# [Fund Name] SUMMARY OF KEY TERMS

*The following is presented as a summary of key terms only and is qualified in its entirety by the Amended and Restated Limited Partnership Agreement of the [Venture Capital Fund] (“****Partnership Agreement****”), and the subscription agreement relating thereto (the “****Subscription Agreement****,” together with the Partnership Agreement, the “****Fund Agreements****”). To the extent that this summary conflicts with the Partnership Agreement, the Partnership Agreement shall control*.

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| The Fund | [Venture Fund I LP], a [Delaware limited partnership] (the “***Fund***”) |
| Structure | [Name of Fund GP], a [Fund GP Jurisdiction of Formation] limited liability company, will be the general partner of the Fund (the “***General Partner***”). [Name of Management Company], a[Management Company Jurisdiction of Formation] [Management Company Type of Company] (the “***Management Company***”), will provide certain management and administrative services to the Fund and the General Partner. [Name of GP No. 1] and [Name of GP No. 2] (the “***Managing Directors***”) will control the General Partner and the Management Company. The Limited Partners, together with the General Partner, are referred to herein as the (“***Partners***”). |
| Investment Focus | The Fund will seek to generate significant long-term capital appreciation for its limited partners through the Fund’s proposed investments in […] |
| General Partner Commitment | The General Partner (and/or an Affiliated Limited Partner) shall contribute an amount equal to one percent (1%) of the aggregate capital commitments of the limited partners of the Fund (the “***Limited Partners***”) (excluding any Affiliated Limited Partner), up to a maximum of [Maximum Amount]. The General Partner’s Capital Commitment shall be made in cash [and/or cashless contributions] at such times and in such amounts at the sole discretion of the General Partner, including through the tenth (10th) year of the Partnership term. |
| Target Size | The Fund will target aggregate capital commitments of $[Fund Target Raise: $100 million] in committed capital from qualified purchasers and accredited investors. The General Partner may accept aggregate commitments up to [$150 million] in its sole discretion or, with respect to a commitment to be accepted more than [18 months] after the Initial Closing (as defined below), with the unanimous written consent of the Advisory Committee. |
| Minimum Commitment | The minimum commitment for institutional Limited Partners is $[1 million] and for individuals $[500,000]. The General Partner, in its sole discretion, reserves the right to accept commitments of a lesser amount. |
| Closings; Additional Limited Partners | The General Partner may admit additional Limited Partners to the Fund until the date eighteen (18) months after the initial closing of the Fund (the “***Initial Closing***”). Each additional investor admitted as a Limited Partner after the Initial Closing shall contribute that portion of its capital commitment equal to the portion of its respective capital commitment contributed to date by the Fund’s previously admitted Partners. |
| Term | The Fund will have an initial ten (10) year term provided that the Fund’s term may be extended for up to two (2) additional one-year periods in the General Partner’s discretion, and thereafter with the consent of a majority in interest of the Limited Partners. |
| Capital Calls; Investment Period | Each Partner’s capital contribution shall be due upon ten (10) business days’ prior written notice. Limited Partners will be released from any further obligation to contribute their undrawn capital commitment following the fifth anniversary of the initial closing of the Fund (the “***Investment Period***”), except as may be necessary for (i) Fund expenses, (ii) management fees, (iii) completion of follow-on investments in portfolio companies in which the Fund has previously invested, (iv) completion of investments to which the Fund has committed prior to the expiration of the Investment Period, and (v) any indemnification obligations to the Fund. |
| Timing Of Capital Contributions | The Limited Partners of the Fund will make capital contributions in respect of their Capital Commitments as follows: (i) for Limited Partners with Capital Commitments less than $1 million, [50%] of such Limited advanced at closing (or such lower amounts as the General Partner may accept in its sole discretion), to be held by the Fund in escrow and drawn down on an “as needed” basis, (ii) [20%] annually thereafter (except to the extent already advanced under clause (i)) unless drawn down earlier at the General Partner’s discretion on an “as needed” basis. Capital contributions that are called down on an “as needed” basis pursuant to the foregoing will be due, upon not less than 10 days prior notice, at such times and in such amounts as will be specified in capital calls issued by the General Partner.  A Limited Partner that is admitted to the Fund, or increases its capital commitment, after the Initial Closing will be required to immediately contribute that portion of its entire capital commitment that it would have been required to contribute if such entire capital commitment had been made at the Initial Closing. In addition, each such Limited Partner that is admitted to the Fund, or increases its capital commitment, after the Initial Closing may be required to pay to the Fund a cost-of-carry charge (and not a capital contribution) in the form of simple interest of [eight percent (8%)] for all months until the final closing for the period of time from the date each such capital contribution would have been due through the date of payment. The General Partner may waive this charge in its discretion. |
