LIMITED PARTNERSHIP AGREEMENT

OF

SCP PRIVATE EQUITY PARTNERS II, L.P.

(A Delaware Limited Partnership)

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This Agreement incorporates all changes through _____ __, 2000 which such changes have an effective date as of June 15, 2000.

SCP PRIVATE EQUITY PARTNERS II, L.P.
LIMITED PARTNERSHIP AGREEMENT

LIMITED PARTNERSHIP AGREEMENT, dated as of June 15, 2000, by and among SCP Private Equity II General Partner, L.P., a limited partnership organized under the laws of the State of Delaware, as the general partner, and those Persons listed in Schedule A hereto, as amended from time to time after the date hereof, as limited partners.

Upon the terms and subject to the conditions set forth herein, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them below.

"Additional Capital Contributions" shall have the meaning set forth in Section 8.1.

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

(1) credit to such Capital Account any amounts which such Partner is obligated to restore pursuant to any provisions of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations §§ 1.704-2(g)(1) and 1.704-2(i)(5); and

(2) debit to such Capital Account the items described in Treasury Regulations §§ 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6).

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

"Affiliate" means, with respect to the Person to which it refers, a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such subject Person. For this purpose, (1) each Principal and the Management Company shall be deemed to be an Affiliate of the General Partner, and (2) each executive officer or director of any Safeguard Company shall be deemed to be an Affiliate of such Safeguard Company.

"Agreement" means the Limited Partnership Agreement of SCP Private Equity Partners II, L.P., as originally executed and as amended from time to time hereafter.

"BHCA Limited Partner" shall have the meaning set forth in Section 21.7.

"Bridge Financing" shall have the meaning set forth in Section 3.11.

"Capital Account" shall have the meaning set forth in Section 9.2.

"Capital Contribution" shall mean any initial capital contribution and any Additional Capital Contribution as set forth in Section 8.1.

"Carried Interest" means the allocations of Profits made to the General Partner under Section 10.1(e) and clause (y) of Section 10.1(f), less the allocations of Losses made to the General Partner under clause (y) of Section 10.2(a) and Section 10.2(b).

"Certificate" shall have the meaning set forth in Section 3.4.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

"Commitment Period" shall mean the period beginning on the date of the Initial Closing and ending on the six (6) year anniversary date of the Initial Closing.

"Contributions Account" shall have the meaning set forth in Section 9.1.

"Control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Cumulative Recoupable Shortfall Amount" means, following the dissolution of the Partnership, sixty percent (60%) (representing an adjustment for an assumed federal and state income tax rate of forty percent (40%) in connection with the distributions originally made to the General Partner in respect of its Carried Interest (the "Assumed After-Tax Rate")) of the lesser of (i) and (ii), where (i) equals the difference between (x) the sum of (1) the aggregate amount of Capital Contributions to the Partnership plus (2) the aggregate cumulative Priority Payment on all Portfolio Securities from the beginning of the Partnership as computed in accordance with the terms of this Agreement and (y) the aggregate cumulative amount of distributions to the Partners from the beginning of the Partnership other than amounts distributed to the General Partner in respect of its Carried Interest, but not less than zero, and where (ii) equals the aggregate amount theretofore distributed to the General Partner in respect of its Carried Interest; *provided* that the Assumed After-Tax Rate shall be periodically adjusted as the General Partner shall in good faith determine to account for future changes in income tax rates; and, *provided, further*, that the Cumulative Recoupable Shortfall Amount shall take into account the income tax benefit actually received by the General Partner (which the General Partner shall determine in good faith) as a result of the payment of such amount in accordance with the terms of this Agreement.

"Defaulting Partner" shall have the meaning set forth in Section 8.2.

"Delaware Act" shall mean the Delaware Revised Uniform Limited Partnership Act, as amended from time to time.

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

"ERISA Partner" shall mean any Limited Partner which is (a) an "employee benefit plan" within the meaning of, and subject to the provisions of, ERISA, (b) the nominee holder of a Limited Partner's interest in the Partnership, the beneficial owner of which interest is such an employee benefit plan, or (c) a partnership consisting in whole or in part of such employee benefit plans which have in the aggregate made capital contributions at least equal to twenty-five percent (25%) of the total capital contributions made to such partnership.

"ERISA Withdrawal Date" shall have the meaning set forth in Section 16.3.

"Excused Partner" shall have the meaning set forth in Section 3.15.

"Final Closing" means the date, not later than the one year anniversary of the date of the Initial Closing, on which the investors are last admitted to the Partnership pursuant to Section 7.1.

"Freely Tradeable Security" means any security where (a) the Partnership's entire holding of such securities can be sold immediately by the Partnership to the general public (including a sale by any Partner of the entire distributed amount of its holdings following a distribution of such security from the Partnership even though a sale by the Partnership of such securities, if not so distributed to the Partners but sold by the Partnership to the general public, might otherwise be restricted by volume limitations) and such sale can be effected pursuant to Rule 144 under the Securities Act ("Rule 144") or otherwise without the necessity of any United States federal or state registration or consent (other than any ministerial notice filings of the type required pursuant to Rule 144(h)), and (b) such securities are traded in a Public Securities Market and market quotations are available for such securities, including quotations available from market makers or specialists. If only a portion of the Partnership's holdings of a class of securities satisfies the requirements of the preceding sentence (because such portion was acquired at a different time or was issued in a different manner than the Partnership's other holdings of such class of securities), that portion of such class shall constitute Freely Tradeable Securities (so that, for example, any Partner can sell the entire distributed amount of its holdings in such security following a distribution of such security from the Partnership).

"Funded Commitments" means the total amount of Capital Contributions (excluding interest payments made pursuant to Section 7.1) made by the Partners as reduced by the amount of Capital Contributions distributed pursuant to Section 11.3(b) or distributed as a return of a Capital Contribution made to fund a Bridge Financing.

"General Partner" means SCP Private Equity II General Partner, L.P.. a Delaware limited partnership.

"Indemnitee" shall have the meaning set forth in Section 18.1.

"Individual Principal" means each of Winston J. Churchill, James W. Brown, Wayne B. Weisman and Thomas G. Rebar.

"Initial Closing" means the date on which investors (other than one or more of the Principals) are first admitted to the Partnership as Limited Partners.

"Investment Committee" shall have the meaning set forth in Section 6.1.

"Key-Man Triggering Event" means any event or series of events as a result of which (x) any three of the Individual Principals cease to be members of the LLC or members of the Management Company, or (y) any two of the Individual Principals cease to be members of the LLC and Safeguard Principal ceases to be a member of the LLC.

"Limited Partners" means those Persons listed in Schedule A as limited partners, together with any additional or substituted limited partners admitted to the Partnership after the date hereof. Holders of Nonvoting Limited Partnership Interests, as defined in Section 21.7(b), shall be treated in the same manner as other Limited Partners for all purposes under this Agreement, except to the extent provided in Section 21.7(b).

"Limited Partners Advisory Committee" shall have the meaning set forth in Section 6.1.

"Liquidating Distribution" means any distribution made pursuant to Section 14.2.

"Liquidation Amount" means, at any date with respect to any Portfolio Security or group of Portfolio Securities, the amount that would be realized upon a sale of such Portfolio Security or group of Portfolio Securities for their respective fair market value as determined in accordance with Article XII; *provided* that the Liquidation Amount for a Realized Investment will be the net amount realized with respect to such investment less any Profit with respect to such investment that is to be allocated as of such date.

"LLC" means SCP Private Equity II, LLC, a Delaware limited liability company and the manager of the General Partner.

"Management Agreement" means the management agreement between the Partnership and Management Company, as amended from time to time.

"Management Company" means SCP Private Equity Management Company, LLC, a Delaware limited liability company.

"Management Fee" means the amounts payable by the Partnership to the Management Company as provided in Section 5.2 of this Agreement and in the Management Agreement.

"Maximum Subscription Amount" means Six Hundred Million Dollars ($600,000,000), *provided* that the Maximum Subscription Amount may be increased by the General Partner at any time and

from time to time in its sole discretion to any amount up to and including Seven Hundred Fifty Million Dollars ($750,000,000).

"Media or Common Carrier Company" means any person or entity that directly or indirectly owns, controls or operates any broadcast radio or television station or network, cable television system, daily newspaper, multipoint multichannel distribution system, local multichannel distribution system, open video system, commercial mobile radio service or any other communications facility operated pursuant to authorization granted by the Federal Communications Commission ("FCC") or otherwise subject to regulation by the FCC or any other person or entity, to the extent that such person or entity is subject to FCC rules, regulations or policies under which (i) the direct or indirect ownership interest by the Partnership in such person or entity may be attributed to the Partnership or a Limited Partner for purposes of FCC multiple and cross-ownership rules, cross-interest policies and the alien ownership restrictions set forth in the Communications Act of 1934, as amended, and the rules, regulations, policies and published decisions of the FCC thereunder, all as may be amended or supplemented from time to time (collectively, the "Communications Act") or (ii) the ownership by the Partnership or a Limited Partner in another business may be subject to limitation or restriction as a result of such ownership by the Partnership in such person or entity.

"Money Market Investments" means obligations of the United States government, fully collateralized direct repurchase agreements secured by obligations of the United States government, certificates of deposit, time deposits, bankers acceptances or similar banking arrangements issued by any bank located in the United States (including branches of foreign banks) having a capital and undivided surplus of at least Five Hundred Million Dollars ($500,000,000), repurchase agreements entered into with such a bank or a broker or dealer which is a member of the Securities Investors Protection Corporation, overnight funds and commercial paper rated at the time of such investment in one of the two highest rating categories by Standard & Poor's Corporation or Moody's Investors, Inc.

"New General Partner" shall have the meaning set forth in Section 3.14.

"Non-Voting Limited Partnership Interests" shall have the meaning set forth in Section 21.7.

"Operating Expenses" means all fees, costs and expenses of the Partnership (including without limitation, Management Fees, Organizational Expenses and any expenditures of the Partnership described in Section 702(a)(2)(B) of the Code), other than those fees, costs and expenses directly attributable to the acquisition or disposition of a Portfolio Security.

"Organizational Expenses" shall mean any fees, costs or expenses incurred by the Partnership to the extent attributable to the organization of the Partnership or the offer or sale of interests in the Partnership to the Limited Partners, other than Placement Fees.

"Parallel Fund" shall mean a limited partnership or other entity having the same investment strategy as the Partnership organized by the General Partner (or at the General Partner's direction)

to meet the specific organizational requirements of any Person who, but for such requirements, would be a Limited Partner of the Partnership, but only if the acquisition of interests in such Parallel Fund occurs on or prior to the Final Closing. In the event that any Parallel Fund is formed, the benefits and burdens of the Partnership hereunder (including, but not limited to, investment opportunities and investment and indemnification expenses) shall be divided and allocated to the extent possible, between the Partnership, on the one hand, and such Parallel Fund, on the other hand, in proportion to the relative aggregate capital commitments of the Partners of the Partnership and the partners of the Parallel Fund.

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

"Partnership" means SCP Private Equity Partners II, L.P., a Delaware limited partnership.

"PERISA Partner" shall have the meaning set forth in Section 16.7.

"Person" means any individual, general partnership, limited partnership, corporation, joint venture, trust, business trust, limited liability company, cooperative, association, benefit plan or governmental, quasi-governmental or non-governmental entity or instrumentality and the heirs, executors, administrators, legal representatives, successors and assigns of any of the foregoing where the context so admits.

"Placement Fees" means all fees, if any, paid to a placement agent in connection with the offer and sale of interests in the Partnership to the Limited Partners.

"Plan Asset Regulations" shall mean the regulations concerning the definition or "Plan Assets" under ERISA adopted by the United States Department of Labor and codified in 29 C.F.R. §2510.3-101.

"Portfolio Company" means any entity in which the Partnership has made an investment in furtherance of its purpose as set forth in Section 2.3 (other than a temporary investment of the Partnership's funds pending the use of those funds in furtherance of that purpose) or a successor in interest to such entity.

"Portfolio Security" means any Security issued by a Portfolio Company.

"Prime Rate" means the interest rate announced from time to time by Citicorp, N.A. as its prime lending rate (regardless of how such rate is specifically described).

"Principal" means each Individual Principal, the Safeguard Principal (including, the executive officers and directors thereof) and each member of the Investment Committee.

"Priority Payment" means the amount necessary to produce a cumulative annual return of eight percent (8%) on unreturned Capital Contributions calculated on the basis of the amount of such Capital Contributions that are (a) utilized to acquire a Portfolio Security or group of Portfolio

Securities, (b) utilized to provide Bridge Financing to a Portfolio Company, (c) otherwise held in Money Market Investments, or (d) otherwise utilized by the Partnership. The Priority Payment shall begin to accrue on the date such Capital Contribution is made to the Partnership and shall stop accruing on the date of and to the extent that the applicable Capital Contributions with respect to such Portfolio Security or group of Portfolio Securities, Bridge Financing or Money Market Investment have been returned to the Partners. For purposes of determining the Priority Payment, Capital Contributions used for Operating Expenses of the Partnership shall be treated as part of the Portfolio Securities purchased by the Partnership on or before the date on which the Priority Payment is next determined following the date such Capital Contributions were made. Such Capital Contributions in respect of the payment of Operating Expenses shall be deemed to have been so invested on the date they were made to the Partnership and shall be prorated among the Partnership's Portfolio Securities in accordance with Section 10.10; *provided, however,* that Operating Expenses incurred prior to the first acquisition of a Portfolio Security by the Partnership shall begin to accrue the Priority Payment on the date the Capital Contribution used to pay such Operating Expenses is made to the Partnership and shall thereafter be included in the Portfolio Security to which such Operating Expenses have been allocated pursuant to Section 10.10.

"Pro Rata to the Partners" means to the Partners in proportion to their Contributions Account.

"Profits" and "Losses" means, for a fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (including in such determination all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code) with the following adjustments:

(i) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses will be added to such taxable income or loss;

(ii) any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or so treated under applicable regulations will be subtracted from such taxable income or loss;

(iii) the items specially allocated pursuant to this Agreement will not be taken into account in computing Profits or Losses; and

(iv) the Profits and Losses determined pursuant to Section 9.3 with respect to assets distributed in kind shall be added to or subtracted from taxable income or loss.

"Publicly Traded Security" means a Security which is traded on a recognized national securities exchange in the United States of America or which is listed or admitted to trading in the Nasdaq National Market (including the Supplemental List thereof).

"Public Securities Market" means any United States national or regional securities exchange, including but not limited to the New York Stock Exchange, the American Stock Exchange, and

regional United States exchanges, the Toronto Stock Exchange, the Vancouver Stock Exchange, the Montreal Stock Exchange, the International Stock Exchange of the United Kingdom and the Republic of Ireland, Ltd. and any recognized United States national or regional automated quotation system, listing service or other form of securities exchange or trading forum, including but not limited to the automated quotation system and listing services maintained by the United States National Association of Securities Dealers, Inc.; and the phrase "traded in a Public Securities Market" means publicly traded on or through any such exchange, system, listing service or forum.

"Qualified Appraiser" means a qualified, independent and nationally prominent appraisal firm or investment bank experienced in valuing portfolios of equity interests in privately-held companies.

"Realized Investment" means, at any date, any Portfolio Security of the Partnership with respect to which the Partnership has theretofore realized income, gain or loss other than dividends, distributions or interest payments on any Portfolio Security.

"Regulatory Allocations" shall have the meaning set forth in Section 10.5.

"Reserve Account" shall have the meaning set forth in Section 11.7.

"Safeguard" means Safeguard Scientifics, Inc., a Pennsylvania corporation of which Safeguard Principal is a wholly-owned subsidiary.

"Safeguard Company" means any of Safeguard, its wholly-owned subsidiaries, and any other Person in which Safeguard (together with its senior management and/or any of its wholly-owned subsidiaries) holds one hundred percent (100%) of the equity interest.

"Safeguard Principal" means Safeguard Fund Management, Inc., a wholly-owned subsidiary of Safeguard, or any successors or assigns.

"SCP I" means SCP Private Equity Partners, L.P., a Delaware limited partnership.

"Securities" or "Security" shall mean and include common and preferred stock (including warrants, rights, put and call options and other options relating thereto or any combination thereof), partnership interests, interests in limited liability companies, notes, bonds, debentures, trust receipts and other obligations, instruments or evidences of indebtedness, choses in action and interests in personal property of all kinds, tangible or intangible (including cash and bank deposits).

"Securities Act" means the United States Securities Act of 1933, as amended from time to time.

"Shortfall Amount" means, at any date with respect to any Portfolio Security or group of Portfolio Securities, an amount equal to (but not less than zero) the difference between (x) and (y), where (x) equals the sum of (i) the cumulative Priority Payment with respect to such Portfolio Security or group of Portfolio Securities for the current and all prior fiscal years and (ii) the cost (including Operating Expenses allocated to such Portfolio Security or group of Portfolio Securities

in accordance with Section 10.10) of such Portfolio Security or group of Portfolio Securities and where (y) equals the Liquidation Amount with respect to such Portfolio Security or group of Portfolio Securities.

"Special Income" shall have the meaning set forth in Section 3.6(b) hereof.

"Subscription" means, with respect to any Partner, the total amount that such Partner has agreed to contribute to the Partnership as reflected, with respect to any Partner in Schedule A opposite such Partner's name under the column headed "Total Subscription;" *provided* that any amount paid as interest in accordance with Section 7.1 shall not be included within the amount of Subscriptions.

"Successor Entity" shall have the meaning set forth in Section 3.8.

"Tax Distribution" means any distribution made by the Partnership pursuant to Section 11.1.

"Tax Matters Partner" shall have the meaning set forth in Section 21.12.

"Transfer" means any transfer, sale, assignment, gift, pledge, hypothecation or other disposition or encumbrance of an interest in the Partnership.

