partial assignment or transfer. Neither a merger of the General Partner with and into another person or of another person with and into the General Partner nor a change in the holders of the capital stock of the General Partner shall constitute an assignment or transfer by the General Partner of its interest in the Partnership.

8.02. Limited Partners.

(a) Limitations on Transfers. No Limited Partner may transfer such Partner's Unit(s) and have the transferee admitted as a substituted Limited Partner in respect of such Unit(s) without the written consent of the General Partner. Any Limited Partner who desires to secure permission to transfer such Partner's Unit(s) shall notify the General Partner. It is understood that the General Partner may withhold its consent to any such proposed transfer for any reason and will in no event give such consent if the proposed transfer violates applicable federal or state securities laws or other laws or regulations. The General Partner shall not cause or permit interests in the Partnership to become "traded on an established securities market," and shall withhold its consent to any transfer that, to the General Partner's knowledge after reasonable inquiry, would otherwise be accomplished by a trade on a "secondary market" (or the substantial equivalent thereof), in each case within the meaning of Sections 7704 or 469(k) of the Code and any regulations promulgated thereunder that are in effect at the time of the proposed transfer.

(b) Right of First Refusal.

(i) To the extent that a Limited Partner desires to transfer all or any part of its economic interest in

the Partnership, no such transfer shall occur without such Partner (the "Selling Partner") first obtaining a bona fide written offer which it desires to accept (the "Offer") to purchase all, or any part, of such Partner's economic interest in the Partnership (the "Economic Interest") for a fixed cash price (which shall not be payable over time); provided, however, that a Limited Partner may transfer all or part of its Economic Interest to an Affiliate without complying with any of the provisions of Paragraph 8.02(b). The offer shall set forth its date, terms and conditions upon which the purchase is proposed to be made, as well as the name and address of the prospective purchaser. The Selling Partner shall transmit copies of the Offer to the Partnership and to the other Partners within seven (7) days after its receipt of the Offer.

(ii) Transmittal of the Offer to the Partnership by the Selling Partner shall constitute an offer by the Selling Partner to sell the same amount of the Economic Interest that is the subject of the Offer to the other Partners (or at a Partner's option, to a Partner's Affiliate), at the fixed cash price and upon the terms set forth in Paragraph 8.02(b)(i) (such other Partners or Affiliate of the other Partners being hereinafter referred to as the "Optionee Partners") at the price and upon the terms set forth in Paragraph 8.02(b)(i). For a period of thirty (30) days after such offer by the Selling Partner to the Optionee Partners, the Optionee Partners shall have the option, pro rata, exercisable by written notice to the Selling Partner with a copy to the Partnership, to accept the Selling Partner's offer as to the same amount of the Economic Interest that is the subject of the Offer. To the extent any Partner does not purchase its proportionate share of Economic Interest, the other Partners each may purchase such other Partner's proportionate share of such Economic Interest, repeating the process until no Partner desires to purchase any remaining Economic Interest or no portion of the Economic Interest is then still available for purchase.

(iii) If, at the end of the option periods described in Paragraph 8.02(b)(i) and (ii), such options have not been exercised by the Optionee Partners to purchase all of the Economic Interest being sold, then the Selling Partner shall be free for a period of thirty (30) days to sell the remaining portion of the Economic Interest subject to the Offer to the prospective purchaser at the price and upon the terms and conditions set forth in the Offer. If the Offer was for all of the Economic Interest and only a portion of the Economic Interest remains available for sale, such sale to the prospective purchaser shall be made at the pro rata price, terms and conditions set forth in the Offer. If such remaining portion of the Economic Interest is not sold within this thirty (30) day

period, the Selling Partner shall not be permitted to sell all or any part of its Economic Interest without again complying with this Paragraph 8.02(b).

(iv) Settlement for the purchase of the Economic Interest pursuant to the options granted to the Optionee Partners in this Paragraph 8.02(b) shall be made within sixty (60) days following the date of exercise of such options by the Optionee Partners.

(v) No provision of this Paragraph 8.02(b) shall be construed so as to permit transfer of any Partner's Unit(s) and having the transferee admitted as a substituted Limited Partner in respect of such Unit(s) without compliance with the terms of Paragraph 8.02(a).