| Defaulting Limited Partners | If a Limited Partner fails to make a capital contribution within the due date specified in any drawdown notice (a “Defaulting Partner”), the General Partner may (i) cancel all or any portion of the Defaulting Partner’s capital commitment or extend the time of payment, (ii) declare the entire principal amount of a Defaulting Partner’s unfunded capital commitment to be immediately due and payable, (iii) sue to collect the unpaid capital contribution plus interest, costs and expenses, (iv) deny the Defaulting Partner’s voting rights, (v) charge interest on the unpaid amount, (vi) reduce the Defaulting Partner’s capital account balance by 100%, and/or (vii) remove the Defaulting Partner from the Partnership. |
| **Allocations of Income and Losses** | Net profit and loss will be allocated (i) first, 100% to all Partners in proportion to their respective capital contributions until each Partner has received distributions equal to 100% of the aggregate amount of capital contributions made by such Partner to date, and (ii) thereafter, 20% to the General Partner (as carried interest) and 80% to all Partners in proportion to their respective capital contributions.  Notwithstanding the foregoing, losses will be reallocated to the Limited Partners to avoid reducing the General Partner’s capital account below 1%, with such reallocated losses to be restored out of the General Partner’s future share of carried interest. |
| **Distributions to Partners** | The General Partner shall make distributions of available cash and other property to the Partners in a manner and in order of priority that will be consistent with, and will give effect to, the allocation methods referenced above. The General Partner may also make tax distributions to the Partners in amounts intended to cover any income tax liability attributable to their participation in the Fund.  Distributions generally shall be made as follows:   * First, 100% to each Partner until such Partner has received cumulative distributions equal to its aggregate capital contributions; * Thereafter, (x) **80%** to the Partners and (y) **20%** to the General Partner.   Any in-kind distribution of Portfolio Company securities will be treated as if they were sold at their fair value at the time of the distribution and the proceeds were distributed. |
| **General Partner Clawback** | If, after the Fund’s final liquidating distribution, the General Partner has received distributions on account of its carried interest in excess of [General Partner Clawback]% of the Fund’s cumulative net gain since inception, then the General Partner will return to the Fund the amount of such excess distributions. Tax distributions made to the General Partner will not be subject to return under these provisions, and so may be retained by the General Partner to defray its tax liabilities attributable to its interest in the Fund. All amounts returned to the Fund by the General Partner generally will be distributed among the Partners as provided under “Distributions to Partners”. |
| **Reinvestment** | Proceeds from the disposition of investments in portfolio companies will be subject to reinvestment to the extent that total investments of the Fund in portfolio companies on a cumulative basis that do not exceed [115]% of the total capital commitments of all Partners. |
| **Management Fee** | The Fund will pay the General Partner (or the Management Company) a management fee, payable quarterly in advance, at a quarterly rate equal to 0.625% (or an annual rate of 2.5%) of the aggregate capital commitments of the Limited Partners until the fifth anniversary of the Closing; thereafter, the annual management fee percentage will be reduced from an annual rate of 2.5% to [Annual GP Management Fee After Investment Period]% for the remainder of the term of the Fund (an average of X% over the life of the Fund). |
| Expenses | The Fund will be responsible for the initial expenses of the Fund and the General Partner, including, but not limited to, expenses incident to the organization of the Fund, the General Partner and the Management Company (up to a maximum of $500,000) of the capital contributions by the Partners may be utilized by the Fund for the purpose of paying the organizational costs and expenses of the Fund, including but not limited to the fees, costs and expenses incurred in the formation and organization of the Fund, and all related legal, audit, accounting, banking, consulting, registration, insurance, indemnification, partner communications and meetings expenses, financial fees, and any extraordinary expenses of the Fund. The Fund will bear all liquidation costs, fees, and expenses in connection with the liquidation of the Fund’s assets upon termination of the Fund. |
| **Management Duties and Restrictions** | The General Partner will manage and have sole control over the business and affairs of the Fund. The Managing Directors of the General Partner will devote such time as is reasonably necessary to the conduct of the business of the Fund.  The General Partner may incur indebtedness on behalf of the Fund on a short term basis for the purpose of bridging capital calls, or guaranty indebtedness of companies in which the Fund has invested, so long as (i) each such borrowing is repaid promptly following the delivery of capital due in connection with the applicable capital call, and (ii) such aggregate outstanding borrowings and guarantees do not exceed at any time the lesser of (A) aggregate undrawn committed capital and (B) 15% of the Fund’s committed capital. |
