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**SUMMARY OF TERMS**

*The following information summarizes certain provisions of the principal agreements of Neoteny 4, LP and is qualified in its entirety by the principal agreements relating thereto:*

<b>The Fund</b>	Neoteny 4, LP (the “ <b>Fund</b> ”), a Delaware limited partnership.
<b>Investment Objective</b>	The primary purpose of the Fund will be to make venture capital investments, principally by investing in and holding equity, equity-oriented and debt securities of early/seed-stage privately held companies selected by the General Partner. The companies in which the Fund invests are sometimes referred to collectively as the “ <b>Portfolio Companies.</b> ”
<b>Size</b>	The Fund is seeking an aggregate of \$30 million to \$50 million in capital commitments from limited partners (“ <b>Limited Partners</b> ”); <i>provided</i> that the General Partner reserves the right to form the Fund with a lesser or greater amount of such commitments. The General Partner and the Limited Partners are sometimes referred to collectively as the “ <b>Partners.</b> ”
<b>Securities Offered</b>	Limited Partnership Interests (“ <b>LP Interests</b> ”).
<b>General Partner</b>	The general partner of the Fund will be Neoteny 4 GP, LLC (the “ <b>General Partner</b> ”), a newly formed Delaware limited liability company. The General Partner and/or its affiliates will commit at least \$100,000 directly or indirectly to the Fund. The General Partner will provide certain administrative and advisory services to the Fund. The sole manager of the General Partner will be Joichi Ito.
<b>Management of the Fund</b>	The General Partner will manage the Fund and will have ultimate legal authority with respect to investment decisions, including decisions such as terms and conditions of investments, selection and oversight of Portfolio Companies, timing of and terms of sales of or realization of gains or losses on investments and registration under federal and state securities laws.
<b>Minimum Interest</b>	The minimum capital commitment for a Limited Partner in the Fund will be \$1,000,000; <i>provided</i> that the General Partner reserves the right to waive this minimum.

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### **Initial and Subsequent Closings**

An initial closing of the Fund (the “**Initial Closing**”) will be held once the General Partner determines that a sufficient minimum amount of commitments has been obtained. Subsequent closings may occur at the discretion of the General Partner; *provided* that such closings shall occur no later than December 31, 2018.

Each investor that becomes a Limited Partner (or that is already a Limited Partner and increases its capital commitment) at any closing subsequent to the Initial Closing will be required to make a capital contribution at admission equal to the same percentage of its commitment as has been required to be contributed by the other Limited Partners prior to such date (net of previous contributions for a Limited Partner increasing its commitment), plus an interest-equivalent amount computed at an annual rate of prime plus 2% on the amount of such capital contribution.

### **Term**

The Fund’s initial term will terminate on the tenth (10<sup>th</sup>) anniversary of the date of the Initial Closing; *provided* that the General Partner may extend the term of the Fund for an additional one-year period. The General Partner may further extend the term of the Fund for additional one-year periods with the consent of a majority-in-interest of the Limited Partners.

### **Early Termination**

The General Partner may dissolve the Fund at any time on not less than thirty (30) days’ prior written notice to the Limited Partners.

### **Capital Calls**

The General Partner expects to call down 100% of each Partner’s capital commitment upon its admission to the Fund. At its discretion, the General Partner may return all or any portion of each Partner’s capital contributions that have not been invested in one or more Portfolio Companies, or upon the admission of additional Limited Partners. Any amounts so returned may be subject to future capital drawdowns to meet anticipated Fund expenses and liabilities and to make investments. Each Partner’s capital contribution shall be due upon ten (10) business days’ written notice.

A Partner who fails to make its capital contributions in a timely manner may suffer substantial penalties with respect to its LP Interest, including the imposition of default charges and/or a total forfeiture of such interest.

### **Distributions**

Generally, all distributions other than liquidating distributions will be made in cash or marketable securities.

Distributions generally shall be made on an investment-by-investment basis with respect to each Portfolio Company as follows:

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(a) first, 100% to all Partners (including the General Partner in respect of any LP Interests held by it) in proportion to their respective capital contributions in respect of such Portfolio Company investment until each Partner has received distributions equal in the aggregate to the sum of that Partner's capital contributions made to date in respect of such Portfolio Company investment, plus that Partner's unreturned capital contributions on other Portfolio Company investments previously disposed of, if any; and

(b) thereafter, 20% to the General Partner (the "carried interest") and 80% to all Partners in proportion to their respective capital contributions in respect of such Portfolio Company investment.

There will be no General Partner clawback. The General Partner will **not** be obligated to restore any previous distributions of carried interest to the Fund or to the Limited Partners, even if, upon termination of the Fund, the General Partner has received cumulative distributions of carried interest in excess of 20% of the Fund's total profits aggregated over the life of the Fund.