(c) Opinion of Counsel. Any transfer of Units or Economic Interests shall be made only upon receipt by the Partnership of a written opinion of counsel for the Partnership or of other counsel reasonably satisfactory to the Partnership (which opinion shall be obtained at the expense of the transferee) that such transfer will not result in (A) the Partnership or the General Partner being subjected to any additional regulatory requirements (including those imposed by the Investment Company Act of 1940 and the Investment Advisers Act of 1940, as amended) or (B) a violation of applicable law or this Agreement. Except in accordance with the provisions of this Paragraph 8.02, each Limited Partner agrees that it will not make any transfer of all or any part of its interest in the Partnership. Without the aforesaid consent of the General Partner and the aforesaid written opinion of counsel, no transferee of a Partnership interest shall be admitted as a substituted Limited Partner. Any transferee of a Partnership interest transferred in accordance with the provisions of this Paragraph 8.02 shall be admitted as a substituted Limited Partner under the Act upon the receipt of such General Partner's consent and such written opinion of counsel, and such transferee shall succeed to the rights and liabilities of the transferee Limited Partner, and the Capital Contribution and Capital Account of the transferee shall become the Capital Contribution and Capital Account, respectively, of the transferee, to the extent of the interest transferred.

(d) Covenants as to Substituted Limited Partners. Any transferee of a Partnership interest shall execute a power-of-attorney and such other documents as the General Partner may request to effectuate such transfer. Any attempted transfer of a Limited Partner's interest without compliance with this Agreement shall be void. Every transfer of an interest in the Partnership shall be subject to all of the terms, conditions,

restrictions and obligations of this Agreement. The General Partner in no event will give its consent to any proposed transfer unless and until the Partnership receives payment in full from the proposed transferee of any and all reasonable legal, accounting and other charges and fees incurred by the Partnership and its counsel in connection with any such transfer. If and when the consent of the General Partner is secured, the transferee shall become a substituted Limited Partner as to the Units thus transferred.

(e) Certain Transfers of Economic Interests Permitted. Notwithstanding the foregoing, the Limited Partners, or any of them, are not prohibited from (i) designating, by written notice to the General Partner, a person to succeed to such Partner's Economic Interest in the Partnership in the event of such Partner's death pursuant to the provisions of Section 706 of the Code or Treasury Regulation Section 1.706-1(c)(3)(iii), or (ii) assigning from time to time such Partner's rights to receive all or any portion of the distributions to which such Partner may be entitled under the terms of this Agreement and any or all allocations of items of gain, loss, depreciation and other distributive items referred to in the Code with which such Partner may be credited or charged hereunder; provided, however, that no such assignment shall be effective until after the Limited Partner has made such Limited Partner's Capital Contribution in full in cash and, thereafter, has given written notice to the General Partner of such assignment and the General Partner has consented to such assignment. If the General Partner does not notify the Limited Partner within 20 days after such notice has been given, the General Partner shall be deemed to have consented to such assignment. The General Partner agrees that it shall not object to such assignment unless, in its reasonable opinion or the opinion of its counsel, such assignment would prejudice or affect the continuity of the Partnership for purposes of Section 708 of the Code, or such assignment would violate applicable federal or state securities or other laws or regulations. Nothing contained in this Paragraph 8.02(e) shall be construed as permitting any transfer of Units without compliance with the terms of Paragraph 8.02(a).

(f) Certain Transfers Absolutely Prohibited. Anything contained herein to the contrary notwithstanding, no transfer or assignment of Units shall be effective if (i) it prejudices or affects the continuity of the Partnership for the purposes of Section 708 of the Code, or (ii) it would result in the Partnership being classified as an association taxable as a corporation for federal income tax purposes, and any such transfer shall be effected in such manner as may be necessary to maintain such continuity or the classification of the Partnership as a partnership for federal income tax purposes.

(g) Allocations upon Transfer. It is understood and agreed that in the event of a transfer of a Partnership interest during the course of the Partnership's fiscal year because of a sale, foreclosure, or because of the death of a Limited Partner, or for any other reason, whether or not the transferee becomes a substituted Limited Partner, all items of income, loss, deduction, gain and credit for the entire fiscal year (except such items as are attributable to a distribution pursuant to Paragraph 4.01 in connection with a Capital Transaction) shall be allocated pro rata between the transferor and the transferee based upon the number of days elapsed during the fiscal year as of the effective date of transfer. It is further understood and agreed that any distributions made to Partners on or after such effective date shall be made to the transferee, regardless of when the same shall have accrued on the books of the Partnership. All items of income, gain, loss, deduction and credit which are attributable to distributions pursuant to Paragraph 4.01 in connection with a Capital Transaction shall be allocated to the owner of the unit as of the date of the transaction described under Paragraph 4.01 in connection with a Capital Transaction.