"Treasury Regulations" mean the Procedure and Administration Regulations promulgated by the United States Department of the Treasury under the Code, as amended.

"Unfunded Subscriptions" means the amount of Subscriptions that have not been paid in as Capital Contributions; *provided* that Subscriptions that have been paid in to fund a Bridge Financing and have been subsequently returned to the Partners shall not be treated as having been paid in for this purpose; *provided further* that, where the Partnership has guaranteed indebtedness of a Portfolio Company, the amount of such guaranty shall reduce the Unfunded Subscriptions for as long as such guaranty remains in effect; and *provided further* that the amount of any Capital Contribution which is returned to the Partners pursuant to a distribution pursuant to (i) Article XI, relating to the disposition of a Portfolio Security occurring within one year after the date of the original investment by the Partnership in such Portfolio Security, or (ii) Section 7.1(b) hereof, shall not be treated as having been paid in for this purpose.

"Unrealized Investment" means, at any date, a Portfolio Security of the Partnership that is not a Realized Investment.

ARTICLE II. ORGANIZATION

SECTION 2.1 Formation of Limited Partnership. The Partners agree to form and carry on the Partnership subject to the terms of this Agreement pursuant to and in accordance with the Delaware Act. On or prior to the date of the Initial Closing, the General Partner shall have executed or caused to be executed all such certificates or other documents and shall have taken or cause to be taken all

such other action as may be necessary or appropriate to comply with the requirements for the operation of a limited partnership under the Delaware Act.

SECTION 2.2 Firm Name; Registered and Principal Office. The name of the Partnership is "SCP Private Equity Partners II, L.P." The initial address of the Partnership's registered office in Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, County of New Castle, and its initial registered agent at such address for service of process is The Corporation Trust Company. The principal office of the Partnership shall be located at such place as the General Partner determines. The General Partner may change the locations of the registered office and principal office of the Partnership to such locations as the General Partner may determine at any time, upon written notice to all the Partners indicating the locations of such registered office and principal office. The General Partner may cause the Partnership to open such additional offices at such other locations as the General Partner in its sole discretion may determine.

SECTION 2.3 Purpose. The purpose of the Partnership is to generate significant returns for its Partners, through long-term capital appreciation, by locating, identifying, analyzing and investing in equity and equity-related securities (which may include, without limitation, debt securities issued by a Portfolio Company, *provided* that, except with respect to Bridge Financing, such securities are convertible into or exchangeable for equity; the Partnership has acquired or agreed to acquire equity securities or securities convertible into or exchangeable for equity securities issued by such Portfolio Company; or the General Partner reasonably anticipates that such securities may be exchanged on a negotiated basis for equity in such Portfolio Company); and, in furtherance thereof, the Partnership can hold, sell, distribute or otherwise dispose of its Portfolio Securities in accordance with this Agreement over such period of time as the General Partner determines to be in the best interest of the Partnership and otherwise engage in any lawful activity for which limited partnerships may be organized under the Delaware Act in furtherance of the foregoing objectives.

SECTION 2.4 Powers. Subject to all of the terms and provisions hereof and consistent with the investment objectives stated herein, the Partnership shall have the following powers:

(1) to purchase, invest in and sell securities and interests in securities of every kind, nature and description, including, without limitation, capital stock, hybrid securities, partnership interests, bonds, royalty financings, notes, debentures, trust receipts, and other obligations, as well as rights, warrants, options or other interests to purchase securities;

(2) to make and perform all contracts and engage in all activities and transactions necessary or advisable to carry out the purpose of the Partnership, including, without limitation, the purchase, sale, transfer, pledge and exercise of all rights, privileges and incidents of ownership or possession with respect to any Partnership asset or liability; the securing of payment of any Partnership obligation by hypothecation or pledge of Partnership assets; and the incurrence of debt and the guaranty of or becoming surety for the debts of others; and

(3) otherwise to have all the powers available to it as a limited partnership under the Delaware Act.

ARTICLE III. GENERAL PARTNER

SECTION 3.1 Name, Address and Subscription. The name, address and Subscription of the General Partner, and its initial contribution to the capital of the Partnership, are set forth in Schedule A.

SECTION 3.2 Management and Control of the Partnership. Except as otherwise specifically provided in Article VI or elsewhere herein, the management, policies and control of the Partnership shall be vested exclusively in the General Partner; *provided*, that the General Partner is authorized (i) to enter into a management agreement on behalf of the Partnership (the "Management Agreement") with the Management Company delegating its authority and limiting the authority so delegated as specified in the Management Agreement and specifying that such authority shall be exercised in conformity with the terms and conditions of such agreement and this Agreement and (ii) engage the LLC to serve as its manager. The Management Agreement shall be binding upon the Partnership in accordance with its terms, shall not amend or modify the obligations of the General Partner hereunder nor be inconsistent with the terms of this Agreement. All decisions with respect to the acquisition of investments in Portfolio Companies shall require the unanimous approval of the Investment Committee. The Limited Partners may, to the extent expressly provided in this Agreement, possess or exercise any of the powers, or have or act in any of the capacities permitted under Section 17-303(b) of the Delaware Act for limited partners who are deemed thereby not to participate in the control of the affairs of a limited partnership.

SECTION 3.3 Powers. Subject to the provisions of this Agreement and consistent with the investment purposes stated herein, the General Partner shall, directly or through the Management Company, have the power on behalf and in the name of the Partnership to carry out and implement any and all of the purposes of the Partnership set forth in Section 2.3 and to exercise any of the powers of the Partnership set forth in Section 2.4 including, without limitation, the power to:

(1) open, maintain and close accounts with brokers and give instructions or directions in connection therewith;

(2) open, maintain and close bank accounts and draw checks or other orders for the payment of money;

(3) receive, receipt for, dispose of and manage all securities, checks, money and other property, assets or liabilities of the Partnership;

(4) hire and fire employees, investment bankers, attorneys, accountants, consultants, custodians, contractors and other agents, and pay them compensation;

(5) enter into, make and perform such contracts, agreements and other undertakings, and do any and all such other acts required of the Partnership with respect to its interest in any Person or activity, including but not limited to, entering into agreements with

respect to such interests, which agreements may contain such terms, conditions and provisions as the General Partner in its sole discretion shall approve;

(6) make all elections for the Partnership that are permitted under tax or other applicable laws, including an election under Section 754 of the Code; and

(7) maintain one or more offices and in connection therewith rent or acquire office space and do such other acts as may be advisable in connection with the maintenance of such offices.

SECTION 3.4 Certificate of Limited Partnership. The General Partner shall file for public record with the appropriate public authorities, and, if required, publish the Certificate of Limited Partnership of the Partnership (the "Certificate") and any amendments thereto and take all such other action as may be required to preserve the limited liability of the Limited Partners in any jurisdiction in which the Partnership shall conduct operations.

SECTION 3.5 Authority and Duty. The General Partner shall, directly or through the Management Company or LLC, manage and control the operations of the Partnership including, without limitation, advising the Partnership in connection with the Partnership's investment activities in Portfolio Companies, providing general and administrative services to the Partnership, including without limitation the preparation and maintenance of the books and records of the Partnership, communicating with Limited Partners (including the furnishing of periodic financial reports), facilitating transfers of interests in the Partnership (subject in all cases to the applicable terms of this Agreement), and making disbursements of fees and expenses on behalf of the Partnership where required. In addition, the General Partner, shall, directly or through the Management Company or LLC, arrange for and coordinate, at the Partnership's expense (except as otherwise set forth herein), the services of other professionals and experts, including, without limitation, attorneys, accountants, financial advisers, appraisers, investment bankers, consultants and other agents deemed appropriate by the General Partner.

SECTION 3.6 Salaries; Special Income.

(a) For so long as the Management Fee is being paid to the Management Company, none of the General Partner, the Management Company and the Principals shall receive any salaries, fees or other compensation from the Partnership except as specifically permitted herein or to the extent that future Management Fees are reduced on account of such receipts. Any compensation payable to the Principals pursuant to this Section 3.6(a) shall not be considered a distribution of profits or a return of capital to any Principal for any purpose under this Agreement, but shall constitute a Partnership expense.

(b) The Management Company, any Principal or their Affiliates may realize certain income in connection with the Partnership's investment activity, including board of director's fees, investment banking fees, supervisory fees, stock options, restricted stock (and similar securities) and other forms of non-cash compensation received for services provided, other advisory,

break-up, topping and other similar fees ("Special Income"). The Partnership shall credit fifty percent (50%) of Special Income (net of expenses) against the Management Fee (but not below zero) otherwise payable by the Partnership pursuant to the Management Agreement in the fiscal period succeeding the realization of such Special Income in connection with the Partnership's activities; *provided* that, if fifty percent (50%) of Special Income (net of expenses) determined on an annual basis as of the end of the Partnership's fiscal year exceeds the annual Management Fee otherwise payable during such fiscal year, the excess shall be carried forward and shall reduce the Management Fee payable in the next fiscal year or years, until such fees are fully offset.

SECTION 3.7 Co-Investment with Parallel Funds or Limited Partners.

(a) The General Partner (or an Affiliate thereof) shall also serve as a general partner of (or in a similar capacity for) any Parallel Funds. The Partnership and any Parallel Funds will conduct their investment activities in parallel (other than those activities involving the use of idle funds pending investment). To implement this policy, the General Partner will:

(1) apportion available investment opportunities between the Partnership and any Parallel Funds in proportion to the relative amounts of capital committed to each such entity;

(2) cause the Partnership and any Parallel Funds to sell or otherwise dispose of each such investment at substantially the same time and on substantially the same terms in amounts proportionate to the relative size of the investments made by the Partnership and any Parallel Funds in the securities of that Portfolio Company; and

(3) cause the Partnership or any Parallel Funds, as applicable, to sell or buy from each other securities of Portfolio Companies at cost, so as to maintain to the extent feasible the relationship between the capital committed to each entity and the holdings of each entity in the securities of each Portfolio Company if the relative amounts of capital committed to the Partnership and any Parallel Funds, respectively, should change between the date of the Initial Closing and the Final Closing.

(b) The General Partner may, in its sole discretion and without any obligation, offer to the Limited Partners, pro rata based upon their respective Contributions Accounts, the right to co-invest with the Partnership or make follow-on investments in Portfolio Companies on such terms as the General Partner may determine in its sole discretion.

(c) The Partnership shall bear its proportionate share, based on the relative amount it invests, of all expenses incurred in connection with each investment made in parallel with any Parallel Funds, but shall not bear any expenses incurred solely for the benefit of any Parallel Funds.

SECTION 3.8 Other Activities.

(a) Until the date (the "Trigger Date") which is the earlier of (i) the date on which the Partnership is seventy-five percent (75%) invested (as set forth in subsection (b) hereof) or (ii) the last day of the Commitment Period, the Individual Principals shall devote, subject to Section 3.8(d), a substantial portion of their collective business time to the activities of the Partnership. Thereafter, the Individual Principals shall devote such business time to the activities of the Partnership as the Individual Principals shall, in their good faith judgment, deem necessary to perform their duties to the Partnership.

(b) It is specifically understood and agreed that, subject to Section 3.8(d), without the prior written consent of a majority in interest of the unaffiliated Limited Partners of the Partnership and the unaffiliated limited partners of any Parallel Fund, voting together as a single class, no Individual Principal shall directly or indirectly organize or participate (other than as an investor with no functional management control or material ongoing management responsibilities) in a fund formed to pursue an investment strategy similar to that of the Partnership (a "Successor Entity") during the Commitment Period before the Partnership is seventy-five percent (75%) invested. For purposes of this Section 3.8, (1) the Partnership shall be deemed to be seventy-five percent (75%) invested when at least seventy-five percent (75%) of its aggregate Subscriptions has been invested, expended, allocated to accrued expenses or committed to future investments (including without limitation amounts which the Partnership is obligated to invest pursuant to binding agreements, whether or not all conditions to closing have then been satisfied); *provided* that, where there is no binding agreement, there have been good faith negotiations between the parties with respect to such future investments; *provided further* that, up to ten percent (10%) of the seventy-five percent (75%) will be deemed to be invested if evidenced by a letter of intent or similar agreement, and (2) a fund shall be deemed to be formed to pursue an investment strategy similar to that of the Partnership if its purpose is similar to the purpose of the Partnership set forth in Section 2.3 and such fund is subject to limitations on investments substantially similar to those set forth in Section 3.11. Notwithstanding the foregoing, a Successor Entity shall not include any Parallel Fund.

(c) Neither the Partnership nor any Partner shall by virtue of this Agreement have any right, title or interest in or to any Successor Entity.

(d) Subject to the provisions of Section 3.8(a), each Individual Principal, the Safeguard Principal and its designee and Safeguard may, directly or indirectly, engage in any activities with respect to SCP I and any related parallel or successor funds as any such Person deems necessary in their respective sole discretion.

SECTION 3.9 Avoidance of Conflicts of Interest. The Partnership shall comply with the following policies to deal with potential conflicts of interest. Notwithstanding the Partnership's compliance with the policies set forth below, the Partnership may in no event make an investment that is inconsistent with its purpose as set forth in Section 2.3 or the investment limitations set forth in Section 3.11, and any mechanism set forth in this Section 3.9 that allows the Partnership to make investments is, in all cases, subject to such limitations.

(a) Except as otherwise provided in this Section 3.9, the Partnership may participate, at the same time, with SCP I and any related parallel or successor funds and/or a Safeguard Company or any of its Affiliates in any new investment opportunities. Without the prior approval of the Limited Partners Advisory Committee in accordance with Section 6.4, the Partnership shall not acquire any securities issued by a Safeguard Company.

(b) Without the prior approval of the Limited Partners Advisory Committee in accordance with Section 6.4, the Partnership shall not invest directly or indirectly in the securities of any Person in which (1) the General Partner or its Affiliates, (2) a Principal or the Principal's Affiliates, or (3) a Safeguard Company has an ownership interest valued in excess of five hundred thousand dollars ($500,000).

(c) The General Partner, the LLC, any Principal or their officers, directors, members or managers, in their individual capacities, shall not enter into any transaction which would violate in any material respect their obligations to the Partnership as described in this Agreement or which would frustrate the ability of the Partnership to carry on its intended activities.

(d) Except for investments which are allowable pursuant to Sections 3.9(a) and (b) above, without the prior approval of the Limited Partners Advisory Committee in accordance with Section 6.4, the Partnership shall not engage in any investment or other financial transaction with any Partner, Principal, any Safeguard Company or any of their respective Affiliates, other than transactions relating to the provision of services to the Partnership or to any Portfolio Company entered into in the ordinary course of the Partnership's or Portfolio Company's activities on terms no less favorable to the Partnership or Portfolio Company than are generally afforded to unrelated third parties in comparable transactions, provided that any such transaction has been disclosed to the Limited Partners Advisory Committee.

(e) Without the prior approval of the Limited Partners Advisory Committee in accordance with Section 6.4, the General Partner and the Principals may invest for their own accounts in the securities of any existing Portfolio Company only (i) on the same terms and conditions as the Partnership's investment, (ii) contemporaneously with an investment by the Partnership in the securities of such Portfolio Company, and (iii) if the Limited Partners have first been offered the right to co-invest in such Portfolio Company. In addition to complying with (i), (ii) and (iii) above, the maximum amount the General Partner and Principals may invest in any existing Portfolio Company without such approval shall be limited to two percent (2%) of the total amount invested by the Partnership in such Portfolio Company. Investments pursuant to this Section 3.9(e) by the Principals made with or without the prior approval of the Limited Partners Advisory Committee can only be disposed of at the same time and on the same terms and conditions as those imposed on the Partnership. The restrictions set forth in this Section 3.9(e) shall not apply to purchases of securities traded in a Public Securities Market.

(f) Without the prior approval of the Limited Partners Advisory Committee in accordance with Section 6.4, any Principal wishing to take advantage, in such Person's individual capacity, of an opportunity to acquire securities of a privately held company of the type in which the

Partnership may invest shall not acquire such securities without first offering that investment opportunity to the Partnership; *provided* that this Section 3.9(f) shall not apply to any proposed investment if the total cost of all securities issued by each such privately held company to such Principal and his or its Affiliates is less than Three Hundred Seventy-Five Thousand Dollars ($375,000) in the aggregate.

(g) If any investment opportunity is offered to the Partnership under Section 3.9(f), the Partnership and any Parallel Funds shall be permitted to acquire such percentage of the securities offered to the Partnership as the General Partner, in the good faith exercise of its reasonable judgment, determines to be appropriate for the Partnership and any Parallel Funds before any Principal may acquire any of the securities offered to the Partnership.

(h) Each Partner agrees that, subject to the applicable provisions of this Agreement, including without limitation the other applicable paragraphs of this Section 3.9, any Partner, Principal, member of any committee or panel and their respective partners, officers, directors, employees and Affiliates may invest, participate, or engage in (for their own accounts or for the accounts of others), or may possess an interest in, other financial ventures and investment and professional activities of every kind and description, independently or with others, including but not limited to management of other securities partnerships or investment vehicles; investment in, financing, acquisition or disposition of securities; investment and management counseling; providing brokerage, investment banking and administrative services; or serving as officers, directors, consultants, advisers or agents of other companies, partners of any partnership, or trustees of any trust (and may receive fees, commissions, remuneration or reimbursement of expenses in connection with these activities) whether or not such activities may conflict with any interest of the Partnership or any of the Partners; *provided* that, as to the Principals and their Affiliates, such activities may not conflict with any interest of the Partnership or any of the Partners other than as may be provided in this Agreement. The parties hereto expressly agree that neither the Partnership nor any Partner shall have any rights in or to activities permitted by this Section 3.9(h) or to any fees, income, profits or goodwill derived therefrom.