The General Partner in its discretion may cause the Partnership to retain proceeds of investments for any purpose for which the General Partner would otherwise be authorized to draw down contributions, including the payment of operating expenses and the establishment of reasonable reserves.

Liquidating distributions generally shall be made to the Partners in proportion to the positive balances in their respective capital accounts maintained as described below under "**Allocations.**"

### **Allocations**

Cumulative net gain of the Fund generally will be allocated 20% to the General Partner and 80% to all Partners in proportion to their respective capital contributions. Cumulative net loss of the Fund generally will be allocated to all Partners in proportion to their respective capital contributions.

*General Policies.* Net gain or loss will be determined under U.S. federal income tax principles.

*Capital Accounts.* Capital accounts will be maintained for each Partner that will reflect, in accordance with U.S. federal income tax guidelines, all contributions made by that Partner, all income, gains and losses allocated to that Partner, and all distributions made to that Partner.

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### **Organizational and Offering Expenses**

The Fund will bear all of the organizational and offering expenses (including legal, travel, accounting, filing, capital-raising and other expenses) incurred in connection with the organization and formation of the Fund, the General Partner and the Management Company.

### **Operating Expenses**

The General Partner or its affiliates (including the Management Company) will be responsible for compensation and expenses of employees and consultants of the General Partner and/or the Management Company, and rent, utilities and other administrative expenses relating to the investment activities of the Fund (unless otherwise payable by the Fund as described below under "Fund Expenses").

### **Management Fee**

The Fund will pay to Neoteny Management, LLC, an affiliate of the General Partner (the "**Management Company**"), a management fee equal to two percent (2%) per annum of the aggregate capital commitments of the Limited Partners for management and administrative services. The management fee amount shall commence on the date of the Initial Closing and shall be payable on a quarterly basis.

### **Fund Expenses**

The Fund will be responsible for all other expenses incurred by or on behalf of the Fund which are not reimbursed by Portfolio Companies, including liquidation expenses of the Fund; any sales or other taxes, fees or government charges which may be assessed against the Fund; commissions or brokerage fees or similar charges incurred in connection with the purchase or sale of securities; expenses of members of the Advisory Committee; expenses of hosting meetings or conferences; interest expense for borrowed money (if any); expenses relating to litigation and threatened litigation involving the Fund, including indemnification expenses; expenses attributable to investment banking, commercial banking, accounting, appraisal, legal, custodial and registration services provided to the Fund and certain expenses attributable to consulting services; travel expenses related to the investment activities or administration of the Fund; expenses associated with outsourcing certain financial reporting and accounting services provided to the Fund; costs of preparing and delivering financial statements and other reports to the Partners, as well as all other communications with the Partners; costs of preparing and filing all income, informational and other governmental returns, reports and filings; premiums for liability or other insurance to protect the Fund, the General Partner, the Management Company, the members of the Advisory Committee and any of their respective affiliates or related parties in connection with the activities of the Fund; and all other expenses

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properly chargeable to the activities of the Fund.

### **Withdrawal and Transfer**

Limited Partners may not withdraw from the Fund prior to its dissolution. In addition, Limited Partners may not sell, assign or transfer any of their interests, rights or obligations in the Fund except with the consent of the General Partner.

### **Limited Partner Giveback**

To the extent that the Fund does not have sufficient available assets to satisfy any liability or obligation incurred by the Fund, each Limited Partner shall contribute to the Fund its proportionate share of such liability or obligation based on its capital contributions to the Fund; *provided, however*, that the aggregate amount of such contributions from any Limited Partner shall not exceed the aggregate amount of distributions received by such Limited Partner; and *provided, further*, that no Limited Partner shall have any liability after the third (3<sup>rd</sup>) anniversary of the date of liquidation of the Fund except with respect to potential or actual liabilities or losses stemming from claims that have been filed or threatened and of which such Limited Partner has been given notice within thirty (30) days after such third (3<sup>rd</sup>) anniversary date.

### **Advisory Committee**

The General Partner may form an Advisory Committee of at least three members appointed by the General Partner, all of whom shall be representatives of the Limited Partners or their advisors. The General Partner will retain ultimate legal authority for all decisions relating to the operation and management of the Fund.

### **Indemnification**

The Fund will indemnify the General Partner, its members, employees and agents, each liquidator, each member of the Advisory Committee and each partner, member, stockholder, director, officer, manager, employee, agent and affiliate of any of the foregoing against claims, liabilities, costs and expenses (including attorneys' fees) as incurred, in connection with their activities on behalf of, or their association with, the Fund; *provided* that the person seeking such indemnification has not been finally adjudicated not to have acted in good faith or to have acted with gross negligence or willful misconduct and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

### **Arbitration**

The Fund's limited partnership agreement will contain a provision for binding arbitration.