8.03. Code Elections. All elections required or permitted to be made by the Partnership under the Code, including the election available under Section 754 thereof (or the corresponding provision of subsequent law), will be made by the General Partner in such manner as, in the General Partner's reasonable judgment, will be most advantageous to the Majority in Interest of the Limited Partners.

IX. DISSOLUTION OF PARTNERSHIP

9.01. Dissolution. The Partnership shall dissolve upon, but not before, the first to occur of the following:

(a) The General Partner elects to dissolve and terminate the Partnership at any time after the seventh anniversary of the Initial Closing Date, but only with the written consent of 67% in Interest of the Limited Partners, and only if at least 80% of the Partnership's total assets consist of Short-Term Investments or Freely Tradeable Securities. (Securities for which a public market exists and which can be legally sold by the Partners to the general public but are subject to the volume limitations or manner of sale requirements under Rule 144 adopted by the United States Securities and Exchange Commission may be included, for purposes of this 80% test, as Publicly-Traded Securities, provided that the minimum holding period requirements of Rule 144 have been satisfied by the Partnership at the date of such valuation.)

(b) Upon written notice received from not less than 67% in Interest of the Limited Partners, at any time, but only after the seventh anniversary of the Initial Closing Date.

(c) Upon the sale or other disposition of all or substantially all of the Partnership's assets and the receipt of the final payments to be paid by the purchaser or transferee thereof (or a determination by the Liquidator that it is unlikely that any additional payments will be made).

(d) Upon the retirement, withdrawal, dissolution, removal, death, insanity, or Act of Bankruptcy of the General Partner.

(e) Upon written notice of a breach of the provisions of Paragraph 5.07(j) received from not less than a Majority in Interest of Limited Partners with Capital Contributions equal to or greater than $1,000,000.

(f) December 31, 2002, unless such date is extended under Paragraph 1.03, in which event such extended date;

9.02 Winding Up and Distributions.

(a) In the event of a dissolution of the Partnership pursuant to Section 9.01, the assets of the Partnership, including all Securities in portfolio companies held by the Partnership, shall be liquidated by the Liquidator and, after Partnership obligations have been discharged or provided for, and any reserves which the Liquidator deems reasonably necessary to provide for contingent and unforeseen liabilities or obligations of the Partnership have been established, the net proceeds of such liquidation shall be distributed in accordance with Article IV.

(b) All liquidating distributions shall be made in cash. However, in connection with the sale by the Partnership and reduction to cash of its assets, although the Partnership has no obligation to offer to sell any properties to the Partners, any Partner, at the option of the Liquidator, may bid on and purchase any assets; it being agreed, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership assets would cause undue loss to the Partners, the Liquidator may defer liquidation of and withhold from distribution for a reasonable time any assets of the Partnership (except those necessary to satisfy the Partnership's current obligations); provided, however, that the sale of any Freely Tradeable Securities to Partners shall be made as though they were Distributable Securities under Paragraph 6.04(d).

(c) In connection with the termination of the Partnership, the Accounting Firm shall prepare and furnish to each Partner a statement setting forth the assets and liabilities of the Partnership as of the date of complete liquidation. After distribution of all of the assets of the Partnership, the Limited Partners shall cease to be such, and the General Partner shall cause to be executed, acknowledged and filed all documents necessary to cancel the Partnership's Certificate of Limited Partnership and fictitious name certificates, if any, and to terminate the Partnership.

(d) On liquidation, the General Partner shall, in compliance with Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(3), contribute to the capital of the Partnership (and the amount so contributed shall be treated as proceeds from the liquidation) the amount necessary to restore any aggregate deficit balance in the General Partner's Capital Accounts to zero, after taking into account, in determining whether a deficit balance exists, all adjustments of Profits and Losses, including, but not limited to distributions and allocations to the General Partner's Capital Account for the taxable year in which the liquidation occurs.