SECTION 3.10 Duty of Care. It is recognized that decisions concerning investments or potential investments involve the exercise of judgment and the risk of loss. The General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals who are involved in making investment decisions on behalf of the Partnership or who have other obligations hereunder shall exercise their best judgment in making such investments and in carrying out such other obligations, and, except as provided for in this Section 3.10, the General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees, agents, independent contractors, agents, consultants and Affiliates shall not incur any liability to the Partnership or to the Limited Partners for making such investments on behalf of the Partnership or carrying out such obligations. In addition, the General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees, independent contractors, agents, consultants and Affiliates shall be entitled to indemnification by the Partnership to the extent provided in Article XVIII hereof. The General Partner, the LLC, the

Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees, independent contractors, agents, consultants and Affiliates shall not be liable to the Partnership or any other Partner for any loss suffered by the Partnership or any Partner which arises out of any investment or any other action or omission of the General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees, independent contractors, agents, consultants or Affiliates, *provided* that such action or omission did not (A) constitute actual fraud, negligence that would have a material adverse effect on the operations of the Partnership or willful misconduct or (B) result in any criminal conviction of, or plea of *nolo contendere* to, a felony or fraud based violation of federal or state securities laws or (C) result in a consent to a fraud based injunction or order by the Securities and Exchange Commission or other regulatory body prohibiting future securities laws violations (with or without admission of liability). The General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees or Affiliates shall not be liable for the negligence, whether of omission or commission, dishonesty or bad faith of any broker or other agent of the Partnership, *provided* that such broker or other agent of the Partnership was selected with reasonable care. The General Partner, the LLC, the Management Company, the members of the Investment Committee, the Principals, their partners, officers, directors, members, managers, employees, independent contractors, agents, consultants and Affiliates shall be fully protected and justified with respect to any action or omission taken or suffered by any of them in good faith if such action or omission is taken or suffered in reasonable reliance upon and in accordance with the opinion or advice as to matters of law of legal counsel, or as to matters of accounting of accountants, selected by any of them with reasonable care. Nothing contained in this Section 3.10 shall be construed to limit the General Partner's fiduciary duty owing to the Partners. In determining whether a Person is negligent for purposes of this Section 3.10, the standard shall be whether such Person failed to exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use in the conduct of a private equity investment fund with similar purposes.

SECTION 3.11 Investment Limitations.

(a) Without the prior approval of the Limited Partners Advisory Committee, the Partnership shall not (i) invest (by cost and including follow-on investments) more than ten percent (10%) of the aggregate Subscriptions of all Partners and subscriptions of all partners of any Parallel Funds, in (A) the securities of any single Portfolio Company (including, for this purpose, the outstanding balance of any indebtedness of such Portfolio Company that the Partnership has guaranteed) (*provided, however*, that the restrictions set forth in this clause (i)(A) shall not apply to any Bridge Financing) or (B) non-United States companies; or (ii) invest in companies primarily involved in the production or exploration of natural resources; or (iii) invest more than twenty percent (20%) of the aggregate Subscriptions of all Partners and subscriptions of all partners of any Parallel Funds, in the securities of companies that are traded in a Public Securities Market where such investment is the Partnership's initial investment in such company and such securities are Freely Tradeable Securities immediately upon issuance or transfer to the Partnership or (iv) purchase securities in open-market transactions on a Public Securities Market (*provided, however*, that the

restrictions set forth in this clause (iv) shall not apply to hedging transactions involving "restricted securities" (as defined in Rule 144 of the Securities Act) held by the Partnership in Portfolio Companies where such transactions are permitted under Section 16 of the Securities Exchange Act of 1934, as amended, or to otherwise facilitate the hedging or liquidation of investments in existing securities or to further the objectives of the Partnership by making open market purchases of securities in companies in which the Partnership already has an investment) or (v) invest in "fund of funds" investments that require the payment of a carried interest, or (vi) invest or make legally binding commitments to invest more than one third (1/3) of the aggregate Subscriptions of all Partners and subscriptions of all partners of any Parallel Funds in any single calendar year.

(b) Without the prior approval of the Limited Partners Advisory Committee, the Partnership shall not provide interim financing ("Bridge Financing") to an existing Portfolio Company unless (A) the stated maturity of such Bridge Financing is one year or less (subject to a maturity date beyond one year with the consent of the Limited Partners Advisory Committee) and (B) the aggregate amount of the Bridge Financing then outstanding with respect to such Portfolio Company does not exceed the lesser of (i) twenty percent (20%) of the aggregate Subscriptions (including the amount of other investments by the Partnership in such Portfolio Company) or (ii) the aggregate amount of Unfunded Subscriptions at the time of the applicable Bridge Financing.

(c) The Partnership shall not participate in (i) investments actively opposed by the board of directors of a potential Portfolio Company that is traded in a Public Securities Market; (ii) investments in companies undergoing bankruptcy liquidations; (iii) investments in real estate; or (iv) investments in pure research projects without an identifiable business opportunity.

(d) The Partnership shall not incur indebtedness except where either (A) (i) such indebtedness has a maturity of less than thirty (30) days, (ii) such borrowing will facilitate an investment in a Portfolio Company pending receipt of Additional Capital Contributions from the Partners, and (iii) the amount of such borrowing is equal to the lesser of (x) ten percent (10%) of aggregate Subscriptions of all Partners or (y) the aggregate amount of Unfunded Subscriptions of all Partners or (B) such indebtedness is incurred to facilitate a Bridge Financing, *provided, however,* that, with respect to either clause (A) or clause (B), no such indebtedness shall be incurred that is inconsistent with Section 3.12.

SECTION 3.12 Unrelated Business Taxable Income. The General Partner shall use its reasonable efforts to cause the Partnership to conduct its affairs in a manner that does not cause any Limited Partner or partner of any Limited Partner exempt from income taxation pursuant to Section 501 of the Code to have any "unrelated business taxable income" (as that term is defined in Section 512 of the Code).

SECTION 3.13 ERISA Matters. The General Partner shall use its best efforts to cause the Partnership to conduct its activities so that (a) the Partnership will qualify at all times as a "venture capital operating company" as defined in the Plan Asset Regulations, and (b) the assets of the Partnership therefore do not constitute plan assets subject to the fiduciary standards of Part 4 of Title I of ERISA. This Section 3.13 shall not have, or shall cease to have any force or effect if the

participation of benefit plan investors in the Partnership is not significant within the meaning of the Plan Asset Regulations, or if such Regulations are no longer in effect. In the event that the General Partner were to be deemed a "fiduciary" of any ERISA Partner under Section 3(21) of ERISA in a manner which would make Section 406 of ERISA and Section 4975 of the Code applicable to the General Partner, then, in addition to whatever action it may take or be required to take because it was such a fiduciary, the General Partner will use its best efforts to avoid the occurrence of any prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

SECTION 3.14 Removal and Replacement of General Partner.

(a) Limited Partners and limited partners of any Parallel Fund constituting in the aggregate at least eighty percent (80%) in interest of the aggregate of the Limited Partners and limited partners of any Parallel Fund, voting together as a single class, may remove the General Partner at any time and replace such Person with another general partner (the "New General Partner") for both the Partnership and any Parallel Fund as of the date they deliver written notice of such removal and replacement to such General Partner. Limited Partners which are Affiliates of the General Partner shall not be entitled to vote on the removal of the General Partner and selection of the New General Partner. In the event of the removal of the General Partner pursuant to this Section 3.14: (1) the value of the Partnership's assets and the amount of its liabilities at their present values shall be determined as of the date of such removal pursuant to Section 3.14(b); (2) the Capital Account balance of the removed General Partner shall be determined as if all assets of the Partnership had been sold at their appraised values as so determined and all Partnership liabilities satisfied by cash payments of the present values of such liabilities; (3) as promptly as reasonably practicable, the removed General Partner shall receive distributions in complete liquidation of its interest in the Partnership in aggregate amounts equal to the balance in its Capital Account as so determined; (4) liquidating distributions to the removed General Partner shall consist of the removed General Partner's pro rata share, based on its Capital Account balance relative to the Capital Account balances of the other Partners (after all such Capital Accounts have been adjusted in the manner described in the preceding clause (2)), of the Partnership's cash and cash equivalents and each of its holdings of securities and other assets, to the extent feasible; and (5) after its removal, the removed General Partner shall have no right to participate in the management of the Partnership or any other rights with respect to the Partnership except the right to receive the distributions provided for in this Section 3.14(a) and the right to be indemnified to the extent provided in Article XVIII. Any distributions that the General Partner has the right to receive pursuant to this Section 3.14(a) shall be reduced by the amount of any damages owed by the General Partner to the Partnership, *provided* the amount of and liability for such damages have been finally adjudicated by settlement or otherwise.

(b) In the event that an appraisal is undertaken pursuant to Section 3.14(a), the New General Partner shall choose a Qualified Appraiser and the removed General Partner shall choose a second Qualified Appraiser. Each such Qualified Appraiser shall appraise each of the Partnership's assets and determine the amount of each of its liabilities at their respective present values to arrive at the net asset value of the Partnership. Each such appraisal shall be completed within one hundred eighty (180) days after the effective date of the removal of the removed General

Partner. If the net asset values determined by each such Qualified Appraiser do not differ by more than One Million Dollars ($1,000,000), the arithmetic mean of the two appraisals of the Partnership's assets and liabilities shall be used for purposes of Section 3.14(a)(2). If the net asset values as so determined differ by more than One Million Dollars ($1,000,000), either the New General Partner or the removed General Partner may cause the two Qualified Appraisers to select a third Qualified Appraiser, which shall make a third appraisal of the Partnership's assets and liabilities within two hundred forty (240) days after the effective date of the removal of the removed General Partner, and the arithmetic mean of the two appraisals that are closest to each other, or the middle appraisal if it is equidistant from the other two (but not more than the higher or less than the lower of the first two appraisals) shall be used for purposes of Section 3.14(a)(2). The Partnership shall bear the expense of obtaining the first two appraisals. If, after taking into account the appraisal made by the third Qualified Appraiser, the net asset value of the Partnership as determined pursuant to this Section 3.14(b) is (1) greater than the net asset value as determined by the Qualified Appraiser selected by the New General Partner by ten percent (10%) or more, the Partnership shall bear the expense of the third appraisal, or (2) less than the net asset value as determined by the Qualified Appraiser selected by the removed General Partner by ten percent (10%) or more, the removed General Partner shall bear the expense of the third appraisal; and in any other case, the Partnership and the removed General Partner shall each bear half of the expense of the third appraisal.

(c) In the event of the removal of the General Partner, the Management Agreement shall be terminated without further action on the part of the Partnership.

SECTION 3.15 Exclusion from Investments.

(a) If participation by a Limited Partner in any investment in a Portfolio Company would result in a violation of any statute, law or regulation applicable to such Limited Partner which would have a material adverse effect on such Limited Partner, and such Limited Partner provides the General Partner with a written opinion of counsel (which opinion in form and content and counsel shall be reasonably satisfactory to the General Partner) stating that such violation is applicable, such Limited Partner may request to be excluded from participating in Partnership Profits, Losses and distributions attributable to such investment. Any such request shall be submitted to the General Partner in writing, accompanied by the opinion of counsel, within thirty (30) days after the receipt by the Limited Partner of the initial written communication describing such investment.

(b) The General Partner shall advise the requesting Limited Partner within thirty (30) days of receipt of such request and opinion of counsel whether it consents to such Limited Partner's exclusion from participation in such investment. Unless the General Partner notifies the Limited Partner that it disagrees with the substance of the opinion of counsel within such thirty (30) day period, the General Partner shall be deemed to have consented to such exclusion. If the General Partner so consents then, notwithstanding any other provision of this Agreement, (1) no Partnership Profits or Losses attributable to such investment shall be allocated to such Limited Partner (the "Excused Partner"); (2) such Excused Partner shall not participate in distributions attributable thereto; and (3) this Agreement shall be deemed to have been amended, as of the date of the investment, as necessary to achieve these results. Notwithstanding any other provision of this

Agreement, the General Partner in its sole discretion and without the consent of any other Partner may cause a formal amendment to this Agreement to be executed to effectuate the intent of this Section 3.15 and, if this Agreement is not formally amended, shall have reasonable discretion to adjust Partnership allocations and distributions in order to effectuate that intent.

(c) The Excused Partner shall not be obligated to make any Additional Capital Contribution with respect to the applicable investment (and, if such contribution is made, it shall be returned to the extent practicable and treated for all purposes hereof as not having been made) and the Excused Partner's Unfunded Subscription shall not be affected by the Additional Capital Contributions made by the other Partners with respect to such investment.

SECTION 3.16 Divestment from Investments.

(a) Notwithstanding any provision in this Agreement to the contrary, any Limited Partner may request that it divest its interest through the Partnership in a particular Portfolio Company investment if the Limited Partner shall obtain and deliver to the General Partner a written opinion of counsel (which opinion in form and content and counsel shall be reasonably satisfactory to the General Partner) stating that such Limited Partner's continued interest through the Partnership in such Portfolio Company investment will be proscribed because of a change in applicable law or regulation to which such Limited Partner is subject and which would have a material adverse effect on such Limited Partner, since the Limited Partner entered into the Partnership (an "Opt-out Investment").

(b) The General Partner shall advise the requesting Limited Partner within thirty (30) days of receipt of such request and opinion of counsel whether it consents to such Limited Partner's divestment from such investment. Unless the General Partner notifies the Limited Partner that it disagrees with the substance of the opinion of counsel within such thirty (30) day period, the General Partner shall be deemed to have consented to such divestment.

(c) In the event any Limited Partner shall elect to divest its interest in an Opt-out Investment in accordance with the provisions of this Section 3.16, the General Partner shall (i) exercise its best efforts to cause such interest in the Opt-out Investment to be disposed of, on such terms as the General Partner shall determine in its sole discretion, and the proceeds of such disposition shall be distributed to such Limited Partner, or (ii) make other arrangements approved by such Limited Partner. Notwithstanding any other provision of this Agreement, the General Partner in its sole discretion and without the consent of any other Partner may cause a formal amendment to this Agreement to be executed to effectuate the intent of this Section 3.16 and, if this Agreement is not formally amended, shall have reasonable discretion to adjust Partnership allocations and distributions in order to effectuate that intent.

SECTION 3.17 Media and Common Carrier Companies. If the Partnership acquires an interest in a Media or Common Carrier Company and if, as a result of the attribution rules promulgated under the Communications Act, a Limited Partner would, but for the last clause of this Section 3.17, be in violation of:

(1) the ownership rules promulgated under the Communications Act; or

(2) the restrictions on ownership or participation in broadcast licensees by aliens imposed by the Communications Act or the policies and decisions of the FCC thereunder; or

(3) the FCC's policy preventing persons from having "meaningful" cross-interests in certain broadcast station combinations, newspaper/broadcast station combinations, or cable system/television station combinations serving the same market in situations where such combinations would violate the FCC's ownership rules if all such interests were attributable under the FCC's attribution rules,

then:

such Limited Partner, nor any employee, officer, director, member or partner of such Limited Partner, nor any person who owns, directly or indirectly, more than five percent (5%) of any class of equity securities of such Limited Partner nor any officer, director or member of any such entity, shall not, without the consent of the General Partner, act as an employee of the Partnership if its, his or her functions, directly or indirectly, relate to the media or common carrier business of any Media or Common Carrier Company; serve in any material capacity as an independent contractor or agent with respect to the media or common carrier business of such Media or Common Carrier Company; communicate on matters pertaining to the day-to-day operations of any Media or Common Carrier Company with (A) any officer, director, partner, agent, representative or employee of such Media or Common Carrier, or (B) the General Partner; perform any services for the Partnership that materially relate to the media or common carrier business of any Media or Common Carrier Company, or become actively involved in the management or operation of any Media or Common Carrier Company; or vote to admit additional general partners to the Partnership (unless such vote can be vetoed by the General Partner); vote on the removal of the General Partner unless the General Partner is subject to bankruptcy proceedings or adjudicated incompetent, or become actively involved in the management or operation of the media businesses.

ARTICLE IV. LIMITED PARTNERS

SECTION 4.1 Names, Addresses and Subscriptions. The names and addresses of the Limited Partners and their respective Subscriptions and the aggregate subscriptions of all Limited Partners are set forth in Schedule A. Schedule A shall be amended from time to time to reflect any change in the identity or the Subscription of the Limited Partners or the aggregate Subscriptions of all Limited Partners.

SECTION 4.2 Liability.

(a) The liability of each of the Limited Partners to the Partnership shall be limited to any unpaid capital contributions which it agreed to make to the Partnership, except as otherwise provided under the Delaware Act.

(b) It is hereby acknowledged that each Limited Partner having sovereign status under the Eleventh Amendment of the U.S. Constitution reserves all immunities, defenses, rights or actions arising out of its sovereign status or under such Eleventh Amendment, and no waiver of such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by such Limited Partner's execution and delivery of this Agreement, by any express or implied provision thereof or by any actions or omissions to act by such Limited Partner or any representative or agent of such Limited Partner whether taken pursuant to this Agreement or prior to such Limited Partner's execution and delivery of this Agreement. Nothing contained in this paragraph (b) shall relieve any Limited Partner of any obligation that such Limited Partner may have under this Agreement to make Capital Contributions to the Partnership in accordance with the terms and conditions of this Agreement or for the Partnership to utilize any Capital Contributions by such Limited Partner for expenses permitted under this Agreement.

SECTION 4.3 No Control of Partnership; Other Limitations.

(a) No Limited Partner, in its capacity as such, shall take any part in the control of the affairs of the Partnership, or undertake any transactions on behalf of the Partnership, or have any power to sign for or to bind the Partnership.

(b) No Limited Partner shall have the right or power to: (1) withdraw or reduce its contribution to the capital of the Partnership except as a result of the dissolution of the Partnership (*provided* that Limited Partners shall have no right to withdraw or reduce their contributions on dissolution of the Partnership to the extent that the Partnership requires funds to pay its creditors) or as otherwise provided herein; (2) cause the termination and dissolution of the Partnership, other than the right specified in Section 13.3; or (3) demand or receive property other than cash in return for its contribution except as otherwise provided herein.

