

PERSEUS, L.L.C.
2099 Pennsylvania Avenue, NW
Suite 900
Washington, D.C. 20010

February 26, 2010

Treasurer of the State of North Carolina
325 North Salisbury Street
Raleigh, North Carolina 27603

Re: Form of Placement Agent Policy Disclosure Letter
Disclosure Letter pursuant to Placement Agent Policy

Ladies and Gentlemen:

Under Section III(A) of the Placement Agent Policy adopted by the North Carolina Department of State Treasurer on October 19, 2009 (the "*Placement Agent Policy*"), prior to entering into an engagement to engage, hire, invest with or commit to invest, or otherwise do business with the Treasurer of the State of North Carolina (the "*Treasurer*") or at such time as provided in Section II of the Placement Agent Policy, an Investment Manager (as such term is defined in Section VII(B) of the Placement Agent Policy) must make certain disclosures to the Treasurer regarding its use of Placement Agents (as such term is defined in Section VII(B) of the Placement Agent Policy). Pursuant to and in accordance with such Placement Agent Policy, the undersigned Investment Manager hereby makes the following disclosures. Capitalized terms not otherwise defined in this Disclosure Letter have the same meanings as specified in the Placement Agent Policy.

1. Use of Placement Agent (*please check the appropriate box*):

The Investment Manager (or any officer, partner, principal or affiliate thereof) has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. (*Note that this box should be checked whether the compensation provided to the Placement Agent is a flat fee, contingent fee, or any other form of compensation or benefit (tangible or intangible).*) ***If this box is checked, please provide the disclosures as prompted in paragraphs 2 through 8.***

Neither the Investment Manager nor any officer, partner, principal or affiliate thereof has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. ***If this box is checked, no further disclosures are necessary.***

Please refer to Schedule 1 attached hereto.

2. Placement Agent Information:

- (a) The name of the Placement Agent is: _____
- (b) Attached is a resume for each officer, partner, and/or principal of the Placement Agent, detailing the person's education, work experience and professional designations.
- (c) Listed below are any and all officers, partners and/or principals of the Placement Agent that are current or former North Carolina Department of State Treasurer employees, Investment Advisory Committee members, or consultants or members of the immediate family of any such person *(attach additional pages as necessary)*:

3. Placement Agent Compensation: Described below is any and all compensation of any kind provided or agreed to be provided to a Placement Agent including the nature, timing and value of such compensation. *(Note that compensation to a Placement Agent is deemed to include compensation to third parties as well as employees of the Investment Manager who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from or business with any of the NC Funds (attach additional pages as necessary))*:

Please see response to Question 1 above and Schedule 1 attached hereto.

4. Terms of Agreement with Placement Agent: Described below are the terms of the agreement or arrangement (oral or written) creating an obligation to pay a fee to or for the benefit of any Placement Agent the Investment Manager has elected to use in connection with obtaining investments or doing business with the Treasurer. *(Please note that in the case of any oral agreement, the full extent of such agreement should be written and summarized, succinctly describing the terms of such agreement or arrangement with the Placement Agent, including details of the nature, timing, and value of the compensation or benefit provided (attach additional pages as necessary))*

Please see response to Question 1 above and Schedule 1 attached hereto.

5. Actions and Investigations Involving Placement Agent (please check the appropriate box):

Please see response to Question 1 above and Schedule 1 attached hereto.

The Placement Agent (or any officer, partner, principal or affiliate thereof) has been the subject of an action, or investigation by a federal, state, or local government agency or regulatory body in the last ten (10) years and/or anticipates being the subject of such actions or investigations in the future. If this box is checked, the following describes any such action(s) or investigation(s) (attach additional pages as necessary):

Neither the Placement Agent nor any officer, partner, principal or affiliate thereof has been the subject of any actions, or investigations by any federal, state, or local government agencies or regulatory bodies in the last ten (10) years or anticipates being the subject of any such actions or investigations in the future.

6. Relationships between Placement Agent and Department of State Treasurer (please check the appropriate box):

Please see response to Question 1 above and Schedule 1 attached hereto.

The Placement Agent (or any officer, partner, principal or affiliate thereof) has had a prior personal or professional relationship with a current or former Department of State Treasurer employee, Investment Advisory Committee member, and/or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent. If this box is checked, the following lists the name(s) of such individual(s) (attach additional pages as necessary):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has not had any prior personal or professional relationship with any current or former Department of State Treasurer employee, Investment Advisory Committee member, or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent.

7. Registration of Placement Agent and Licensing of Placement Agent Representatives. The Investment Manager hereby confirms that (i) the Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, (ii) the individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses, (iii) no placement fee has been shared with any person or entity not so registered and (iv) the Placement Agent is in the habitual systematized business of acting as a Placement Agent.