9.03 Notice. Written notice of the dissolution of the Partnership shall be given by the General Partner to each Limited Partner at least 60 days prior to the date of such dissolution. The valuation referred to in this Paragraph 9.01(a) shall be made as of a date not more than 30 days prior to the date such written notice of dissolution is sent to the Limited Partners.

9.04. Limited Partners. Neither the death of a Limited Partner nor an Act of Bankruptcy by a Limited Partner will dissolve the Partnership or terminate the Partnership's business, but the rights of such Limited Partner to receive Partnership distributions and allocations will, on the happening of such an event, devolve upon such Limited Partner's legal representative or successors in interest, as the case may be, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a limited partnership. Such Limited Partner's representative or successors in interest shall be liable for all of the obligations of such Limited Partner.

9.05. General Partner. Any event described in Section 9.01(d) shall dissolve the Partnership, unless, within ninety (90) days after the occurrence of such event, all of the then-remaining Partners consent to the continuation of the business of the Partnership by the appointment of a new general partner(s). The affected General Partner (or its legal representative, as the case may be) is hereby deemed to consent to the continuation of the business of the Partnership by the

appointment of the new general partner(s) designated as indicated above to continue the business of the Partnership.

9.06. Procedure. Upon dissolution or termination of the Partnership, the assets of the Partnership shall be liquidated as promptly as possible, but in an orderly and businesslike manner so as not to involve undue sacrifice, and the General Partner shall cause to be prepared by the firm of certified public accountants then retained by the Partnership a statement setting forth the assets and liabilities of the Partnership as at the date of dissolution, which statement shall be furnished to all of the Partners. Upon the dissolution or termination of the Partnership, the net proceeds from the liquidation of the assets of the Partnership and any Gain or Loss from Capital Transactions relating thereto shall be distributed as provided in Paragraph 4.01(b) and allocated as provided in Paragraph 4.02 hereof.

X. MISCELLANEOUS

10.01. Power of Attorney. Appendix V hereto contains a special power of attorney granted by the Limited Partners to the President and Vice President of NEPA II Management Corporation and their successors as such officers of the general partner of the Partnership. Each Limited Partner hereby constitutes and appoints the General Partner as its attorney (herein, the "Special Attorney") to make, execute, sign, acknowledge and file (A) a Certificate of Limited Partnership under the laws of the Commonwealth of Pennsylvania or any other jurisdiction, any amendment to any such Certificate of Limited Partnership (including, without limitation, amendments reflecting the withdrawal of the General Partner, or the return, in whole or in part, of the contribution of any Partner, or the addition, substitution or increased contribution of any Partner, or any other action of the Partners taken pursuant to this Agreement whether or not such Partner voted in favor of or otherwise approved such action), or any other instrument, certificate or document required from time to time to admit a Partner, to effect its substitution as a Partner, to effect the substitution of the Partner's assignee as a Partner, or to reflect any action of the Partners provided for in this Agreement; and (B) any other instrument, certificate or document as may be required or appropriate under the laws, regulations or procedures of the United States, any state or any governmental entity in any jurisdiction in which the Partnership is doing or intends to do business, provided all such instruments, certificates and other documents referred to in clauses (A) and above are in accordance with the terms of this Agreement as then in effect. Copies of all such instruments, certificates and other documents shall be sent to the Partners concurrently with their filing.

(ii) The foregoing grant of authority (A) is a special power of attorney coupled with an interest in favor of the General Partner and as such shall be irrevocable and shall survive the merger, dissolution or other termination of the existence of a Partner that is a corporation, association, partnership or trust, and (B) shall survive the assignment by the Partner of the whole or any portion of its interest, except that where the assignee of the whole thereof has furnished a power of attorney, this power of attorney shall survive such assignment for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution and shall thereafter terminate.

(b) Power of Attorney by Substituted Partners. The General Partner shall require a similar power of attorney to be executed by a transferee of a Partner as a condition of its admission as a substituted Partner.