SECTION 4.4 Death, Dissolution or Bankruptcy. The death, incompetence, bankruptcy, liquidation or dissolution of a Limited Partner shall not result in the termination of the Partnership, but the rights and obligations of such Limited Partner under this Agreement shall accrue to such Limited Partner's successor, estate or legal representative. Except as expressly provided in this Agreement, no other event affecting a Limited Partner (including but not limited to insolvency) shall affect this Agreement.

ARTICLE V. EXPENSES; MANAGEMENT FEE

SECTION 5.1 Payment of Costs and Expenses.

(a) The Partnership shall pay (and shall reimburse the General Partner and its Affiliates to the extent it has paid) all offering, organizational, costs and other expenses incurred by the Partnership in an amount up to Seven Hundred Fifty Thousand Dollars ($750,000), in connection with the initial structuring and organization of the Partnership. Any amounts in excess of the Seven Hundred Fifty Thousand Dollars ($750,000) shall be borne by the Management Company.

(b) Except as provided in Sections 5.1(a) and 5.1(c), the Partnership shall pay (i) all expenses which the General Partner reasonably determines to be directly related to the purchase, sale or holding of proposed investments (whether or not consummated) with respect to an actual or prospective Portfolio Security, including, but not limited to, brokerage and commission expenses, due diligence expenses, and related expenses including travel and meals, margin, premium and interest expenses, professional fees, out-of-pocket research costs and all other investment related expenses of the General Partner and Management Company and their Affiliates, fees and disbursements of transfer agents, registrars, custodians, sub-custodians and escrow agents, and the costs of investments and withdrawals by Partners and all other investment related expenses of any type, (ii) all expenses which the General Partner reasonably determines are related to the general operation of the Partnership, including, but not limited to, legal, custodial and accounting fees, consulting expenses, investment research related expenses, insurance expenses, expenses incurred in communicating with Limited Partners, third party audit and tax expenses, (iii) any extraordinary expenses of the Partnership, including, but not limited to, expenses related to any governmental inquiry, litigation and indemnification expenses, (iv) completed transaction expenses and (v) any expenses related to the Partnership and its investments not specifically allocated to the Management Company. To the extent the General Partner or its Affiliates has allocated a portion of the investment in a Portfolio Company among the Parallel Fund and/or other investment vehicles, the expenses related to such Portfolio Company shall be divided pro rata with each other based on the respective investment.

(c) The General Partner and/or the Management Company is responsible for and shall pay all expenses incurred in connection with investigating investment opportunities and monitoring investments and will provide for normal operating overhead (including but not limited to salaries, employee benefits, rent, office furnishings, equipment and supplies) in respect of the Partnership.

(d) The General Partner, in its reasonable good faith determination, will determine the amount and classification of all expenses.

SECTION 5.2 Management Fee.

(a) The Partnership shall pay to the Management Company, quarterly in advance and in accordance with the terms of the Management Agreement, a Management Fee for the services to be provided hereunder at a rate of (i) one half of one percent (0.5%) of the aggregate Subscriptions of all Partners per quarter (*i.e.*, an annual rate of two percent (2%)) for the period commencing on the date of the Initial Closing until the end of the Commitment Period; *provided, however*, that (x) if prior to the end of the Commitment Period a Successor Entity has been formed as set forth in Section 3.8(b) hereof, and such Successor Entity has conducted an initial closing, or (y) all Subscriptions of the Partners have been funded and fully invested by the Partnership, then the rate shall be three-eights of one percent (0.375%) (*i.e.*, at an annual rate of one and one-half percent (1.5%)) of the aggregate weighted average amount of Funded Commitments until the end of the Commitment Period and (ii) three-eighths of one percent (0.375%) per quarter (*i.e.*, an annual rate of one and one-half percent (1.5%)) of the weighted average amount of Funded Commitments

reduced by the cost basis of all investments completely written off, during the preceding quarter for the period from the end of the Commitment Period through the termination of the Partnership. Any increase in the Management Fee resulting from an increase in the total Subscriptions of all Limited Partners to the Partnership, or the admission of additional Limited Partners following the date of the Initial Closing, shall take effect retroactive to the date of the Initial Closing. The amount of the Management Fee for any period shall be reduced (but not below zero) by an amount equal to fifty percent (50%) of any Special Income (as set forth in Section 3.6(b)).

(b) Payments of the Management Fee shall be made quarterly in advance and in accordance with the terms of the Management Agreement on the first business day of each January, April, July and October of each fiscal year of the Partnership. The first payment shall be due upon the effective date of this Agreement. However, if the effective date of this Agreement is not the first day of a fiscal quarter of the Partnership, the Partnership's first payment shall be for the pro rata amount due until the beginning of the first succeeding fiscal quarter of the Partnership (based on a daily proration of days remaining in any quarter). If the Partnership's Initial Closing occurs on a date prior to the date of the initial Capital Contributions of the Partners, the Management Fee shall accrue during the period between the date of the Initial Closing and the date of the initial Capital Contributions of the Partners, and shall be payable in full on the date of the initial Capital Contributions of the Partners. In the event of any increase in the Management Fee as a result of an increase in the Subscriptions to the Partnership, or the admission of additional Partners following the Initial Closing, the amount of such increase (plus interest thereon at the Prime Rate) calculated from the effective date of the Initial Closing to the beginning of the first fiscal quarter following such increase in Subscriptions shall be paid to the Management Company on the date of such increase in Subscriptions, or admission of additional Partners.

(c) The General Partner reserves the right to cause the Management Company, pursuant to the terms of the Management Agreement, to waive the portion of the Management Fee attributable to the General Partner's or its Affiliate's Subscription and Funded Commitment.

ARTICLE VI. INVESTMENT COMMITTEE AND LIMITED PARTNERS ADVISORY COMMITTEE

SECTION 6.1 Appointment and Vacancies. The Partnership shall have (a) an investment committee which shall consist of the Individual Principals and a designee of the Safeguard Principal (the "Investment Committee") and (b) a Limited Partners Advisory Committee, which shall consist of five (5) members (subject to increase to seven (7) members in the discretion of the General Partner, with the additional members being representatives of the Limited Partners) appointed by the General Partner, four (4) (or, if increased, six (6)) of whom shall be representatives of the Limited Partners (other than Affiliates of the General Partner) and one member (the "Independent Member") who shall not be an Affiliate of the General Partner or any Limited Partner (the "Limited Partners Advisory Committee"); provided that the appointment of the Independent Member shall be subject to the approval of the members who are representatives of the Limited Partners, such approval not to be unreasonably withheld. The Investment Committee and the Limited Partners Advisory Committee shall also serve as the Investment Committee and the Limited Partners Advisory

Committee of any Parallel Funds. The General Partner, with the approval of a majority of the members of the Limited Partners Advisory Committee, may remove any member of the Limited Partners Advisory Committee at any time, with or without cause. The General Partner shall fill any vacancy resulting from any such removal, the resignation of any member thereof or otherwise.

SECTION 6.2 Meetings of the Investment Committee and Limited Partners Advisory Committee. The Investment Committee and Limited Partners Advisory Board shall meet at such times as the General Partner or a majority of the members thereof shall determine. The Limited Partners Advisory Board shall meet at least one (1) time per year. The General Partner or the applicable chairman shall provide notice of each meeting to the members of the Investment Committee and Limited Partners Advisory Committee, as applicable. Members of the Limited Partners Advisory Committee shall receive at least thirty (30) days notice prior to any meeting of the members of the Limited Partners Advisory Committee. Members of the Limited Partners Advisory Committee shall receive from the Partnership reimbursement for any expenses incurred, at the direction of the General Partner in connection with performing their duties hereunder, with any such reimbursement to be borne by the Partnership and any Parallel Funds pro rata in proportion to their respective aggregate capital commitments.

SECTION 6.3 Duties. To the extent permitted under Section 17-303 of the Delaware Act for Persons that do not thereby become liable to any party as a general partner of the Partnership, the functions of the Investment Committee shall be to make decisions with respect to the acquisition of investments in Portfolio Companies. The functions of the Limited Partners Advisory Committee shall be to review and approve all potential conflicts of interest involving the General Partner and its Affiliates and to act upon the matters specified elsewhere in this Agreement. All decisions regarding the operations and investments of the Partnership (including valuation decisions), shall be made by the General Partner, subject to such consents and approvals of the Investment Committee and Limited Partners Advisory Committee as are specifically required pursuant to the provisions of this Agreement.

SECTION 6.4 Voting; Rules and Procedures. All approvals, disapprovals, consents, recommendations and other actions taken by the Limited Partners Advisory Committee shall be authorized by a majority of their respective members then holding office. The Limited Partners Advisory Committee shall have the authority to adopt rules and procedures, subject to the approval of the General Partner, which shall not be unreasonably withheld, and not inconsistent with this Agreement, relating to the conduct of its affairs.

SECTION 6.5 Duty of Care. The members of the Limited Partners Advisory Committee shall exercise their best judgment in carrying out their functions for the Partnership. No member of the Limited Partners Advisory Committee shall be liable to the Partnership or any Partner for any loss suffered by the Partnership or any Partner which arises out of any action or omission of such member, *provided* that such course of conduct did not constitute actual fraud, gross negligence or willful misconduct of such member. The Limited Partners Advisory Committee and each member thereof shall be fully protected and justified with respect to any action or omission taken or suffered by any of them in good faith if such action or omission is taken or suffered in reasonable reliance

upon and in accordance with the opinion or advice as to matters of law of legal counsel, or as to matters of accounting of accountants, selected by any of them with reasonable care. In addition, each member of the Limited Partners Advisory Committee shall be entitled to indemnification by the Partnership to the extent provided in Article XVIII hereof.

ARTICLE VII. ADDITIONAL LIMITED PARTNERS

SECTION 7.1 Additional Subscriptions After Initial Closing. Subject to the provisions of this Agreement, during the period commencing on the Initial Closing and ending on the nine (9) month anniversary of the Initial Closing, the General Partner is authorized, but not obligated, to accept from time to time additional Subscriptions from the Partners and to select and admit other Persons to the Partnership as additional Limited Partners. Any such additional Subscriptions shall be accepted and any such additional Limited Partners shall be admitted to the Partnership only if:

(a) after such admission or the acceptance of such additional Subscriptions, the sum of the aggregate Subscriptions of all Partners and the aggregate capital commitments of all partners of any Parallel Funds, does not exceed the Maximum Subscription Amount; and

(b) such Partner or additional Limited Partner shall contribute, on the date of admission or increase in Subscription, to the Partnership an amount equal to its allocable share of the cost of any Partnership investments plus Operating Expenses made or incurred prior to such date, plus a payment equivalent to interest at the Prime Rate plus one percent (1%) from the date such amounts would have been payable if made at the Initial Closing to the date of payment. Any such amounts contributed by such Partners shall be distributed to Persons who were Partners prior to such date to the extent necessary such that after such distribution, each Partner of the Partnership shall have contributed to the Partnership the same percentage of its Commitment as each other Partner shall have contributed to the Partnership (excluding amounts representing interest). The interest equivalent amount distributed shall be treated as a guaranteed payment for the use of capital within the meaning of Section 707(c) of the Code, the deduction of which shall be specially allocated to the contributing Partner.

SECTION 7.2 Accession to Agreement. Each Person who is to be admitted as an additional or substitute Limited Partner pursuant to this Agreement shall accede to this Agreement by executing, together with the General Partner, a counterpart signature page to this Agreement providing for such admission, which shall be deemed for all purposes to constitute an amendment to this Agreement providing for such admission but shall not require the consent or approval of any other Partner. In addition, the General Partner shall make any necessary filings with the appropriate governmental authorities and take such actions as are necessary under applicable law to effectuate such admission. The admission of additional or substitute Limited Partners to the Partnership shall be effective upon the execution of the necessary counterpart signature page to this Agreement or such later effective date as is set forth in any instrument executed by the General Partner and any newly admitted Partner. The General Partner shall cause Schedule A to be amended from time to time, without the consent of any other Partner, to reflect any changes in the Subscriptions or identity of any Partner, the aggregate Subscriptions of all Partners, or the admission of Limited Partners.

ARTICLE VIII. CAPITAL OF THE PARTNERSHIP

SECTION 8.1 Capital Contributions.

(a) The capital of the Partnership shall consist initially of the initial Capital Contributions of the Partners, as set forth in Schedule A, which initial Capital Contributions shall represent such amount, up to five percent (5%) of each Partner's total Subscription, as the General Partner shall determine is necessary to fund initial investments and to satisfy organizational and similar expenses, the initial quarterly installment of the Management Fee and working capital requirements of the Partnership. Notwithstanding the foregoing, if the provisions of Section 3.13 apply to the Partnership, the initial Capital Contribution of any ERISA Partner shall be deferred until such time as such ERISA Partner is permitted to make such initial Capital Contribution under ERISA (*i.e.*, until the Partnership makes its first investment in a Portfolio Company with respect to which the Partnership has "management rights" as defined in the Plan Asset Regulations). In addition, subject to Section 8.1(b), each Partner shall make additional contributions to the capital of the Partnership ("Additional Capital Contributions") in order for the Partnership to fund investments or make expenditures, upon no less than ten (10) business days' prior written notice from the General Partner, *provided* that no Partner shall be obligated to make a Capital Contribution in respect of its Subscription that exceeds the amount of such Partner's Unfunded Subscription at the time of such Capital Contribution. Each such notice shall briefly state the purpose of such capital call and set forth the date on which the related Additional Capital Contribution is due. The amount of capital required to be contributed by each Partner on each occasion of an Additional Capital Contribution shall be computed by the General Partner so that each Partner's Additional Capital Contribution bears the same relationship to the aggregate Additional Capital Contributions to be made on such occasion as such Partner's Unfunded Subscription bears to the aggregate Unfunded Subscriptions of all Partners. All calls for Additional Capital Contributions by the Partners and the partners of any Parallel Funds shall be made at the same times and on substantially the same terms. All Capital Contributions shall be made in cash in United States dollars.

(b) No Partner shall be liable for any Additional Capital Contribution with respect to which the General Partner has not delivered the notice provided for in Section 8.1(a) on or before the last day of the Commitment Period; *provided* that the General Partner may call for Additional Capital Contributions after the Commitment Period, by delivery of the notice provided for in Section 8.1(a), to fund (i) commitments to complete any investments in process at the end of the Commitment Period; (ii) amounts which the Partnership is obligated to meet pursuant to binding agreements, whether or not all conditions to closing have then been satisfied or pursuant to letters of intent or similar documents, whether or not binding; (iii) follow-on investments in Portfolio Companies owned by the Partnership on the last day of the Commitment Period; (iv) the expenses of the Partnership, including Management Fees; or (v) liabilities of the Partnership in respect of a Portfolio Company to the extent that the Partners have received proceeds from the securities of such Portfolio Company in a transaction or transactions giving rise to such liabilities. The General Partner may at any time, by written notice to the Limited Partners, terminate in whole or in part the obligation of the Partners to make Additional Capital Contributions and, upon the giving of such notice, the obligation of the Partners to make such contributions shall terminate to the extent, and

as of the date, specified in such notice. Any partial termination of the outstanding obligations of the Partners to make Additional Capital Contributions shall be accomplished by terminating in part the obligations of all Partners, pro rata in proportion to their respective Subscriptions. The General Partner shall not cause any termination of the Partners' obligation to make Additional Capital Contributions unless a substantially equivalent termination occurs contemporaneously with respect to the obligations of the partners of any Parallel Fund to make additional capital contributions to such Parallel Fund.

SECTION 8.2 Failure to Make Additional Capital Contributions.

(a) In the event that any Partner fails to pay any amount (the "Amount Due") which it is required to pay to the Partnership on or before the date (the "Due Date") when such amount is due and payable, it shall be deemed to be in default hereunder (a "Defaulting Partner") and a notice of default shall be given to it.

(b) In the event that any Partner fails to pay any Amount Due by the relevant Due Date, such Amount Due shall bear interest at the Prime Rate plus two percent (2%) (or the highest rate permitted by applicable law, if less) on the Amount Due from the relevant Due Date until the earlier of (i) the date on which such payment is received by the Partnership or (ii) the date of the exercise by the General Partner of the option set forth in Section 8.2(c) *provided*, that the General Partner, in its sole discretion, may elect to waive such interest if it determines that such failure by such Partner to timely pay the Amount Due was an isolated occurrence unlikely to recur. Any distributions to which such Partner is entitled shall be reduced by the amount of such interest, and such amount shall be allocated, Pro Rata to the Partners.

(c) Without limiting the Partnership's rights against the Defaulting Partner, if the full amount of such payment is not received by the Partnership within forty-five (45) days after the delivery of such notice, as liquidated and agreed upon current damages for such default (it being agreed that it would be difficult or impossible to fix the actual damages), the Partnership shall have the option, exercisable by the General Partner, to purchase the Defaulting Partner's interest in the Partnership for One Hundred Dollars ($100) and offer the Defaulting Partner's interest in the Partnership and the balance of the Defaulting Partner's Unfunded Subscriptions first to the Partners other than the Defaulting Partner (the "Non-Defaulting Partners"), Pro Rata to the Partners, and then to other offerees on such terms as determined by the General Partner in its discretion; *provided, however,* that the offer to other offerees shall not be on terms more favorable than those offered to the Non-Defaulting Partners. Proceeds of the sale of the interest, net of expenses related to such sale, shall be distributed to the Non-Defaulting Partners, Pro Rata to the Partners. If such proceeds are distributed to the Non-Defaulting Partners, appropriate adjustments shall be made in determining the amount of the Priority Payment to account for the return of such Non-Defaulting Partner's Capital Contributions. To the extent the Defaulting Partner's interest in the Partnership is not sold pursuant to the foregoing, the Partnership shall have the right, exercisable by the General Partner, to purchase the Defaulting Partner's interest in the Partnership for One Hundred Dollars ($100) and, for no separate consideration, apportion that interest among the Non-Defaulting Partners, Pro Rata to the

Partners. Any remaining balance of the Defaulting Partner's Unfunded Subscription may be assumed by the General Partner (or its designee) in its sole discretion.