Please see response to Question 1 above and Schedule 1 attached hereto.

- (a) The Placement Agent's registration details are as follows:

- (b) For each individual officer, partner, principal, employee and other representative of the Placement Agent, the registrations, number of years of employment by the Placement Agent and the number of years of experience directly related to such business are as follows (*attach additional pages as necessary*):

8. Lobbying Information of Placement Agent (*please check the appropriate box*):

Please see response to Question 1 above and Schedule 1 attached hereto.

The Placement Agent (and/or any officer, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked,

the following are the names and positions of such persons and the registrations held (*attach additional pages as necessary*):

Neither the Placement Agent nor any officer, partner, principal or affiliate thereof is registered as a lobbyist with any state government.

9. The Investment Manager hereby confirms that none of the Investment Manager, the Placement Agent nor their respective officers, partners, principals or affiliates has made any contribution to the Treasurer or any elected official in violation of any published policy approved by the Treasurer or applicable state or federal law.

The Investment Manager confirms that it has not made any contribution to the Treasurer or any elected official.

The Investment Manager has no knowledge of, and does not require its employees, officers, principals or affiliates to report, any political or charitable contributions made by any such persons.

[Signature Page Follows]

By signing below, the Investment Manager hereby (i) represents and warrants that the information found in this Disclosure Letter is true, correct, and complete in all material respects, and (ii) agrees that it shall provide the Treasurer with a written update of any material changes to any of the information in this Disclosure Letter within fourteen (14) days from the date the Investment Manager knew or should have known of the change of information.

Sincerely,

PERSEUS, L.L.C.

Name of Investment Manager

By: *Kenneth M. Socha*
Name: Kenneth M. Socha
Title: Senior Managing Director
Date: February 26, 2010

Disclosure Letter reviewed and accepted by:

NORTH CAROLINA DEPARTMENT OF STATE TREASURER

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Schedule 1
Perseus, L.L.C.
February 26, 2010

The Treasurer of the State of North Carolina (the “**Treasurer**”) is an investor in two investment funds managed by Perseus, L.L.C. (“**Perseus**”), Perseus Market Opportunity Fund, L.P., established in 2002 (“**PMOF**”), and Perseus Partners VII, L.P., established in 2006 (“**Perseus VII**”). Neither Perseus, nor any affiliate of Perseus, has engaged any Placement Agent to assist Perseus or any of its affiliates (including, without limitation, PMOF and Perseus VII) in obtaining investments from or otherwise doing business with the Treasurer.

CSFB-PMOF Agreement

On February 20, 2002, entities affiliated with Perseus and serving as the investment manager and general partner of PMOF (together, the “**PMOF Entities**”), executed an engagement letter with Credit Suisse First Boston Corporation (“**CSFB**”), pursuant to which CSFB was engaged to act as exclusive financial advisor in connection with PMOF (the “**CSFB Agreement**”). Pursuant to the CSFB Agreement, CSFB was engaged to perform services on behalf of PMOF, including identifying and arranging presentations and negotiating with prospective investors for the Fund. In February 2004, the Treasurer subscribed for a commitment to PMOF. Perseus’ initial contact with the Treasurer was made through an introduction arranged by a Perseus senior executive. Thereafter, Perseus’ representatives met several times with the Treasurer’s representatives and Perseus received a verbal “hard-circle” commitment from the Treasurer with respect to PMOF. Because CSFB did not identify the Treasurer as a prospective investor or assist during the verbal commitment process, Perseus disputed CSFB’s claim that it was entitled to a placement fee in connection with the Treasurer’s commitment to PMOF. Ultimately, the PMOF Entities reached a global settlement with CSFB pursuant to which PMOF paid CSFB to settle all disputes relating to the work CSFB had performed on behalf of PMOF.

Available Information re: CSFB

Although Perseus did not engage CSFB to act as a placement agent in connection with the Treasurer’s commitment to PMOF, Perseus has endeavored to provide the information you have requested relating to CSFB. Although we did not find anything responsive to your requests in our files, we did search the Internet for information regarding CSFB and have located the following comprehensive disclosure documents relating to CSFB that have been filed with the U.S. Securities and Exchange Commission (the web addresses at which these documents can be found are provided below):

- Form ADV Uniform Application for Investment Adviser Registration filing for CSFB – available at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx (search for Investment Adviser Name “Credit Suisse Securities (USA) LLC”); and
- Criminal Reporting Page attachment to CSFB’s Form ADV Uniform Application for Investment Adviser Registration filing – available at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx (open the Credit Suisse Securities (USA) LLC ADV Uniform Application; view Part 1A Item 11 Disclosure Information; then scroll down and “View Disclosure Reporting Page”).