10.02. Liability of the General Partner and of the Partnership. The General Partner and any "Related Party" (as defined below) shall not be liable, responsible or accountable in damages or otherwise to the Partnership or the Limited Partners for any act or omission performed or omitted by it in good faith on behalf of the Partnership and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interests of the Partnership, unless it shall have been guilty of fraud, gross negligence or willful misconduct with respect to such acts or omissions. Subject to the preceding sentence, it is recognized that (i) decisions concerning investments or potential investments in Securities involve exercise of judgment and the risk of loss; (ii) the Partnership frequently may elect to invest with other parties; and (iii) the General Partner and its Related Parties shall not be liable to the Partnership or any other Partner for the negligence, whether of omission or commission, dishonesty or bad faith of any employee, broker or other agent of the Partnership and/or the General Partner, provided that such employee, broker or agent was selected, engaged, retained and supervised by the General Partner with reasonable care. The General Partner may consult with legal counsel selected by them with reasonable care, and any action or omission suffered or taken by them in good faith in reliance and in accordance with the opinion or advice of such counsel shall be full protection and justification to them with respect to the action or omission so suffered or taken. The General Partner nevertheless shall indemnify each Limited Partner and the Partnership and shall save and hold each of them harmless from, against, for and in respect of any and all damages, losses, obligations, liabilities, claims, deficiencies, costs and expenses, including without limitation, reasonable attorneys' fees and other costs and expenses incident

to any suit, action, investigation, claim or proceeding suffered, sustained, incurred or required to be paid by each other Partner or the Partnership by reason of the failure of the General Partner to observe or perform the General Partner's covenants and agreements set forth in this Agreement.

The Partnership shall be liable, to the fullest extent permitted by law, for and shall indemnify and hold each of the "Related Parties," as hereinafter defined, harmless from and against all liabilities, losses, costs, expenses and/or damages (including, without limitation, reasonable attorneys' fees, judgments, and amounts paid in settlement of any action, suit, or proceeding) arising from any threatened, pending, settled, or completed action, suit, or proceeding in which the General Partner, any of its general partners, officers, directors, shareholders, employees, agents, or other entity wholly-owned by the Partnership, or any member of the Valuation Committee or the Management Advisory Council for the Partnership (collectively, the "Related Parties") is or was a party or threatened to be made a party by reason of any act or omission of such person performed or omitted by such person for and on behalf of the Partnership (including, but not limited to, any act or omission in connection with services provided to investees of the Partnership in furtherance of the Partnership's objectives), or by reason of having served, at the request of the Partnership, as a director, trustee, or officer of a corporation or other business entity of which the Partnership is a creditor, shareholder, or the holder of other securities (whether or not such person continues to serve in such position or to be a general partner, employee, or agent of the General Partner or an officer, director, or shareholder of an entity wholly-owned by the Partnership, or a member of any Valuation Committee and Management Advisory Council, at the time such action, suit or proceeding is brought or threatened), if such person's act or omission was taken or suffered in good faith and in a manner such person reasonably believed to be in or not inconsistent with the best interests of the Partnership, provided that such act or omission did not constitute fraud, gross negligence or willful misconduct, and shall reimburse such person for any such liabilities, losses, costs, expenses and/or damages. The termination of any action, suit, or proceeding by judgment, order, or settlement shall not of itself create any presumption that such person did not act in good faith and in a manner reasonably believed to be in or not inconsistent with the best interests of the Partnership. The foregoing assumption of liability and reimbursement obligation by the Partnership shall be in addition to any rights to which the General Partner and Related Parties may otherwise be entitled and shall inure to the benefit of the successors, assigns, executors, or administrators of such persons. The Partnership may, but shall not be required to, pay the expenses incurred by any such

person in defending the action, suit, or proceeding in advance of the final disposition of such action, suit, or proceeding, upon receipt of any undertaking by such person to repay such payment if there shall be an adjudication or determination that such person is liable for said liabilities, losses, costs, expenses, and/or damages (including without limitation, reasonable attorneys' fees, judgments, and amounts paid in settlement of any action, suit, or proceeding) as provided herein. Any such liabilities, losses, costs, expenses and/or damages assumed by the Partnership under this Paragraph 10.02 shall be paid from, and only to the extent of, Partnership assets, and no Partner shall have any personal liability on account thereof. This Paragraph 10.02 shall not be construed to limit the sovereign immunity of any of the Commonwealth of Pennsylvania, the Commonwealth of Pennsylvania's State Employes' Retirement System and the Commonwealth of Pennsylvania's Public School Employes' Retirement System, or impose an indemnification obligation on any of the foregoing Pennsylvania entities beyond the value of their respective ownership of Units. The General Partner may obtain insurance on behalf of the Partnership against any liability asserted against a reimbursable Person by reason of his, her or its relationship to the Partnership or services at the request of the Partnership to another entity, whether or not the Partnership would have power to reimburse the person under this Agreement.