(d) Notwithstanding anything to the contrary set forth in this Agreement, (1) any Defaulting Partner that does not make full payment to the Partnership of all amounts due and payable to the Partnership on or before the date that is forty-five (45) days after notice of a default was mailed to such Partner as provided in Section 8.2(a) shall not receive any distributions from the Partnership; and (2) any distributions that otherwise would be made to a Defaulting Partner during such forty-five (45) day period shall be made to such Defaulting Partner at the end of such forty-five (45) day period if, before the end of such period, the Defaulting Partner has paid to the Partnership all amounts then due and payable.

(e) The application of the aforesaid liquidated damages provision shall not relieve any Defaulting Partner of such Partner's obligation to make all subsequent Additional Capital Contributions when due unless the General Partner, in its sole discretion, exercises its rights under Section 8.2(c).

SECTION 8.3 Excused Partner. Notwithstanding the foregoing, if a Limited Partner becomes an Excused Partner pursuant to Section 3.15 with respect to a particular investment, such Limited Partner shall not, by reason of its failure to pay the portion of its Subscription related to such investment, be deemed to be a Defaulting Partner for purposes of Section 8.2.

SECTION 8.4 No Interest or Withdrawals. No interest shall accrue on any Capital Contribution made by a Partner, and no Partner shall have the right to withdraw or to be repaid any of its Capital Contributions so made, except as specifically provided in this Agreement.

SECTION 8.5 Key-Man Triggering Event. The General Partner will give each Limited Partner prompt written notice of the occurrence of a Key-Man Triggering Event. Upon the occurrence of a Key-Man Triggering Event, each Limited Partner may elect to become an "inactive partner" by sending written notice of such election to the General Partner no later than thirty (30) days after the sending of written notice thereof by the General Partner to the Limited Partners. Each Limited Partner electing to become an "inactive partner" shall have no further right or obligation to make an Additional Capital Contribution in respect of its Subscription, the Unfunded Subscription of such Limited Partner shall be deemed to be reduced to zero and any further Management Fees shall be calculated as to such "inactive Partner," based on such "inactive Partner's" Funded Commitment as of the date of such election at the rate of one and one-half percent (1.5%). The General Partner shall take such actions as may be necessary (including amending this Agreement) to appropriately reflect the fact that such Limited Partner will not participate in future investments. No such election shall affect the rights of the non-electing Limited Partners or the obligations of the General Partner or such non-electing Limited Partners during the remainder of the Term.

ARTICLE IX. ACCOUNTS

SECTION 9.1 Contributions Accounts. There shall be established on the books of the Partnership a capital contributions account ("Contributions Account") for each Partner which shall consist of such Partner's initial capital contribution to the Partnership made pursuant to this Agreement, excluding the portion of such initial Capital Contribution in respect of interest as set forth in Section 7.1, (a) increased by (1) any Additional Capital Contributions made by such Partner, and (2) additions to the Contributions Account of such Partner pursuant to Section 8.2; and (b) decreased by any subtractions from the Contributions Account of such Partner pursuant to Section 8.2. Except as provided in the preceding sentence, a Partner's Contributions Account shall not be reduced on account of any distributions of capital to such Partner or for any other reason.

SECTION 9.2 Capital Accounts. There shall be established on the books of the Partnership a capital account ("Capital Account") for each Partner that shall consist of such Partner's initial capital contribution to the Partnership made pursuant to this Agreement, (a) increased by (1) any Additional Capital Contributions made by such Partner, (2) any additions to the Capital Account of such Partner pursuant to Section 8.2, and (3) any amounts from time to time added to the Capital Account of such Partner pursuant to Article X; (b) decreased by (1) any distributions made to such Partner, (2) any subtractions from the Capital Account of such Partner pursuant to Section 8.2, and (3) any amounts subtracted from the Capital Account of such Partner pursuant to Article X; and (c) otherwise adjusted in accordance with the tax accounting principles set forth in Treasury Regulations § 1.704-1(b)(2)(iv) (including, but not limited to, those principles concerning revaluations of Partnership property). For these purposes, Profits allocated to any Partner shall be added to, and Losses so allocated shall be subtracted from, such Partner's Capital Account.

SECTION 9.3 Accounting for Distributions in Kind. For purposes of maintaining Capital Accounts when Partnership property is distributed in kind, (a) the Partnership shall treat such property as if it had been sold for its fair market value on the date of distribution as determined in accordance with Article XII; (b) any difference between the fair market value of such property as so determined and the cost of such property shall constitute Profit or Loss attributable to such distribution and shall be allocated to the Capital Accounts of the Partners pursuant to Article X; and (c) all property distributed in kind by the Partnership to a Partner shall reduce that Partner's Capital Account at the fair market value of such property on the date of distribution (net of any liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code).

SECTION 9.4 Compliance With Treasury Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 704(b) of the Code and Treasury Regulations § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. In the event that the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto, are computed in order to comply with such regulations, the General Partner may make such modification.

ARTICLE X. ALLOCATIONS

SECTION 10.1 Allocation of Profits. After giving effect to the Regulatory Allocations set forth in Section 10.5 and the allocation of Operating Expenses set forth in Section 10.3, Profits for any fiscal year or other period from Portfolio Securities will be credited to the Capital Accounts of the Partners in the following order of priority:

(a) First, to the Partners, in an amount sufficient to reverse any Losses allocated to the Partners pursuant to the proviso in Section 10.2, allocated to each Partner in the order and in proportion to the allocation of such Losses to such Partner;

(b) Second, one hundred percent (100%) Pro Rata to the Partners, until the cumulative amount allocated pursuant to this Section 10.1(b) for the current and all prior fiscal years is equal to the cumulative Shortfall Amount with respect to Realized Investments in the current and all prior fiscal years plus any Losses allocated pursuant to Section 10.2(e) (which Losses reverse Profits allocated under this Section 10.1(b));

(c) Third, one hundred percent (100%) Pro Rata to the Partners, until the cumulative amount allocated pursuant to this Section 10.1(c) for the current and all prior fiscal years is equal to the Shortfall Amount with respect to Unrealized Investments on the date of allocation plus any Losses allocated pursuant to Section 10.2(d) (which Losses reverse Profits allocated under this Section 10.1(c));

(d) Fourth, one hundred percent (100%) Pro Rata to the Partners, until the cumulative amount allocated pursuant to this Section 10.1(d) for the current and all prior fiscal years is equal to the cumulative Priority Payment attributable to Money Market Investments and Bridge Financing in the current and all prior fiscal years plus any Losses allocated pursuant to Section 10.2(c) (which Losses reverse Profits allocated under this Section 10.1(d));

(e) Fifth, one hundred percent (100%) to the General Partner if and to the extent necessary to cause net cumulative allocations (after taking into account all allocations of Losses which reverse prior Profits allocations) to the General Partner (exclusive of its share of allocations made Pro Rata to the Partners) in the current and all prior fiscal years to equal twenty-five percent (25%) (*i.e.*, 20/80) of the sum of (x) net cumulative allocations made Pro Rata to the Partners pursuant to Sections 10.1(b) and 10.1(c) to the extent such allocations are in respect of the cumulative Priority Payment attributable to a Realized Investment or Unrealized Investment, and (y) net cumulative allocations made Pro Rata to the Partners pursuant to Section 10.1(d) to the extent such allocations are in respect of the cumulative Priority Payment attributable to a Money Market Investment or Bridge Financing in the current and all prior fiscal years; and

(f) Thereafter, (x) eighty percent (80%) Pro Rata to the Partners and (y) twenty percent (20%) to the General Partner.

SECTION 10.2 Allocation of Losses. After giving effect to the Regulatory Allocations set forth in Section 10.5 and the allocation of Operating Expenses set forth in Section 10.3, Losses for any fiscal year or other period will be charged to the Capital Accounts of the Partners in the following order of priority:

(a) First, eighty percent (80%) Pro Rata to the Partners and (y) twenty percent (20%) to the General Partner to reverse Profits allocated under Section 10.1(f);

(b) Second, one hundred percent (100%) to the General Partner to reverse Profits allocated under Section 10.1(e);

(c) Third, one hundred percent (100%) Pro Rata to the Partners to reverse Profits allocated under Section 10.1(d);

(d) Fourth, one hundred percent (100%) Pro Rata to the Partners to reverse Profits allocated under Section 10.1(c);

(e) Fifth, one hundred percent (100%) Pro Rata to the Partners to reverse Profits allocated under Section 10.1(b);

(f) Sixth, one hundred percent (100%) Pro Rata to the Partners;

provided, however, that Losses that otherwise would be allocated Pro Rata to the Partners will not be allocated to any Partner if such Losses would result in or increase an Adjusted Capital Account Deficit with respect to such Partner and any Losses that cannot be allocated to any Partner as a result of this proviso shall be allocated first to the Capital Accounts of the other Partners in proportion to the positive balances in their respective Capital Accounts until all such Capital Accounts are reduced to zero, and then one hundred percent (100%) to the General Partner.

Notwithstanding the order of priority set forth above, any deduction for the guaranteed payments made pursuant to Section 7.1(b) hereof will be allocated to the Partners who contributed the amounts used to make such guaranteed payments.

SECTION 10.3 Allocation of Operating Expenses. Notwithstanding the allocations set forth in Section 10.1 and 10.2, Operating Expenses for any fiscal year shall be specially allocated Pro Rata to the Partners; *provided, however*, that, if the General Partner waives any portion of the Management Fee attributable to the General Partner or its Affiliates pursuant to Section 5.2(c) hereof, the General Partner or its Affiliates, as the case may be, will not be allocated any portion of the Management Fee so waived.

SECTION 10.4 Distributions in Kind. Whenever any Partnership property is to be distributed in kind, such Partnership property will be deemed to have been sold for its fair market value (as determined in accordance with Article XII) immediately prior to such distribution and any Profit or

Loss upon such hypothetical sale will be taken into account as contemplated by Section 10.1 or 10.2 immediately prior to such distribution.

SECTION 10.5 Regulatory Allocations. The following provisions are included in order to comply with tax rules set forth in the Code and to permit the Partnership to obtain the benefits of a "safe harbor" provided by Treasury Regulations § 1.704-1(b)(2)(ii)(d). The allocations pursuant to this Section 10.5 shall be made prior to the allocations set forth in Sections 10.1, 10.2 or 10.3.

(a) If any Partner receives an unexpected adjustment, allocation or distribution described in Treasury Regulations § 1.704-1(b)(2)(ii)(d)(4), (5) or (6), there shall be allocated to such Partner items of income and gain (consisting of a pro rata portion of each item of Partnership income, including gross income, and gain for such fiscal period) in an amount and manner sufficient to eliminate any Partner's Adjusted Capital Account Deficit, to the extent required by the Treasury Regulations, as quickly as possible, *provided* that an allocation pursuant to this Section 10.5(a) shall be made only if and to the extent that any Partner would have an Adjusted Capital Account Deficit after all allocations provided for in this Article X have been made tentatively as if this Section 10.5(a) were not included in this Agreement. The foregoing sentence is intended to constitute a "qualified income offset" provision as described in Treasury Regulations § 1.704-1(b)(2)(ii)(d), and shall be interpreted and applied in all respects in accordance with that section.

(b) The allocations set forth in Section 10.5(a) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations § 1.704-1(b). Notwithstanding any other provisions of this Article X (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating subsequent Profits, Losses and items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of subsequent Profits, Losses and other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner pursuant to the provisions of this Article X if the Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, allocations pursuant to this Section 10.5(b) shall be made only to the extent the General Partner reasonably determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners.

SECTION 10.6 Adjustments to Reflect Changes in Interests.

(a) Notwithstanding the foregoing, with respect to any fiscal period during which any Partner's interest in the Partnership changes, whether by reason of the admission of a Partner, the withdrawal of a Partner, a non-pro rata contribution of capital to the Partnership or any other event described in Section 706(d)(1) of the Code and Treasury Regulations, allocations of Profit and Loss shall be adjusted appropriately to take into account the varying interests of the Partners during such period. The General Partner shall consult with the Partnership's accountants and other advisors and shall select the method of making such adjustments, which method shall be used consistently thereafter.

(b) If any Person is admitted to the Partnership (or the Subscription of any existing Partner is increased) after the date of the Initial Closing in accordance with the provisions of this Agreement, the General Partner shall adjust the allocations otherwise provided for in this Article X of Profit or Loss (and items of Partnership income, gain, loss and expense), for the fiscal year in which such event occurs and for subsequent fiscal years if necessary, so that, after such adjustments have been made, each Partner (including any Partners admitted after the date of the Initial Closing and all Partners whose Subscriptions have been increased after the date of the Initial Closing) shall have been allocated Partnership expenses, including Organizational Expenses and Management Fees, equal in amount to the aggregate amount of such Partnership expenses such Partner would have been allocated if it had been admitted to the Partnership on the date of the Initial Closing with a Subscription equal to that set forth in Schedule A after such schedule or exhibit has been amended to reflect such Partner's admission or the increase in its Subscription; *provided, however*, that (1) no item of income, gain or deductible loss realized (or deemed to have been realized on a distribution in kind) before the admission of any new Partner shall be allocated to such Partner and (2) allocations to any existing Partner of items of income, gain or deductible loss realized (or deemed to have been realized on a distribution in kind) prior to the increase in the Subscription of such Partner shall be limited to those permitted by Section 706 of the Code.

SECTION 10.7 Tax Allocations. For federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each fiscal year shall be allocated to and among the Partners in order to reflect the allocations made pursuant to the provisions of this Article X for such fiscal year (other than allocations of items which are not deductible or are excluded from taxable income), taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of Section 704(c) of the Code.

SECTION 10.8 Timing of Allocations. Unless otherwise determined by the General Partner, Profits and Losses shall be allocated at the time(s) it is recognized for federal income tax reporting purposes.

SECTION 10.9 Authority of General Partner to Vary Allocations and Distributions to Preserve and Protect Partners' Intent.

(a) Allocations and distributions in respect of the Shortfall Amount with respect to Unrealized Investments are, in part, intended to ensure that the General Partner does not receive distributions and allocations in respect of its Carried Interest if, after taking into account prior years allocations and distributions, the Limited Partners would not have first received back their Capital Contributions plus an eight percent (8%) return on such Capital Contributions if the Partnership were to hypothetically liquidate on such date assuming the allocations and distributions are based on the sale of the Portfolio Securities at their fair market values as determined under Article XII. If allocations and distributions in respect of the Shortfall Amount with respect to Unrealized Investments have been made in prior fiscal years and there is no Shortfall Amount with respect to Unrealized Investments at the time a current allocation and distribution is to be made, allocations and distributions may be made to the General Partner in a manner differently than otherwise provided for in this Article X and Article XI so as to eliminate any economic distortion to the

General Partner created by such prior years allocations and distributions. The General Partner is authorized to act pursuant to this Section 10.9 only after first consulting with and being advised by the Partnership's tax advisors that such allocations and distributions are the minimum necessary to assure that the economic arrangement to the General Partner is preserved.

(b) The allocations pursuant to Section 10.1(a) for any fiscal year shall take into account allocations pursuant to Section 10.1(a) for all prior fiscal years to account for circumstances in which, for example and without limitation, Realized Investments in the current fiscal year were Unrealized Investments in a prior fiscal year, to the extent necessary to avoid duplicative allocations as the General Partner shall in good faith reasonably determine.

SECTION 10.10 Allocation of Operating Expenses Among Portfolio Securities.

(a) The allocation of Operating Expenses of the Partnership to each Portfolio Security for purposes of determining (i) the Priority Payment, (ii) the Shortfall Amount and (iii) the priority of distributions as set forth in Section 11.3, shall be determined in accordance with this Section 10.10.

(b) Operating Expenses shall be allocated among the Portfolio Securities held by the Partnership each time a Portfolio Security is disposed of by the Partnership. Such allocation shall be made pro rata among the Portfolio Securities held by the Partnership as of the determination time based on the relative fair market value (determined in accordance with Article XII) of each Portfolio Security as of the time the determination is made, or on such other basis as the General Partner shall determine in its reasonable discretion. The amount of Operating Expenses to be allocated as of the time of each determination shall be the cumulative amount of such Operating Expenses incurred by the Partnership, net of any income of the Partnership that is not attributable to a Portfolio Security (such as temporary investment income) less net Operating Expenses that have been previously allocated to Portfolio Securities pursuant to this Section 10.10.

SECTION 10.11 Adjustment of Profits and Losses with Respect to Excused Partners. Notwithstanding any other provision of this Agreement, there shall be appropriate adjustments to the allocation of Profits and Losses among the Partners to account for an Excused Partner's exclusion from participation in any investment pursuant to Section 3.15.

ARTICLE XI. DISTRIBUTIONS

SECTION 11.1 Tax Distributions.

(a) Subject to Section 11.1(b), the Partnership shall distribute to each Partner (including any tax-exempt Partners) in cash, with respect to each fiscal year, either during such year or within ninety (90) days thereafter, an amount equal to the aggregate state and federal income tax liability such Partner would have incurred as a result of such Partner's ownership of an interest in the Partnership, calculated (i) as if such Partner were taxable at the maximum marginal income tax rates provided for with respect to natural persons (or, if higher, with respect to taxable corporations) under

applicable federal and state income tax laws as determined from time to time by the General Partner after consulting with accountants to the Partnership and (ii) as if allocations from the Partnership were, for such year, the sole source of income and loss for such Partner (such distributions being referred to herein as "Tax Distributions").

