



TWIN CITY FIRE INSURANCE COMPANY
 A Stock Insurance Company, herein called the Insurer.

PROPOSAL FOR PRIVATE EQUITY FUND AND MANAGEMENT LIABILITY INSURANCE

NOTICE: THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE UNDER THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS FOR WHICH CLAIMS ARE FIRST MADE WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO THE INSURER NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THE POLICY. PLEASE READ AND REVIEW THE POLICY CAREFULLY.

THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSS, INCLUDING JUDGMENT OR SETTLEMENT AMOUNTS, SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE AND OTHER CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE AND OTHER CLAIMS EXPENSES SHALL BE APPLIED AGAINST THE APPLICABLE RETENTION AMOUNT.

THE POLICY DOES NOT PROVIDE FOR ANY DUTY OR OBLIGATION ON THE PART OF THE INSURER TO DEFEND THE INSURED PERSON(S) AND THE INSURED ORGANIZATION(S).

1. General Information:

Name of Parent Company _____

Address _____ City _____ State _____ Zip _____

(a) List all organizations proposed for coverage (the "Insured Organizations"):

Insured Organization	Fund/General Partner/ Investment Manager/ Other	Formation Date	Total Committed Capital	Number of Portfolio Companies

(b) Describe the Insured Organizations' primary investment focus (e.g., venture capital, mezzanine financing, LBO, fund of funds or hedge fund) and target industry(ies). If applicable, has the investment focus changed for subsequent funds?

(c) Is there an Advisory, Investment or Review Committee that should be considered for coverage?

(d) Does any Insured Organization perform professional services for organizations other than Insured Organizations or Portfolio Companies?

(e) Is any Insured Organization considering the formation and solicitation of funds for a new private equity fund in the next twelve (12) months? If yes, indicate the type of fund and the offering size being considered.

2. Portfolio Company Exposures:

(a) Identify any individuals proposed to be insureds under this Policy ("Insured Persons") who are directors, officers or employees of a Portfolio Company (a "Portfolio Company Position") or who otherwise participate in the daily operations of a Portfolio Company and describe the nature of such activity.

(b) Has any Insured Organization or Insured Person recommended the dismissal of or any other adverse employment-related action to be taken against any member of a Portfolio Company's management?

- (c) Does the Insured Organization observe trading "blackout" periods or "trading windows" relating to Portfolio Company securities? How is this activity monitored?
- (d) Does the Insured Organization have a written insider trading policy that prohibits trading in securities on the basis of non-public information with respect to the Fund's Portfolio Companies? (Please attach a copy.)
- (e) Are records created or maintained on the decision-making process and/or rationale leading to the Insured Organizations' and/or Insured Persons' selling or distributing of Portfolio Company securities?
- (f) Are any Insured Persons who are serving in a Portfolio Company Position responsible for decision-making relating to any sale or distribution of such Portfolio Company's securities?
- (g) Are Portfolio Companies required to carry Directors and Officers and/or General Partners Liability Insurance or similar insurance? If yes, please attach a schedule of such insurance including the name of the insurance carrier and policy limits.
- (h) With respect to the distribution to limited partners of any Portfolio Company securities, does the Insured Organization or do any Insured Persons provide advice or make recommendation to such limited partners regarding further trading in such distributed securities?

3. Loss Experience: Has an Insured Organization or any Insured Person, been involved in, or have knowledge of:

- (a) Any antitrust, copyright, or patent litigation against them?
- (b) Any civil or criminal action or administrative proceeding alleging a violation by them of any federal or state securities law or regulation?
- (c) Any representative actions, class actions, or derivative suits against the Insured Organization or any Insured Person?
- (d) Any other pending claims against the Insured Organization or any Insured Person which may fall within the scope of coverage afforded by any similar insurance presently or previously in effect?
- (e) Any facts or circumstances which may give rise to a claim being made against an Insured Organization and/or Insured Persons?

IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST, OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE.

4. Previous Insurance:

Carrier _____ Expiration Date _____
 Limit of Liability _____ Retention _____ Premium _____

Has any insurer canceled or refused to renew any Private Equity and Management Liability Insurance (or similar insurance including Directors and Officers or General Partners Liability Insurance) in the past three years?