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### **Reports and Meetings**

Limited Partners will receive annual unaudited financial statements of the Fund. On a quarterly basis, summary unaudited financial information will be provided. In addition, each Limited Partner will be provided annually an IRS Schedule K-1 and such other information as may reasonably be requested by such Limited Partner as necessary for the completion of U.S. federal income tax returns; *provided* that the General Partner can obtain such additional information without unreasonable effort or expense. The General Partner may, but is not required to, hold an annual meeting of the Partners.

### **Suitability Standards**

LP Interests will be offered to accredited investors only, in a private placement intended to comply with Regulation D or Regulation S promulgated under the Securities Act of 1933, as amended, and applicable state securities laws exemptions. In addition, the Fund will be structured so that it will not constitute an “investment company” for purposes of the Investment Company Act of 1940, as amended. Investors will be required to make representations to the Fund to ensure compliance with such securities laws.

### **Legal Counsel to Fund and its Affiliates**

Barack Ferrazzano Kirschbaum and Nagelberg LLP.

### **Risk Factors**

Investment in the Fund carries a high degree of risk. Each prospective investor should understand that it may sustain a loss of its entire investment. Accordingly, an investment in the Fund should be made only by persons who are able to bear the risk of loss of all the capital invested, and prospective investors should carefully consider the following risk factors. The following risk factors do not purport to be a complete or exhaustive explanation of the risks involved in the Fund. Additional risks and uncertainties not presently known to the General Partner, or that it currently deems immaterial, may also have an adverse impact on the Fund’s prospects and business. There can be no assurance that the Fund’s investment objectives will be achieved. Among the risks to be considered prior to making an investment in the Fund are the following:

1. Venture capital investing involves a high degree of business and financial risk that can result in substantial losses.
2. The success of the Fund’s investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances.

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3. The Fund intends to participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Fund may be materially and adversely affected by the unfavorable performance of even a single portfolio investment.

4. The Fund will make distributions on an investment-by-investment basis, which could result in a lower aggregate return to Limited Partners than if the Fund were to make distributions on a cumulative basis.

5. The General Partner will **not** be obligated to restore any previous distributions of carried interest to the Fund or to the Limited Partners, even if, upon termination of the Fund, the General Partner has received cumulative distributions of carried interest in excess of 20% of the Fund's total profits aggregated over the life of the Fund.

6. The General Partner or its affiliates may co-invest in the Portfolio Companies outside of the Fund, and may receive fees (such as consulting or advisory fees) from the Portfolio Companies in return for compensation (including equity compensation) from those Portfolio Companies, which may pose a conflict of interest with the Fund and/or the Limited Partners.

7. The Portfolio Companies in which the Fund will invest are likely to face intense competition, including competition from companies with greater financial resources, more extensive development, production, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

8. The Fund expects to invest in companies at early and expansion stages of development, including the start-up stage. Particularly in early stage enterprises, a major risk exists that a proposed service or product cannot be developed successfully with the resources available to the Portfolio Company. There is no assurance that the development efforts of any Portfolio Company will be successful or, if successful, will be completed within the budget or time period originally estimated.

9. An investment in the LP Interests is a long-term investment. The inherent nature of private equity investing dictates a significant length of time between the initial investment and realization of gains, if any.

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10. All of the Portfolio Companies in which the Fund expects to make investments will initially be privately held. As a result there will be no readily available secondary market for the Fund's interests in such Portfolio Companies, and those interests will be subject to legal restrictions on transfer.

11. The Fund may invest in Portfolio Companies that may be subject to extensive governmental regulations and oversight with respect to their business activities. The failure to comply with applicable regulations, obtain applicable regulatory approvals, or maintain those approvals so obtained, may subject the applicable Portfolio Company to civil penalties, suspension or withdrawal of any regulatory approval obtained, product recalls and seizures, injunctions, operating restrictions and criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on the Fund's investment in such company.

12. The General Partner will have exclusive responsibility for managing the Fund's activities, and Limited Partners will not be able to make investment or any other decisions in the management of the Fund.

13. The member(s) and manager(s) of the General Partner and the Management Company may be employed on either a full-time or part-time basis by parties other than the Fund, the General Partner and the Management Company and are under no obligation to devote any minimum amount of their time to the affairs of the Fund, the General Partner or the Management Company.

14. There is no market for the LP Interests and none is expected to develop. In addition, the LP Interests are not transferable except with the consent of the General Partner, which may be withheld for any reason. Limited Partners may not withdraw capital from the Fund.

15. The Fund expects to co-invest with other investors, and in those cases, expects to take a passive role with respect to negotiating investment terms and rely on lead investors to negotiate such terms.

16. While most investments made by the Fund are not expected to produce "unrelated business taxable income" within the meaning of Sections 512 through 514 of the Code or any item of gross income that would be included in determining such Partner's (or beneficial owner's) unrelated business taxable income, it is possible that a tax exempt partner or beneficial owner thereof may realize unrelated business taxable income in connection with its ownership of LP Interests.