(b) Notwithstanding the foregoing: (1) the aggregate amount of Tax Distributions that otherwise would be made pursuant to this Section 11.1 may be reduced or not made with respect to any fiscal year to the extent determined by the General Partner in its sole discretion, and (2) Tax Distributions that otherwise would be made to any Partner with respect to any fiscal year pursuant to Section 11.1(a) shall be reduced by the amount of any other cash distributions made by the Partnership to such Partner during such fiscal year or within ninety (90) days thereafter, *provided, however,* that for purposes of this clause (2) any Tax Distribution made within ninety (90) days after the beginning of any fiscal year with respect to a prior year shall not be accounted for as a Tax Distribution for the fiscal year in which it was made.

SECTION 11.2 Timing of Distributions. The Partnership shall distribute the cash proceeds (a) of all dispositions of Portfolio Securities and (b) all other current income (including, without limitation, dividends or interest realized on the Partnership's investments), in each case net of Partnership expenses and reserves for reasonably estimated future expenses and, subject to Section 3.11(a), follow-on investments in existing Portfolio Companies, as determined by the General Partner in its sole discretion, as soon as practicable but in no event later than sixty (60) days after the Partnership receives such proceeds or income, *provided* that, in order to reserve such proceeds for follow-on investments, such follow-on investment shall be subject to a written commitment executed prior to the end of such sixty (60) day period. As a matter of administrative convenience, however, the Partnership shall not be obligated to make any distributions until such time as the aggregate amount otherwise distributable exceeds One Million Dollars ($1,000,000). The General Partner may cause the Partnership to make other distributions, in cash or in kind, in its sole discretion, subject to the other provisions of this Article XI.

SECTION 11.3 Priority of Distributions.

(a) Except as otherwise provided in Section 11.1 with respect to Tax Distributions, prior to distributing any amount, the General Partner shall determine whether such amount constitutes (i) a return of Capital Contributions represented by the cost of the investment in the Portfolio Security disposed of or held in Money Market Investments or otherwise represents a return of Capital Contributions or (ii) a distribution of income or gain from or in respect of an investment in a Portfolio Security disposed of or held in Money Market Investments or in respect of Bridge Financing. The cost of the investment in the Portfolio Security disposed of shall include Operating Expenses of the Partnership that are allocated to such Portfolio Security in accordance with Section 10.10, to the extent such amounts have not been previously distributed to the Partners.

(b) All amounts to be distributed to the Partners that constitute a return of Capital Contributions as determined under Section 11.3(a)(i) shall be distributed Pro Rata to the Partners, prior to any amounts distributed under Section 11.3(c) below.

(c) All amounts to be distributed to the Partners that constitute income or gain attributable to a Portfolio Security, Money Market Investment, Bridge Financing or other item of income or gain, shall be distributed as follows:

(i) First, one hundred percent (100%) Pro Rata to the Partners until the aggregate amount so distributed under this Section 11.3(c)(i) in the current and all prior fiscal years is equal to the aggregate net Profits allocated pursuant to Section 10.1(b) in the current and all prior fiscal years;

(ii) Second, one hundred percent (100%) Pro Rata to the Partners until the aggregate amount so distributed under this Section 11.3(c)(ii) in the current and all prior fiscal years is equal to the aggregate net Profits allocated pursuant to Section 10.1(c) in the current and all prior fiscal years;

(iii) Third, one hundred percent (100%) Pro Rata to the Partners, until the aggregate amount so distributed under this Section 11.3(c)(iii) for the current and all prior fiscal years is equal to the aggregate net Profits allocated pursuant to Section 10.1(d) in the current and all prior fiscal years;

(iv) Fourth, one hundred percent (100%) to the General Partner until the aggregate amount so distributed under this Section 11.3(c)(iv) for the current and all prior fiscal years is equal to the aggregate net Profits allocated pursuant to Section 10.1(e) in the current and all prior fiscal years; and

(v) Thereafter, (x) eighty percent (80%) Pro Rata to the Partners and (y) twenty percent (20%) to the General Partner.

(d) Notwithstanding the foregoing, any amounts distributed to the General Partner pursuant to Section 11.3(c) that are attributable to its Carried Interest are subject to return by the General Partner to the Partnership upon the dissolution of the Partnership as and to the extent required by Section 14.7.

(e) The General Partner, in its sole and absolute discretion, also may cause the Partnership to distribute Portfolio Securities to the Partners (subject to Section 11.5). In the event the General Partner elects to make such distributions in kind, the distributions shall be treated as a distribution of the proceeds received from the deemed sale pursuant to Section 10.4. Distributions in kind to the General Partner in respect of its Carried Interest are subject to deposit into the Reserve Account as set forth in Section 11.7. The General Partner may, in its sole and absolute discretion, cause the Partnership to distribute to one or more Partners the proceeds from the sale of any Portfolio Securities and to distribute in kind to one or more other Partners, including the General Partner, Portfolio Securities of the class not sold. The General Partner shall provide a minimum of forty-eight (48) hours written notice to each Partner prior to any such distribution.

(f) Notwithstanding Sections 11.3(a) through 11.3(e), amounts shall be distributed to the General Partner to the extent the General Partner has varied the allocations and distributions pursuant to Section 10.9.

SECTION 11.4 Tax Withholding. If the Partnership incurs a tax withholding obligation with respect to any Partner, any amount required to be withheld by the Partnership with respect to such Partner shall be treated for all purposes of this Agreement as if it had been transferred to such Partner by the Partnership as an interest free advance. Amounts treated as advanced to any Partner pursuant to this Section 11.4 shall be repaid by such Partner to the Partnership within thirty (30) days after the Partnership delivers a written request to such Partner for such repayment; *provided, however*, that if any such repayment is not made, the Partnership, at the discretion of the General Partner, shall (a) offset such unpaid amounts against any Partnership distributions that otherwise would be made to such Partner and/or (b) subtract from the Capital Account of such Partner, no later than the day prior to the Partnership's first liquidating distribution, the amount of any such tax withholding not so collected, in each case treating the amount so collected or subtracted as having been distributed to such Partner at the time of such collection or subtraction. For purposes of this Section 11.4, any tax withholding obligation incurred by the General Partner with respect to any Partner shall constitute a Partnership obligation.

SECTION 11.5 Certain Distributions Prohibited. Anything in this Article XI to the contrary notwithstanding, all Partnership distributions shall be subject to the following limitations.

(a) No distribution shall be made to any Partner if, and to the extent that, such distribution would not be permitted under Section 17-607(a) of the Delaware Act.

(b) No distribution other than a Tax Distribution shall be made to any Partner to the extent that such distribution, if made, would cause such Partner to have an Adjusted Capital Account Deficit (or increase an existing Adjusted Capital Account Deficit of such Partner).

(c) The Partnership shall not distribute to any Partners prior to the dissolution and liquidation of the Partnership securities which are not Freely Tradeable Securities without the consent of the distributee Partner.

SECTION 11.6 Consent to Distributions. Each Partner, by becoming a Partner, consents to any such distribution hereafter made or omitted to be made to the Partners or any of them in accordance with this Article XI.

SECTION 11.7 Reserve Account. In order to secure payment for the performance of its obligations under Section 14.7, the General Partner shall maintain, until such obligations have been discharged, an account (the "Reserve Account") into which the General Partner shall deposit twenty percent (20%) of the amount that is from time to time distributed to the General Partner in respect of its Carried Interest (including Portfolio Securities distributed to the General Partner pursuant to Section 11.3(e)). Cash funds deposited in the Reserve Account may be invested in Freely Tradeable Securities or Money Market Investments, as the General Partner, in its sole discretion, deems

appropriate. The General Partner may, in its sole discretion, but is not obligated to, invest all or any portion of such funds in Portfolio Companies to the same extent that Principals are permitted to make such investments pursuant to Section 3.9. The net income or gain earned on amounts deposited in the Reserve Account may, from time to time, be withdrawn by the General Partner. If, as of the last day of any fiscal year. the aggregate value of the assets held in the Reserve Account is less than the aggregate amount deposited or to have been deposited in such account, the General Partner shall, within sixty (60) days after the end of such fiscal year, contribute into the Reserve Account an amount sufficient to correct such deficit. The General Partner, in lieu of depositing into the Reserve Account Portfolio Securities distributed to the General Partner pursuant to Section 11.3(e), may deposit an amount of cash equal to the fair market value of such deposited Portfolio Securities. Any funds remaining in the Reserve Account after the General Partner's obligations pursuant to Section 14.7 have been fully satisfied shall be released to the General Partner.

SECTION 11.8 Additional Obligations. To the extent that the assets of the General Partner are insufficient to satisfy its obligations to the Partnership pursuant to Section 14.7 hereof, the Principals hereby agree that they shall guarantee, severally and not jointly, a percentage of the obligations of the General Partner to the Partnership under Section 14.7 equal to their respective ownership interest of the LLC and shall execute that certain Guaranty Agreement substantially in the form set forth on Exhibit 1 attached hereto and made a part hereof.

ARTICLE XII. VALUATION OF PARTNERSHIP ASSETS

SECTION 12.1 Valuation. For the purposes of this Agreement, the value of any Security as of any date (or in the event such date is a holiday or other day which is not a business day, as of the immediately preceding business day) shall be determined as follows:

(a) a Publicly Traded Security shall be valued based on the average of the prices on each of the five trading days preceding the day in question (which day in question, for purposes of making any distribution of Securities in kind, shall mean the second business day immediately preceding the date of such distribution), with the price on any day being its last sales price on such day or, if no sale occurred on such day, at the last "bid" price for such Security, in either case, which shall be quoted on the principal securities exchange on which such Security is traded or on the Nasdaq National Market System (including the Supplemental List thereof); and

(b) all other Securities or other assets and liabilities of the Partnership shall be valued on such date or day by the General Partner at fair market value in such manner as it may determine, subject to the provisions of Section 12.2; *provided*, that the Limited Partners Advisory Committee shall approve the annual valuation plan prior to valuation decisions being made pursuant to this Section 12.1(b) by the General Partner, the Management Company or any other entity to whom the General Partner may delegate its powers hereunder. In addition, all such valuation decisions shall be reviewed by the Limited Partners Advisory Committee except for valuations made solely for quarterly financial statement reporting purposes and *provided further*, that any valuation of such other Security, in connection with the dissolution of the Partnership shall be made to the extent practicable, by an investment banking firm or other appropriate independent expert, selected

by the General Partner and approved by the Limited Partners Advisory Committee which approval is not to be unreasonably withheld or delayed.

SECTION 12.2 Certain Securities. Any Security which is held under a representation that it has been acquired for investment and not with a view to the distribution thereof, or which is subject to any other restriction affecting marketability (such as a restriction commonly referred to as an "underwriting lockup" or a restriction on marketability arising out of the volume limitations imposed by Rule 144) when held or distributed, shall be valued at such discount from the value determined under Section 12.1(a) as the General Partner deems necessary to reflect properly the restricted marketability of such Security; *provided, however*, that the following Securities that are not subject to a restriction commonly referred to as an "underwriting lockup" may be valued without such discount:

(a) Securities which would be immediately saleable by the Partnership pursuant to Rule 144 under the Securities Act (such Rule or any successor rule thereto being hereinafter called "Rule 144") without any volume limitation applicable thereto;

(b) Securities which would, upon a distribution of such Securities to a Partner pursuant to this Agreement, be immediately saleable by such Partner pursuant to Rule 144 (assuming for all determinations under this clause (b) that such Partner is not an "affiliate"(as defined in Rule 144) of the issuer of such Securities, and that such Partner does not own and has not sold any Securities of the same class of securities of such issuer)

ARTICLE XIII. DURATION OF THE PARTNERSHIP

SECTION 13.1 Term of Partnership. The Partnership shall continue until the date that is ten (10) years after the Initial Closing unless its term is extended as provided in Section 13.4, or unless it is sooner dissolved as provided in Sections 13.2 or 13.3 or by operation of law.

SECTION 13.2 Dissolution Upon Withdrawal of General Partner. The Partnership shall be dissolved in the event of the occurrence with respect to the General Partner of any of the events of withdrawal described in Sections 17-402(a)(2) through 17-402(a)(10) of the Delaware Act unless, within ninety (90) days after such event, a majority in interest of the Limited Partners (A) agree to continue the Partnership and its business and (B) elect a substitute general partner effective as of the date of the event of withdrawal, and such substitute general partner agrees in writing to accept such election. If the General Partner suffers an event that, with the passage of the period specified in the Delaware Act, becomes an event of withdrawal under Section 17-402(a)(4) or (5) of the Delaware Act, the General Partner shall notify each Limited Partner of the occurrence of such event within thirty (30) days after the occurrence of such event. The Partnership shall not be dissolved in the event of the dissolution, death, bankruptcy, incompetence, disability, substitution or admission of any Limited Partner.

SECTION 13.3 Dissolution by Partners. The General Partner, with the consent of a majority in interest of the Limited Partners, may dissolve the Partnership at any time on not less than sixty

(60) days' prior written notice of such dissolution to the other Partners; *provided* that any Parallel Fund is simultaneously dissolved in accordance with the terms of its organizational documents. Limited Partners and limited partners of any Parallel Fund constituting in the aggregate at least eighty percent (80%) in interest of the Limited Partners and limited partners of any Parallel Fund, voting together as a single class, may, at any time, (i) dissolve the Partnership and any Parallel Fund or (ii) cause all Limited Partners and all limited partners of any Parallel Fund to become "inactive partners" (as that term is used in Section 8.5 of this Agreement), in which case each Limited Partner shall have no further right or obligation to make additional Capital Contributions in respect of its Subscription and the Unfunded Subscription of each Limited Partner shall be deemed to be reduced to zero, as of the date written notice of such dissolution or "inactive status" election is delivered to the General Partner.

SECTION 13.4 Extension of Term. It is contemplated by the Partners that the term of the Partnership shall terminate on the date that is ten (10) years after the Initial Closing and that the Partnership shall be considered to be dissolved on such date without any further action being required by any of the Partners, unless sooner terminated pursuant to Sections 13.2 or 13.3 or by operation of law. Notwithstanding the foregoing, the term of the Partnership may be extended for two (2) additional one (1) year periods by the General Partner with the approval of the Limited Partners Advisory Committee in accordance with Section 6.4. The General Partner shall notify the Limited Partners promptly of any such extension. Any such extension shall be subject to the rights of the Partners to dissolve the Partnership as provided in Section 13.3.

ARTICLE XIV. LIQUIDATION OF PARTNERSHIP INTERESTS

SECTION 14.1 General Provisions. At dissolution, the Partnership's assets shall be liquidated in an orderly manner. The general partner of the Partnership shall be the liquidator to wind up the affairs of the Partnership pursuant to this Agreement; *provided* that, if there shall be no remaining general partner of the Partnership at that time, a majority in interest of the Limited Partners may designate one or more other Persons to act as the liquidator(s) instead of the general partner of the Partnership. Any such liquidator(s), other than the general partner of the Partnership, shall be a "liquidating trustee" within the meaning of Section 17-101(9) of the Delaware Act.

SECTION 14.2 Liquidating Distributions. The liquidator(s) shall pay or provide for the Partnership's liabilities and obligations to creditors. Any Profit or Loss realized in connection with the liquidation of the Partnership shall be allocated among the Partners pursuant to Article X, and the remaining assets of the Partnership shall then be distributed to the Partners in cash (to the extent feasible) in proportion to the positive balances in the respective Capital Accounts of the Partners (and, if a distribution in kind is necessary, after allocating any Profit or Loss attributable to such distribution). In performing their duties, the liquidator(s) are authorized to sell, exchange or otherwise dispose of the assets of the Partnership in such reasonable manner as the liquidator(s) shall determine to be in the best interest of the Partners. During the liquidation of the Partnership, the liquidator(s) shall furnish to the Partners the financial statements and other information specified in Article XIX.

SECTION 14.3 Expenses of Liquidator(s). The expenses incurred by the liquidator(s) in connection with winding up the Partnership, all other losses or liabilities of the Partnership incurred in accordance with the terms of this Agreement, and reasonable compensation for the services of the liquidator(s) (which, with respect to any liquidator who is a General Partner, shall be paid only if the Management Company is not then entitled to receive the Management Fee) shall be borne by the Partnership.

SECTION 14.4 Duration of Liquidation. A reasonable time shall be allowed for the winding up of the affairs of the Partnership in order to minimize any losses otherwise attendant upon such a winding up. The liquidator(s) shall use its best efforts to dispose of or distribute all Partnership assets within one (1) year of dissolution, but shall not be bound to do so or be liable in any way to any Partner for failure to do so. The liquidator(s) shall then make final liquidating distributions from the Partnership within ninety (90) days after receipt by the Partnership of all such liquidation proceeds. For this purpose, (x) the date of the liquidation of the Partnership shall be the date on which the Partnership has ceased to be a going concern, and (y) the Partnership shall not be deemed to have ceased to be a going concern, until it has sold, distributed or otherwise disposed of its Portfolio Securities.

SECTION 14.5 Duty of Care. The liquidator(s) shall not be liable to the Partnership or any Partner for any loss attributable to any act or omission of the liquidator(s) taken in good faith in connection with the liquidation of the Partnership and distribution of its assets in belief that such course of conduct was in the best interest of the Partnership. The liquidator(s) may consult with counsel and accountants with respect to liquidating the Partnership and distributing its assets and shall be justified in acting or omitting to act in accordance with the advice or opinion of such counsel or accountants, *provided* they shall have been selected with reasonable care. Notwithstanding the foregoing, if the General Partner is the liquidator, the General Partner's duty of care as liquidator shall be governed by Section 3.10.