10.03. Investment Company Act; Investment Advisers Act. The Partnership is being formed in such fashion as to be exempt from the Investment Company Act of 1940 (the "Investment Company Act") and the relationship between the Partnership and the General Partner is being structured in such manner as to exempt the General Partner and its Affiliates from the requirements of the Investment Advisers Act of 1940 (the "Advisers Act") and the Pennsylvania Securities Act of 1972 (the "Pennsylvania Securities Act"). The General Partner shall have the power to take such action as it may deem advisable in order to comply with any applicable regulatory conditions, including, without limitation, registering the Partnership under the Investment Company Act, and taking any and all action necessary to secure such registration and to secure exemptions under the Advisers Act and the Pennsylvania Securities Act for the General Partner and its Affiliates (including an exemption from the provisions of Section 2.05(a) of the Advisers Act). In addition, the General Partner shall have the power, subject to the approval in writing by 67% in Interest of the Limited Partners, to modify the present fee structure in the event that the General Partner is required to register under the Advisers Act.

10.04. Limitation on Investments by Disqualified Persons.

(a) In order to assist any Limited Partner which is a private foundation from incurring liability for the penalty taxes imposed under Sections 4941(d) and 4943 of the Code, relating to "self-dealing" transactions and "excess business holdings," respectively, and to assist any Limited Partner which is a pension trust from incurring liability for the penalty tax imposed under Section 4975 of the Code, relating to prohibited transactions," the Partnership will exert its best efforts to avoid making an investment in any corporation or other business entity which is or is controlled by a "disqualified person" under Sections 4941(d), 4943 or 4975 of the Code or in which a person for purposes of Section 4943 of the Code holds, to the actual knowledge of the General Partner, voting stock of such corporation or other business entity which, at the time of the Partnership's proposed investment, represents 20% or more of the total combined voting power of the outstanding voting stock of such corporation or other business entity (or which, when added to the voting stock held or to be held by the Partnership, would exceed 20% in the aggregate of the voting power of such outstanding voting stock). The Partnership will not knowingly admit as a new Partner of the Partnership any "disqualified person" under Sections 4941(d), 4943 or 4975 of the Code or any corporation or other business entity in which such a "disqualified person" owns, directly or indirectly, 10% or more of the outstanding voting stock.

(b) The provisions of this Paragraph 10.04 shall be operative only as to those Limited Partners, if any, who shall have delivered to the General Partner, concurrently with the delivery of their executed Subscription Agreements or at any time thereafter, a list designating persons (including individuals, corporations and other entities) who, as of the date thereof, were "disqualified persons with respect to such Limited Partner under Sections 4941(d), 4943 or 4975 of the Code. Each such Limited Partner agrees that it will promptly notify the General Partner of any additions or deletions which should be made to such list.

(c) At any time the General Partner has actual knowledge thereof, the General Partner agrees to notify any Limited Partner submitting such a list if any "disqualified person" under Sections 4941 (d), 4943 or 4975 of the Code has acquired ownership of, or has increased his or its ownership of, any direct or indirect equity interest in any corporation or other business entity in which the Partnership holds a direct or indirect interest. As promptly as practicable after the making of each investment by the Partnership, the General Partner shall

furnish each Limited Partner that has submitted such a list with the name and address of the principal office and the nature of the business of such corporation or other business entity in which the Partnership has invested.

10.05. Agreement in Counterparts. This Agreement may be executed in counterparts, each of which thus executed shall be deemed an original, but all of which, taken together, shall constitute one and the same agreement, binding upon the parties hereto, their heirs, executors, administrators, successors and permitted assigns.

10.06. Notices. All notices and demands under this Agreement shall be in writing, mailed, postage prepaid, to the parties at their respective addresses set forth in this Agreement and to the Partnership at its place of business set forth above and the same shall be deemed to have been given and made four days following the date thus mailed. Any party hereto may designate a different address to which notices or demands shall thereafter be directed by written notice given in the same manner and directed to the Partnership at its office hereinabove set forth.