| Successor Fund; Parallel Funds | Prior to the expiration of the Investment Period and subject to certain exceptions to be provided in the Partnership Agreement, the Managing Directors may, as necessary and appropriate to manage the affairs of the Fund, form Parallel Funds (as defined below), and any successor fund (“***Successor Fund***”). After the expiration or suspension of the Investment Period, the Managing Directors will devote such business time to the Fund as is necessary and appropriate for the effective management and liquidation of the Fund’s investments.  The General Partner may form (i) one or more investment partnerships or similar entities to accommodate the tax, regulatory or other special needs of investors who otherwise would invest as Limited Partners of the Fund (collectively, the “***Side Funds***”) and (ii) one or more entities organized to accommodate the capital investment of the members of the General Partner and the Management Company and their employees, consultants and their respective families as well as parties expected to have strategic benefit to, or other important relationships with, the General Partner or the Fund (collectively, the “***Affiliates Fund***” and together with the Side Funds, the “***Parallel Funds***”). |
| Co-Investment | The General Partner may offer the right to participate in investment opportunities of the Fund to other private investors, groups, partnerships or corporations, including, without limitation, any Limited Partner, and any investment partnership managed by some or all of the members of the General Partner (including any Successor Fund) whenever the General Partner, in its discretion, so determine. The General Partner, or an affiliate of the General Partner, may be permitted to establish an investment vehicle in respect of such co-investments and charge a management fee and carried interest with respect thereto. |
| Transfer of Interests | A Limited Partner’s interest in the Fund may not be transferred without the prior written consent of the General Partner, subject to limited exceptions. |
| Advisory Committee | The Fund will have a limited partner advisory committee (the “***Advisory Committee***”) consisting of up to three (3) representatives of the Limited Partners chosen by the General Partner. The Advisory Committee will (i) have such duties as are set forth in the Partnership Agreement, (ii) approve or disapprove all matters pertaining to conflicts of interest and (iii) render such other advice and counsel as is requested by the General Partner in connection with the Fund’s investments and other Fund matters. The Fund will reimburse each member of the Advisory Committee for his or her reasonable out-of-pocket expenses in connection with his or her activities on the Advisory Committee. |
| Reports | The Limited Partners will receive an annual report and overview of the portfolio, quarterly unaudited financial reviews, as well as Schedule K‑1’s and any other tax information necessary for the completion of tax returns. |
| Indemnification | To the extent permitted by law, the Fund will indemnify the General Partner, its managers, members, officers and agents and their affiliates and the Advisory Committee members (if any) against losses, liabilities, damages and expenses to which any of such persons may become subject in connection with the Fund or in connection with any involvement with any Portfolio Company (to the extent not indemnified by such Portfolio Company), provided that the indemnified party acted in good faith and did not engage in fraud, gross negligence or willful misconduct. |
| Arbitration | Any claim, dispute, or controversy of whatever nature arising out of or relating to the Partnership Agreement, will be resolved by final and binding arbitration before an arbitrator selected from and administered by JAMS in accordance with its then existing arbitration rules or procedures regarding commercial or business disputes. Arbitration will be held in [Los Angeles County, California]. |
| Early Termination | A majority-in-interests of the Limited Partners may terminate the Fund before the fund term has ended to the extent that Cause exists with respect to the General Partner. “***Cause***” means a final, non-appealable determination by a court of competent jurisdiction that the General Partner committed fraud, willful misconduct or uncured gross negligence. |
| Amendments | The Limited Partnership Agreement may be amended with the consent of the General Partner and of a majority-in-interest of the Limited Partners. |
| Investor Suitability | The General Partner will only accept commitments from persons who minimally qualify as “accredited investors” in Rule 501 under Regulation D. Subscriptions may be rejected at the sole discretion of the General Partner. |
| Side Letter | The General Partner anticipates that certain investors will invest substantial amounts in the Fund. These investors may have different terms of investment from other Limited Partners. Pursuant to the authority under the Fund’s limited partnership agreement, the General Partner and the Management Company, respectively, may enter into agreements (including side letters) with certain investors which provide that such investors may receive more favorable investment terms. |
| Key Person | Upon the occurrence of a Key Person Event (as defined below)  (i) the General Partner shall promptly notify the Investors in writing, and  (ii) the Investment Period shall be suspended until such time as such Key Person Event has been cured. A Key Person Event may be cured, and the Investment Period promptly resumed upon the approval of a majority in interest of the Investors.   * A “***Key Person Event***” is any circumstance in which both of [Name of GP No. 1] and [Name of GP No. 2] become permanently disabled or otherwise fail (for a period of six (6) consecutive months) to devote such time and attention as is reasonably necessary to conduct the business of the General Partner and Manager of the Fund.   During any time when the Investment Period is terminated or suspended, except with the prior approval of a majority in interest of the Investors, the General Partner may not cause the Fund to make any new investments in any company in which the Fund has not previously invested. |