SECTION 14.6 No Liability for Return of Capital. Except to the extent provided in Section 14.7, the liquidator(s), the General Partner and their respective officers, directors, agents, partners (including the officers, directors, employees and agents of the general partners of the General Partner) and Affiliates shall not be personally liable for the return of the Capital Contributions of any Partner to the Partnership. No Limited Partner shall be obligated to restore to the Partnership any amount with respect to a negative Capital Account; *provided, however*, that this provision shall not affect the obligations of Partners to make their agreed upon Capital Contributions to the Partnership.

SECTION 14.7 Liabilities of the General Partner upon Dissolution. Upon dissolution of the Partnership, the General Partner shall contribute to the Partnership an amount equal to the Cumulative Recoupable Shortfall Amount, if any, which amount shall be distributed Pro Rata to the Partners.

ARTICLE XV. LIMITATION ON TRANSFERS OF INTERESTS OF LIMITED PARTNERS

SECTION 15.1 Consent of General Partner to Transfers. The prior written consent of the General Partner (which consent shall not be unreasonably withheld) shall be required for any Transfer of part or all of any Limited Partner's economic interest in the Partnership. Any transferee of an economic interest in the Partnership shall become a substituted Limited Partner only upon satisfaction of the requirements set forth in Section 15.4.

SECTION 15.2 Opinion of Counsel. In addition to the consent required pursuant to Section 15.1, unless otherwise waived by the General Partner in its reasonable discretion taking into account the interests of the Partners and the Partnership, any Transfer shall be made only upon receipt of a written opinion of counsel for the Partnership or other counsel reasonably satisfactory to the Partnership (which opinion shall be obtained at the expense of the transferor) 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 ERISA, the United States Investment Company Act of 1940, or the United States Investment Advisers Act of 1940, as amended), (B) a violation of applicable law or this Agreement, (C) the Partnership being classified as an association taxable as a corporation, (D) the Partnership being treated as a corporation pursuant to Section 7704 of the Code, or (E) the Partnership being deemed terminated pursuant to Section 708 of the Code. In accordance with Section 21.10, such opinion shall also state that the interest being transferred has been registered under the Securities Act or that an exemption from such registration is available.

SECTION 15.3 Expenses. The transferor of any interest in the Partnership hereby agrees to reimburse the Partnership, at the request of the General Partner, for any expenses reasonably incurred by the Partnership in the course of consummating such Transfer, including any legal, accounting and other expenses.

SECTION 15.4 Substituted Limited Partners. Any transferee of a Partnership interest transferred in accordance with the provisions of this Article XV shall be admitted as a substituted Limited Partner upon the receipt of the General Partner's written consent thereto (which may be withheld for any reason or for no reason in the sole and absolute discretion of the General Partner). 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. The transferee of an interest in the Partnership transferred pursuant to this Article XV that is admitted to the Partnership as a substituted Limited Partner shall succeed to the rights and liabilities of the transferor Limited Partner, and to the Subscription, Contributions Account and Capital Account of the transferor, and such Subscription, Contributions Account and Capital Account shall become the Subscription, Contributions Account and Capital Account, respectively, of the transferee, to the extent of the interest transferred. The provisions of this Section 15.4 shall apply to any such transferee that is not admitted as a substituted Limited Partner, and such transferee shall have all the economic rights of a Limited Partner with respect to the interest transferred, to the maximum extent permitted by Delaware law and the Code.

SECTION 15.5 Covenants of Limited Partners.

(a) Each Limited Partner agrees with all other Partners that it will not make any Transfer of all or any part of its interest in the Partnership except in accordance with the provisions of this Article XV.

(b) Each Limited Partner, by its execution of this Agreement, agrees and consents to the admission of any substituted Limited Partner pursuant to the terms of this Article XV. Any transferee of a Partnership interest shall execute a power of attorney as provided in Section 21.2 and such other documents as the General Partner may request to effect such disposition, including an assumption of all obligations of the transferor Limited Partner under this Agreement. Any attempted Transfer of a Limited Partner's interest without compliance with this Agreement shall be void. In the event of any transfer which shall result in multiple ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees to be designated as representing a portion of or the entire interest transferred for the purpose of receiving all notices which may be given, and all payments which may be made, under this Agreement and for the purpose of exercising all rights which the transferor as a Limited Partner has pursuant to the provisions of this Agreement. Every Transfer shall be subject to all of the terms, conditions, restrictions and obligations of this Agreement.

ARTICLE XVI. WITHDRAWAL OF PARTNERSHIP INTERESTS

SECTION 16.1 Withdrawal of Partnership Interests. No Partner shall have the right to withdraw its capital and profits from the Partnership, except as provided below with respect to ERISA and PERISA Partner withdrawal and in Section 3.15.

SECTION 16.2 ERISA Partner Withdrawal. Notwithstanding any provision in this Agreement to the contrary, any Limited Partner which is an ERISA Partner may elect, upon written notice of such election to the General Partner, to withdraw from the Partnership, or upon written demand by the General Partner shall withdraw from the Partnership, at the time and in the manner hereinafter provided, if either such ERISA Partner or the General Partner shall obtain and deliver to the other an opinion of counsel (which counsel shall be reasonably acceptable to both such ERISA Partner and the General Partner) to the effect that (a) such ERISA Partner (or any employee benefit plan or any plan assets which are held by such ERISA Partner) may be in violation of ERISA, the Code or rules or regulations promulgated thereunder by reason of such ERISA Partner continuing as a Limited Partner, or (b) the fiduciaries of such ERISA Partner (or fiduciaries of an employee benefit plan or plan the assets of which are held by such ERISA Partner, as applicable), would have liability for the acts or omissions of the General Partner, notwithstanding the provisions of section 405(d) of ERISA, or (c) the Partnership or the General Partner may or would be in violation of ERISA or the Code by continuing to have such ERISA Partner as a member. In the event of the issuance and delivery of such opinion of counsel, the General Partner shall promptly provide to each Partner a copy thereof, together with a copy of the written notice of the election of such ERISA Partner to withdraw or the written demand of the General Partner for withdrawal, as the case may be.

SECTION 16.3 Cure Period; Time of Withdrawal. The General Partner shall have, in its sole discretion, a period of ninety (90) days following receipt of such counsel's opinion to attempt to eliminate the necessity for such withdrawal to the reasonable satisfaction of such ERISA Partner and the General Partner, whether by correction of the condition giving rise to the necessity of such ERISA Partner's withdrawal, by amendment of this Agreement, by effectuation of a transfer of such ERISA Partner's interest in the Partnership to a substituted Limited Partner at a fair and reasonable price (*provided* such ERISA Partner consents to such transfer) or otherwise. If such cause for withdrawal is not cured within such ninety (90) day period, then such ERISA Partner shall withdraw from the Partnership as of the date following the expiration of such ninety (90) day period (or, if the General Partner elects in writing not to attempt so to cure, as of the date following such election) which is the earlier of (a) the last day of the fiscal year of the Partnership during which such ninety (90) day period expires or during which the General Partner so elects not to attempt a cure, as the case may be, and (b) the last day of the fiscal quarter of the Partnership during which such ninety (90) day period expires or during which the General Partner so elects not to attempt a cure, as the case may be, *provided* that the last day of such fiscal quarter is recommended for withdrawal by counsel in such opinion (the earlier of (a) and (b) being herein referred to as the "ERISA Withdrawal Date"). The reasonable costs of obtaining or seeking an opinion of counsel for purposes of this Section 16.3, whether or not such opinion is to the effect specified above or results in the withdrawal of the ERISA Partner, shall be borne by the ERISA Partner.

SECTION 16.4 Effects of ERISA Partner Withdrawal. Effective upon the ERISA Withdrawal Date, such ERISA Partner shall cease to be a Partner of the Partnership for all purposes and, except for its right to receive payment for its Partnership interest as hereinafter provided, shall no longer be entitled to the rights of a Partner under this Agreement, including without limitation the right to receive allocations pursuant to Article X hereof, the right to receive distributions during the term of the Partnership pursuant to Article XI and upon liquidation of the Partnership pursuant to Article XIV and the right to vote on Partnership matters as provided in this Agreement. As promptly as practicable following the ERISA Withdrawal Date, the General Partner shall, where necessary, file and record any required amendment to the Certificate reflecting such withdrawal.

SECTION 16.5 Distribution to ERISA Partner. As promptly as practicable following the ERISA Withdrawal Date, there shall be distributed to such ERISA Partner, in full payment and satisfaction of its interest in the Partnership, an amount equal to the amount which such ERISA Partner would have been entitled to receive pursuant to Article XIV if the Partnership had been liquidated on and as of the ERISA Withdrawal Date and all of the Partnership's assets had been sold on such date for their fair market value. No approval of the Partners shall be required prior to the making of such distribution. For purposes of determining the amount of the distribution to be made to such ERISA Partner, and the value of each of the Partnership's assets, the Partnership's annual or quarterly financial statements, as the case may be, prepared in accordance with Article XIX hereof for the period ending on the ERISA Withdrawal Date shall be deemed to be conclusive. Such distribution to the withdrawing ERISA Partner shall be payable in cash, cash equivalents and/or securities of Portfolio Companies, with each separate group of cash, cash equivalents, securities of Portfolio Companies and/or other assets being distributed to the withdrawing ERISA Partner in

proportion to such ERISA Partner's interest in the Partnership to the extent practicable, unless otherwise required by law or contract.

SECTION 16.6 Conforming Amendment. Upon the withdrawal of any ERISA Partner from the Partnership pursuant to this Article XVI, the Partners (including the withdrawing ERISA Partner) shall enter into an amendment to this Agreement reflecting such withdrawal and amending such provisions of this Agreement, including without limitation the provisions regarding allocations and distributions during the term of the Partnership and upon its liquidation, as may be appropriate, so that the intent, spirit, operation and effect of such allocation, distribution and other provisions shall, to the maximum extent possible, be preserved after taking into account the withdrawal of such ERISA Partner.

SECTION 16.7 PERISA Partner Withdrawal. For purposes of Sections 16.2, 16.3, 16.4, 16.5 and 16.6, (a) each Limited Partner that is an employee benefit plan subject to regulation under applicable state or local laws that are similar in purpose and intent to ERISA (a "Public Employee Retirement Security Act Partner" or "PERISA Partner") shall be treated as an ERISA Partner, and (b) all references in such provisions to ERISA shall be deemed to refer to such applicable state laws and regulations.

ARTICLE XVII. LIMITATION ON TRANSFER OF INTEREST OF THE GENERAL PARTNER AND AFFILIATES

SECTION 17.1 Limitation on Transfer of Interest of the General Partner. Without the consent of a majority in interest of the Limited Partners, (i) the General Partner shall not Transfer all or any part of its general partnership interest in the Partnership, (ii) the Individual Principals and the Safeguard Principal shall not Transfer all or any part of their respective membership interests in the LLC if, as a result of such Transfer, the Individual Principals and the Safeguard Principal collectively cease to Control the LLC and (iv) the Individual Principals shall not Transfer all or any part of their respective membership interests in the Management Company if, as a result of such Transfer, the Individual Principals collectively, cease to Control the Management Company. Any attempted Transfers in violation of the preceding sentence shall be void and any Transfers that do not require the consent of the majority in interest of the Limited Partners pursuant to the preceding sentence shall not be limited by this Agreement. Nothing in this Agreement shall limit the ability of the partners of the General Partner to transfer limited partnership interests in the General Partner. Notwithstanding the foregoing, no Transfer by the General Partner of its general partnership interest shall be effective unless the new general partner agrees to be bound by the terms of this Agreement.

ARTICLE XVIII. INDEMNIFICATION

SECTION 18.1 General Provisions.

(a) The General Partner, the LLC, the Management Company, the Principals, their partners, officers, directors, managers, members, employees, independent contractors, consultants, agents and Affiliates, each member of the Investment Committee and each member of the Limited

Partners Advisory Committee and each employer of each member of foregoing (herein referred to as an "Indemnitee") shall be indemnified by the Partnership (only out of Partnership assets, including the proceeds of liability insurance) against any claim, demand, controversy, dispute, cost, loss, damage, expense (including attorney's fees), judgment and/or liability incurred by or imposed upon the Indemnitee in connection with any action, suit or proceeding (including any proceeding before any administrative or legislative body or agency) to which the Indemnitee may be a party or otherwise involved, or with which the Indemnitee may be threatened, by reason of the Indemnitee's (or the Indemnitee's employee) being at the time the cause of action arose or thereafter, the General Partner (including the General Partner acting as Tax Matters Partner), the LLC, the Management Company, their partners, officers, directors, managers, members, employees independent contractors, consultants, agents and Affiliates or a member of the Investment Committee or Limited Partners Advisory Committee, or a director, officer, partner, manager, member, employee, independent contractor, consultant, agent or Affiliate of any other organization in which the Partnership owns an interest or of which the Partnership is a creditor, which other organization the Indemnitee (or its employee) serves or has served as a director, officer, partner, manager, member, employee, independent contractor, consultant, agent or Affiliate at the request of the Partnership, directly or through the Management Company, (whether or not the Indemnitee or its employee continues to serve in such capacity at the time such action, suit or proceeding is brought or threatened), except with respect to matters as to which the Indemnitee (or its employee) shall have been finally adjudicated in any such action, suit or proceeding, to have committed actions or omissions that (A) constitute actual fraud, negligence that would have a material adverse effect on the operations of the Partnership or willful misconduct or (B) result in any criminal conviction of, or plea of *nolo contendere* to, a felony or fraud based violation of federal or state securities laws or (C) result in a consent to a fraud based injunction or order by the Securities and Exchange Commission or other regulatory body prohibiting future securities laws violations (with or without admission of liability) or (D) result in a felony conviction punishable by 5 years or more in prison or (E) result in a breach of a fiduciary duty. In the event of settlement of any action, suit or proceeding brought or threatened, such indemnification shall apply to all matters covered by the settlement. The foregoing right of indemnification shall be in addition to any rights to which any Indemnitee may otherwise be entitled and shall inure to the benefit of the executors, administrators, personal representatives, successors or assigns of each such Indemnitee. Nothing contained herein shall be deemed to be inconsistent with the provisions of Section 410 of ERISA. In determining whether an Indemnitee is negligent for purposes of this Section 18.1(a), the standard shall be whether the Indemnitee failed to exercise the care, skill, prudence and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use in the conduct of a private equity investment fund with similar purposes.

(b) If any Indemnitee seeks indemnification from the Partnership pursuant to this Section 18.1, it shall so notify the Partnership and the Limited Partners Advisory Committee. Any proposed settlement arrangement giving rise to the current indemnification obligation that is in excess of One Million Dollars ($1,000,000) shall be presented to the Limited Partners Advisory Committee for its approval, which approval will not be unreasonably withheld or delayed. If the Limited Partners Advisory Committee approves any such settlement arrangement, the Indemnitee shall be entitled to indemnification under this Section 18.1 and such determination shall be binding

on the Partners and the Partnership. No Limited Partners Advisory Committee approval shall be required for any proposed settlement arrangements giving rise to the indemnification obligation that are equal to or less than One Million Dollars ($1,000,000), provided the Limited Partners Advisory Committee had been notified of any such settlement.

SECTION 18.2 Advance Payment of Expenses. The Partnership shall pay the expenses incurred by an Indemnitee, up to a maximum of One Million Dollars ($1,000,000) in the aggregate, in defending a civil or criminal action, suit or proceeding, or in opposing any claim arising in connection with any potential or threatened civil or criminal action, suit or proceeding, in advance of the final disposition of such action, suit or proceeding, upon receipt of an undertaking by such Indemnitee to repay such payment if such Indemnitee shall be determined to be not entitled to indemnification therefor as provided herein; *provided, however*, that in such instance the Indemnitee is not commencing an action, suit, or proceeding against the Partnership, or defending an action, suit or proceeding commenced against him by the Partnership or opposing a claim by the Partnership arising in connection with any such potential or threatened action, suit or proceeding. The Partnership shall notify the Limited Partner's Advisory Committee in writing at least ten (10) days prior to making any such payments. If the Indemnitee ultimately is required to repay such amounts under this Section 18.2 and the Indemnitee does not repay such amounts within thirty (30) days of such determination, then such amounts shall be deducted from the next occurring distribution to the General Partner.

SECTION 18.3 Insurance. The General Partner, on behalf of the Partnership, may cause the Partnership to purchase and maintain insurance with such limits or coverages as the General Partner reasonably deems appropriate, at the expense of the Partnership and to the extent available, for the protection of any Indemnitee against any liability incurred by such Indemnitee in any such capacity or arising out of his status as such, provided such coverages are consistent with, and limited by, the Partnership's power to indemnify such Indemnitee against such liability as set forth in Section 18.2 hereof. The General Partner may purchase and maintain insurance on behalf of the Partnership for the protection of any officer, director, employee, consultant or other agent of any other organization in which the Partnership owns an interest or of which the Partnership is a creditor against similar liabilities.

SECTION 18.4 Sharing of Indemnification Expenses with Parallel Funds. It is understood and agreed that, with regard to any claim for indemnification pursuant to this Article XVIII which relates to a common activity of the Partnership and any Parallel Fund or any Successor Entity, the Partnership shall be obligated to provide indemnity hereunder up to, but only to the extent of, its pro rata share of the total of any such amounts so paid by any or all of the Partnership, any Parallel Fund or any Successor Entity (i) if such claim arises from a Portfolio Company investment, in proportion to the respective amounts invested by the Partnership and such other funds in such Portfolio Company, and (ii) otherwise in proportion to the respective amounts of capital contributed (in cash and commitments) to the respective partnerships or related funds. In the event that any claim for indemnification relates only to or is caused solely by the activities or existence of only one of such partnerships or related funds, such indemnification shall be borne fully by that party. The General Partner agrees to use best efforts to cause any Parallel Fund and any Successor Entity to adhere to

the principles of shared indemnification set forth herein. Any amounts payable to an Indemnitee hereunder shall be payable first from the proceeds of any insurance recovery and then from the other assets of the Partnership; *provided*, that if available and practicable, an Indemnified Party should first seek indemnification from the applicable Portfolio Company (or from the applicable Portfolio Company's insurance, if any).