10.07. Amendment. This Agreement may be modified or amended at any time by a writing signed by the General Partner and by a Majority in Interest of the Limited Partners; provided, however, that no such modification or amendment (a) shall change the interest of any Partner in relation to all other Partners in the capital, profit, loss or cash distributions of the Partnership or such Partner's rights of contribution or withdrawal with respect thereto, or (b) amend Paragraph 1.03 or Article IX hereof or this Paragraph 10.07 or (c) enlarge the obligations or diminish the rights of any Limited Partner without the express written consent of each Partner adversely affected thereby who was then entitled to vote thereon and any provision of this Agreement which requires the consent of greater than 67% in Interest of the Limited Partners may be modified or amended only by a writing signed by the General Partner and such stated percentage in Interest of the Limited Partners.

10.08. Additional Documents. Each party hereto agrees to execute, with acknowledgment or affidavit, if required by the General Partner, any and all documents which may be necessary or expedient in connection with the creation of the Partnership and the achievement of its purposes, specifically including the Partnership's Certificate and Agreement of Limited Partnership and any amendment thereto or cancellation thereof.

10.09. Meetings. Upon the written request of a Majority in Interest of the Limited Partners, the General Partner will

call a meeting of the Partners to be held within a reasonable time after such request.

10.10. Validity. In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

10.11. Governing Law. This Agreement shall be construed according to, and the management of the Partnership shall be governed by, the laws of the Commonwealth of Pennsylvania.

10.12. Waiver. The waiver by any party hereto of the breach of any term, covenant, agreement or condition herein contained shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein, nor shall any custom, practice or course of dealings arising among the parties hereto in the administration hereof be construed as a waiver or diminution of the right of any party hereto to insist upon the strict performance by any other party of the terms, covenants, agreements and conditions herein contained.

10.13. Securities Act Matters. Each Partner understands that in addition to the restrictions on transfer contained in this Agreement, it must bear the economic risks of its investment for an indefinite period because the Partnership interests have not been registered under the Securities Act and, therefore, may not be sold or otherwise transferred unless they are registered under the Securities Act or an exemption from such registration is available.

10.14. Contract Construction. Whenever the content of this Agreement permits, the masculine gender shall include the feminine and neuter genders, and reference to singular or plural shall be interchangeable with the other. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the other provisions, and the Agreement shall be construed in all respects as if any such invalid or unenforceable provision(s) were omitted. References in this Agreement to sections of the Code or the Act shall be deemed to refer to such sections as they may be amended after the date of this Agreement.

10.15. Paragraph Headings. Captions in this Agreement are for convenience only and do not define or limit any term of this Agreement.

10.16. Contractor Integrity Provision. The General Partner agrees to comply with the contractor integrity provision attached hereto on Appendix VI.

10.17. Nondiscrimination Clause. The General Partner agrees to comply with the nondiscrimination provisions attached hereto as Appendix VII.

10.18. Sovereign Immunity. The General Partner acknowledges that each Limited Partner hereby reserves all immunities, defenses, rights or actions arising out of its status as a sovereign state or entity (including those under the Eleventh Amendment to the United States Constitution). No waiver of any such immunities, defenses, rights or actions is to be implied by any provision hereof.

10.19. Pennsylvania Investment. The General Partner will use its best efforts to invest not less than half of the cash installment payments of Capital Contributions of Limited Partners in Securities of entities doing a majority of their business in Pennsylvania.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and in the year first above written.

NEPA II MANAGEMENT CORPORATION,
the "General Partner"

By: _____
Frederick J. Beste III
Initial Limited Partner

By: _____
Frederick J. Beste III
President and Chief
Executive Officer

Attorney-in-Fact for each
of the Limited Partners listed
on Schedule A hereto:

_____
Frederick J. Beste III

EXHIBIT A

List of Limited Partners

NEPA VENTURE FUND II, L.P.
LIST OF LIMITED PARTNERS
EXHIBT A

NAME	TOTAL CONTRIBUTION	PERCENT OWNERSHIP
[redacted]	[redacted]	
[redacted]	[redacted]	

EXHIBIT A

[redacted]

[redacted]

Pennsylvania Public School
Employes' Retirement System

5,000,000 0.25

[redacted]

$20,000,000 100.00%

TOTAL