5. Requested Coverage:

Limit of Liability _____
 Self Insured Retention _____
 Effective Date _____

6. Attachments:

- 1 A copy of the offering memorandum and Formative Agreements (e.g., Articles of Incorporation, Partnership Agreement, and/or Operating Agreement)
- 1 Most recent year-end and interim financial statements.
- 1 Resumes of individuals responsible for investment decisions, if not included in any of the above.
- 1 A list of Portfolio Companies. Please indicate the nature of the investment including any express agreements and percentage holdings, individuals serving in a Portfolio Company Position on behalf of an Insured Organization, an operations description, and if the Portfolio Company is publicly-traded, the corresponding stock symbol and exchange.
- 1 A completed Year 2000 Questionnaire.
- 1 A completed Supplemental Employment Practices Liability Application (if applicable).

Completion of this proposal does not bind the undersigned to purchase or the insurer to issue a policy, but it is agreed that this form, the underwriting information and the Formative Agreement(s) shall be the basis of the contract should a policy be issued, and this proposal, including any amendments or supplements hereto and any material submitted herewith, will be deemed attached to and form part of the policy.

Notice: This is a claims-made and reported policy. Except as may be otherwise provided herein, the coverage of this policy is limited to liability for wrongful acts for which claims are first made against an Insured Person(s) and/or an Insured Organization(s) while the policy is in force. Please read and review the policy carefully.

The limit of liability available to pay loss, including judgment or settlement amounts, shall be reduced by amounts incurred for legal defense and other claims expenses. Further note that amounts incurred for legal defense and other claims expenses shall be applied against the applicable retention amount.

FRAUD WARNINGS

ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

DISTRICT OF COLUMBIA APPLICANTS: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT."

FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

MAINE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR COMMERCIAL INSURANCE OR A STATEMENT OF CLAIM FOR ANY COMMERCIAL OR PERSONAL INSURANCE BENEFITS CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, AND ANY PERSON WHO, IN CONNECTION WITH SUCH APPLICATION OR CLAIM, KNOWINGLY MAKES OR KNOWINGLY ASSISTS, ABETS, SOLICITS OR CONSPIRES WITH ANOTHER TO MAKE A FALSE REPORT OF THE THEFT, DESTRUCTION, DAMAGE OR CONVERSION OF ANY MOTOR VEHICLE TO A LAW ENFORCEMENT AGENCY, THE DEPARTMENT OF MOTOR VEHICLES OR ANY INSURANCE COMPANY, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE VALUE OF THE SUBJECT MOTOR VEHICLE OR STATED CLAIM FOR EACH VIOLATION.

OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAYBE VIOLATING STATE LAW.

PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

TENNESSEE: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

The undersigned authorized Insured Person(s) of an Insured Organization(s) represents that the statements set forth herein are true. The undersigned authorized Insured Person(s) agrees that if the information supplied on this proposal changes between the date of this proposal and the inception date of the policy, he/she (undersigned) will in order for the information to be accurate on the inception date of the policy, immediately notify the insurer of such changes, and the insurer may withdrawal or modify any outstanding quotations and/or authorizations or agreements to bind the insurance.

Signing of this proposal does not bind an Insured Organization(s) or the insurer to complete the insurance, but it is agreed that this proposal and all prior proposals for policies of which the policy is a renewal, as well as any proposals that may be submitted pursuant to Question 5, shall be the basis of the contract should a policy be issued and it will be attached to and become a part of the policy.

All written statements and materials furnished to the insurer in conjunction with this proposal are hereby incorporated by reference into this proposal and made a part hereof.

The Insured Organization(s) and the Insured Person(s) agree that the statements made in this proposal are the representations of the Insured Organization(s) and the Insured Person(s) and that they shall be deemed material to the acceptance of the risk or the hazard assumed by the insurer under this policy and that this policy is issued in reference upon the truth of such representations.

A premium quotation cannot be issued unless the application is properly signed and dated. The application must be signed by the highest-ranking executive officer.

SIGNATURE _____ TITLE _____ DATE _____

SIGNATURE _____ TITLE _____ DATE _____

PRODUCER _____

ADDRESS _____

PHONE (____) _____ FAX (____) _____

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

Hartford Financial Products
2 Park Avenue
New York, N.Y. 10016