SECTION 18.5 Limitation by Law. If the General Partner or the Partnership is subject to any federal or state law, rule or regulation which restricts the extent to which any person may be exonerated or indemnified by the Partnership in any particular instance, then the indemnification provisions set forth in this Article XVIII and the exoneration provisions set forth in Sections 3.10 and 14.5 shall be deemed to be amended, automatically and without further action by the General Partner or the Limited Partners, to conform to such restrictions on exoneration or indemnification as set forth in such applicable federal or state law, rule or regulation. If any such law, statute, rule or regulation of any jurisdiction by which the Partnership may be governed is thereafter amended to enlarge the scope of indemnification or eliminate or reduce the liability of any Indemnitee, then this Agreement shall be deemed to be amended, automatically and without any further action by the General Partner or the Limited Partners to broaden correspondingly the exoneration or indemnification provided hereunder; *provided, however*, that the scope of the exoneration or indemnification provided hereunder shall not be enlarged beyond that which is set forth in this Article XVIII as of the date hereof. The rights to indemnification and advancement of expenses conferred in this Article XVIII shall not be exclusive of any other right which any Indemnitee may have or hereafter acquire under any law, statute, rule, regulation, charter document, by-law, contract or agreement.

ARTICLE XIX. ACCOUNTING; RECORDS AND REPORTS; ANNUAL MEETINGS

SECTION 19.1 Fiscal Year. The fiscal year of the Partnership shall be the calendar year, or such other year as is required by the Code.

SECTION 19.2 Keeping of Accounts and Records. 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 (which shall be kept on the accrual method of accounting), together with (a) an executed copy of this Agreement (and any amendments hereto), including Schedule A hereto; (b) the Certificate of Limited Partnership of the Partnership (and any amendments thereto); (c) executed copies of any powers of attorney pursuant to which any certificate has been executed by the Partnership; (d) a current list of the full name, taxpayer identification number and last known address of each Partner set forth in alphabetical order; (e) copies of all tax returns, if any, filed by the Partnership for each of the prior three (3) years; and (f) all financial statements of the Partnership for each of the prior three (3) years, shall at all times be maintained at the principal office of the Partnership.

SECTION 19.3 Inspection Rights. At any time while the Partnership continues and until its complete liquidation, each Partner (or the designee thereof) during normal business hours 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. Each Limited Partner (or the designee thereof) during normal business hours may 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 investment activities of the Partnership. Notwithstanding the foregoing, (1) any such examination or audit shall be made (A) only upon five (5) days, prior written notice to the General Partner, (B) during normal business hours and (C) without undue disruption; (2) the General Partner shall have the benefit of the confidential information provisions of Section 17-305(b) of the Delaware Act; and (3) the management of the affairs of the Partnership shall be in the complete control of the General Partner.

SECTION 19.4 Annual Financial Statements. The General Partner shall transmit to each Partner, within ninety (90) days after the close of each fiscal year or as soon as practicable thereafter, the financial statements 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, and statements of changes in Partners' Capital Accounts for such fiscal year and for the preceding fiscal year, prepared in accordance with generally accepted accounting principles audited by a recognized firm of independent public accountants. The General Partner shall also transmit to each Partner, within ninety (90) days after the close of each fiscal year or as soon as practicable thereafter, a report indicating such Partner's share of all items of income or gain, expense, loss or other deduction and tax credit of the Partnership for such year, as well as the status of its Capital Account as of the end of such year, and such additional information as it reasonably may request to enable it to complete its tax returns or to fulfill any other reporting requirements. For information purposes, the General Partner shall also furnish to each Partner, as promptly as practicable after the close of each fiscal year, a list of the Partnership's investments, valued at fair market value as determined in accordance with Article XII as of the end of such fiscal year, with a brief narrative report as to the status and operations of each such investment.

SECTION 19.5 Quarterly Financial Statements; Investment Memoranda.

(a) The General Partner will furnish to each Partner, within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Partnership, unaudited financial statements of the Partnership for the quarter then ended, which statements shall contain data sufficient to inform each Partner as to the current financial status of the Partnership and its investments, with a brief narrative report as to the status and operations of each such investment.

(b) Following the initial investment by the Partnership in a Portfolio Company, the General Partner shall furnish to each Limited Partner an investment memorandum containing an overview of the Portfolio Company's line of business, a description (in summary form) of its products and market, and a brief analysis of the Partnership's reasons for making the investment, in each case to the extent that the furnishing of such information is not inconsistent with any confidentiality agreement or understanding with such Portfolio Company to which the Partnership is subject.

SECTION 19.6 Annual Meetings. The Partnership may shall annual meetings offering Limited Partners the opportunity to review and discuss the Partnership's investment activity and portfolio. The General Partner shall notify each Limited Partner at least forty-five (45) days in advance of the time and place of the year's annual meeting, and request each Limited Partner that wishes to send one or more representatives to that meeting to so notify the General Partner. At the General Partner's discretion, the annual meeting for a particular year may be held in several locations at different times to make attendance more convenient for Limited Partners from different geographic locations. In addition to any annual meeting, at the General Partner's discretion, individual meetings with interested Limited Partners may be held.

SECTION 19.7 Accounting Method. The Partnership shall use the accrual method of accounting for United States federal income tax purposes.

SECTION 19.8 Independent Accountants. The Partnership's independent public accountants shall be any nationally recognized independent public accounting firm selected by the General Partner in its sole discretion.

SECTION 19.9 Amortization of Organizational Expenses. The organizational expenses of the Partnership shall be amortized over a sixty (60) month period to the extent permitted by Section 709 of the Code.

SECTION 19.10 Change of Principal Office. The General Partner may change the location of the principal office or the mailing address of the Partnership at any time, upon written notice to all Partners indicating the new location of such principal office or new mailing address, as the case may be.

ARTICLE XX. WAIVER AND AMENDMENT

SECTION 20.1 Waiver and Amendment.

(a) Except as otherwise provided in this Agreement, the terms and provisions of this Agreement may be waived, modified, terminated or amended with the written consent of the General Partner and of Limited Partners constituting in the aggregate at least a majority in interest of the Limited Partners. No such amendment shall, however, (1) dilute the relative interest of any Partner in the profits or capital of the Partnership or in allocations or distributions attributable to the ownership of such interest without the written consent of such Partner (except such dilution as may result from additional Subscriptions from the Limited Partners or the admission of additional Limited Partners), (2) alter or waive the terms of Sections 3.12 and 3.13 or Articles XVI and XX without the written consent of any Partner which would be adversely affected thereby, or (3) increase the liability of any Partner without the written consent of such Partner. The General Partner shall promptly furnish copies of any amendments to this Agreement to all Partners. The admission or substitution of Partners and increases in Subscriptions shall not require the consent of, or notice to, any Limited Partner.

(b) In addition to any amendments otherwise authorized hereby, this Agreement may be amended from time to time by the General Partner without the consent of the Limited Partners (1) to cure any ambiguity or correct or supplement any provisions hereof which may be inconsistent with any other provision hereof, or correct any printing, stenographic or clerical errors or omissions, or (2) at any time and from time to time prior to the Final Closing, to amend any provision of this agreement if such amendment is not adverse to the interests of Limited Partners as a whole or as a class or if such amendment benefits the Limited Partners as a whole or as a class.

(c) Except as otherwise specifically set forth in this Agreement, any amendment, consent, waiver, modification or termination of the terms and provisions of this Agreement which results in the same economic and legal consequences to the Partners and the limited partners of any Parallel Fund shall require the written consent of the General Partner and the written consent of Limited Partners and limited partners of any Parallel Fund constituting, in the aggregate, a majority in interest of all such Limited Partners and limited partners, voting together as a single class.

ARTICLE XXI. GENERAL PROVISIONS

SECTION 21.1 Notices. Except where otherwise specifically provided in this Agreement, all notices, requests, consents, approvals and statements shall be in writing and shall be deemed to have been properly given by personal delivery or if mailed from within the country of the sender by air mail or first class mail, postage prepaid, or if sent by prepaid telegram, electronic facsimile transmission or telex, or if sent by courier service, addressed in each case, if to the Partnership or to the General Partner, at its address set forth in Schedule A, and if to any other Partner, to the address of such Partner as set forth in Schedule A or in the instrument pursuant to which it became a Partner or, in each case, to such other address or addresses as the addressee may have specified by written notice as aforesaid to the other parties.

SECTION 21.2 Power of Attorney.

(a) Each of the undersigned by execution of this Agreement constitutes and appoints each of the General Partner, the LLC and each Principal, acting individually, as its true and lawful representative and attorney-in-fact, in its name, place and stead, to make, execute, sign, acknowledge and deliver or file (1) all instruments, documents and certificates which may from time to time be required by any law to effectuate, implement and continue the valid and subsisting existence of the Partnership, (2) all instruments, documents and certificates that may be required to effectuate the dissolution and termination of the Partnership in accordance with the provisions hereof and Delaware law, (3) all other amendments of this Agreement or the Certificate contemplated by this Agreement 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 action of the Partners duly taken pursuant to this Agreement whether or not such Partner voted in favor of or otherwise approved such action, and (4) 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. None of the

General Partner, the LLC or any Principal, when acting as attorney-in-fact for any of the undersigned Limited Partners, may act in a manner that is adverse to the Limited Partners unless the requisite consent of the Limited Partners as set forth in this Agreement shall have been obtained.

(b) Each of the Partners is aware that the terms of this Agreement permit certain amendments to this Agreement and the Certificate to be effected and certain other actions to be taken by or with respect to the Partnership, in each case with the approval or by the vote of less than all the Partners. If, as and when (1) an amendment of this Agreement and the Certificate is proposed or an action is proposed to be taken by or with respect to the Partnership which does not require, under the terms of this Agreement, the approval of all of the Partners, (2) Partners holding the interest in the Partnership specified in this Agreement as being required for such amendment or action have approved such amendment or action in the manner contemplated by this Agreement (disregarding the consent of any Partner whose approval has been granted by the General Partner's use of such Partner's power of attorney), and (3) a Partner has failed or refused to approve such amendment or action (hereinafter referred to as a non-consenting Partner), each non-consenting Partner agrees that the special attorney specified above, with full power of substitution, is hereby authorized and empowered to execute, acknowledge, make, swear to, verify, deliver, record, file and/or publish, for and on behalf of such non-consenting Partner, and in its name, place and stead, any and all instruments and documents which may be necessary or appropriate to permit such amendment, if otherwise approved, to be lawfully made or action lawfully taken. Each Partner is fully aware that it and each other Partner has executed this special power of attorney, and that each Partner will rely on the effectiveness of such powers with a view to the orderly administration of the Partnership's affairs.

(c) The powers of attorney granted herein (1) shall be deemed to be coupled with an interest, shall be irrevocable and shall survive the death, insanity, incompetency or incapacity (or, in the case of a Partner that is a corporation, association, partnership or trust, shall survive the merger, dissolution or other termination of existence) of the Partner and (2) shall survive the assignment by the Partner of the whole or any portion of his interest, except that where the assignee of the whole or any portion 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 any permitted substitution of the assignee for the assignor as a Partner and shall thereafter terminate. In the event that the appointment conferred in this Section 21.2 would not constitute a legal and valid appointment by any Partner under the laws of the jurisdiction in which such Partner is incorporated, established or resident, upon the request of the General Partner, such Partner shall deliver to the General Partner a properly authenticated and duly executed document constituting a legal and valid power of attorney under the laws of the appropriate jurisdiction covering the matters set forth in this Section 21.2.

(d) The General Partner shall require a power of attorney to be executed by a transferee of a Partner as a condition of its admission as a substitute Partner.

SECTION 21.3 Waiver of Partition. Each Partner hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Partnership's property.

SECTION 21.4 Additional Documents. Each Partner hereby agrees to execute all certificates, counterparts, amendments, instruments or documents that may be required by the laws of the various jurisdictions in which the Partnership conducts its activities, to conform with the laws of such jurisdictions governing limited partnerships.

SECTION 21.5 Binding on Successors. This Agreement shall be binding upon and it shall inure to the benefit of the respective heirs, successors, assigns and legal representatives of the parties hereto.

SECTION 21.6 Counterparts. This Agreement or any amendment hereto may be signed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one agreement (or amendment, as the case may be).

SECTION 21.7 Action by Limited Partners; Nonvoting Limited Partnership Interest.

(a) Whenever action is required by this Agreement to be taken by a specified percentage in interest of the Limited Partners, such action shall be deemed to be valid if taken upon written vote or written consent by those Limited Partners whose Contributions Account balances represent the specified percentage of the aggregate Contributions Account balances of all Limited Partners at the time; *provided*, that Limited Partners which are Affiliates of the General Partner shall not participate in any vote of the Limited Partners which may be required under this Agreement, except with respect to the matters described in Section 20.1 hereof.

(b) If and to the extent that any corporation, partnership or other entity that is subject to the Bank Holding Company Act of 1956, as amended, and Regulation Y of the Board of Governors of the Federal Reserve System promulgated thereunder shall at any time be a limited partner (a "BHCA Limited Partner"), and the limited partnership interest held by such BHCA Limited Partner exceeds four and nine/tenths percent (4.9%) of the then total outstanding limited partnership interests (exclusive of Nonvoting Limited Partnership Interests), the excess of such limited partnership interests for the time being over four and nine/tenths percent (4.9%) of all limited partnership interests (exclusive of Nonvoting Limited Partnership Interests) shall constitute a separate class of limited partnership interests denominated "Nonvoting Limited Partnership Interests". The rights, privileges, benefits and liabilities appertaining to the Nonvoting Limited Partnership Interests shall be identical in all respects to the rights, privileges, benefits and liabilities appertaining to all other limited partnership interests, except that holders of Nonvoting Limited Partnership Interests shall not be entitled to vote upon or give consents in respect of any action by the Limited Partners pursuant to Section 3.14 or, except as hereinafter provided, pursuant to any other provision of this agreement which requires or contemplates the vote or consent of Limited Partners, and the Contributions Account balances attributable to the Nonvoting Limited Partnership Interests shall not be treated under Section 21.7(a) as Limited Partner Contributions Account balances for purposes of determining whether the requisite percentage in interest of the Limited Partners has taken any such action. For purposes of Section 20.1, notwithstanding anything contained herein, holders of Nonvoting Limited Partnership Interests shall be entitled to vote on or give consent with respect to any matter which under that section requires a vote of the Limited Partners if the action contemplated by such vote or consent would materially adversely affect the

rights of the Limited Partners, and no amendment shall be made in the provisions of this Section 21.7(b) without the written consent of each BHCA Limited Partner. Without in any way limiting the provisions of Article XV of this Agreement, the prior written consent of the General Partner (which consent may be withheld or delayed in the sole discretion of the General Partner), shall be required for any transfer of all or part of any BHCA Limited Partner's economic interest in the partnership which at the time of such transfer constitutes Nonvoting Limited Partnership Interests.

SECTION 21.8 Voting. Any vote or other action required or permitted to be taken by this Agreement may be taken by written consent signed by not less than the requisite percentage in interest of parties required or permitted to take such vote or other action.

SECTION 21.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principles thereof.

SECTION 21.10 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. Each Partner agrees with all other Partners that it will not sell or otherwise transfer its interest in the Partnership unless such interest has been so registered or in the opinion of counsel for the Partnership, or of other counsel reasonably satisfactory to the Partnership, such an exemption is available.

SECTION 21.11 Right to Rely on Authority of General Partner. No Person that is not a Partner, in dealing with the General Partner, shall be required to determine such General Partner's authority to make any commitment or engage in any undertaking on behalf of the Partnership, or to determine any fact or circumstance bearing upon the existence of the authority of the General Partner.

SECTION 21.12 Tax Matters Partner. The "tax matters partner", as defined in Section 6231 of the Code, of the Partnership shall be the General Partner (the "Tax Matters Partner"). The Tax Matters Partner shall not resign as tax matters partner of the Partnership unless, on the effective date of such resignation, the Partnership has designated another general partner as Tax Matters Partner and that general partner has given its consent in writing to its appointment as Tax Matters Partner. The Tax Matters Partner shall receive no additional compensation from the Partnership for its services in that capacity, but all expenses incurred by the Tax Matters Partner shall be borne by the Partnership. The Tax Matters Partner is authorized to employ such accountants, attorneys and agents as it, in its sole discretion, determines are necessary to or useful in the performance of its duties. Any Person who serves as Tax Matters Partner shall not be liable to the Partnership or to any Partner for any action it takes or fails to take as Tax Matters Partner with respect to any administrative or judicial proceeding involving "partnership items" (as defined in Section 6231 of the Code) of the Partnership, unless such action or failure to act constitutes a violation of the General Partner's duty of care set forth in Section 3.10.

SECTION 21.13 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 this Agreement shall be construed in all respects as if any such invalid or unenforceable provisions were omitted. References in this Agreement to particular sections of the Code or to provisions of Delaware law shall be deemed to refer to such sections or provisions as they may be amended after the date of this Agreement.

SECTION 21.14 Section Headings. Captions in this Agreement are for convenience only and do not define or limit any term of this Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Limited Partnership Agreement of SCP Private Equity Partners II, L.P. as of the day, month and year first above written.

GENERAL PARTNER:

SCP PRIVATE EQUITY II GENERAL PARTNER, L.P.
(the Partnership's sole general partner)

By: SCP Private Equity II, LLC,
a Delaware limited liability company
(its manager)

By: _____
Name: James W. Brown
Title: Manager

The Limited Partners listed on Schedule A have signed this Agreement by their signature on their respective Subscription Agreements by which they acquired their Limited Partnership Interests.