



July [REDACTED]

Via Electronic Mail

Mr. [REDACTED]
Managing Director
[REDACTED] Partners

Re: [REDACTED]

Dear [REDACTED]

Chicago Growth Partners ("CGP") is pleased to submit this letter of intent to recapitalize [REDACTED] or the "Company"). We have appreciated the opportunity to review the information provided to date and our in-depth interactions with management. As you know, we are very enthusiastic about the possibility of a partnership between CGP and [REDACTED] and have given this opportunity significant consideration. We believe [REDACTED] is well positioned to enjoy substantial growth, and we hope to have an opportunity to partner with management to execute its growth strategy.

The principals of Chicago Growth Partners have been active and successful investors in growth companies since founding William Blair Capital Partners in 1987. We have a high degree of familiarity with [REDACTED] business, and we believe that CGP is the ideal partner for the Company going forward. As we have discussed, CGP is focused on working with technology-enabled, growth-oriented businesses like [REDACTED]. We have invested more than \$1.2 billion in over 100 growth companies and feel confident we can be value-add as a partner to [REDACTED]. Our team provides portfolio company management with strategic and financial direction and encourages the exchange of ideas and experiences between portfolio company management teams.

CGP has also developed internal value-add expertise in information technology, marketing and operations and maintains a team of operations experts that can provide our portfolio companies assistance in these areas if and when needed. As management is aware, we believe that our technology and application development expert, Jim Milbery, will be particularly useful here if needed given his long track record of working with technology companies like [REDACTED] to build scalable enterprises. CGP's funding would be provided by our latest fund, Chicago Growth Partners II, L.P., a \$500 million fund closed in 2008 and dedicated to investing in transactions of this type.

Philosophically we believe in the fundamental notion of Leadership 101, empowerment. While we believe that we are capable of adding significant value, such as strategic planning, management recruiting and executing acquisitions, we also believe that our management teams know their businesses better than we ever will. CGP will serve as a sounding board for management, but we will not attempt to run the business.

As you are aware, we have spent considerable time and resources conducting our due diligence and are prepared to conclude our remaining diligence and execute a definitive purchase agreement as expeditiously as possible with a transaction closing as soon as practical thereafter.

The following represents an outline of our proposal.

- 1. Valuation:** We would value [REDACTED] at an enterprise value of [REDACTED] million. This value reflects total cash consideration for 100% of the units of [REDACTED], assuming the delivery of a cash-free, debt-free balance sheet and adequate working capital to support the Company's near-term projected growth.

As we have discussed, CGP remains positive on the strategic value of the [REDACTED] acquisition. As part of our final diligence, we would like to review the detailed diligence [REDACTED] has performed, but we are supportive of closing the transaction as contemplated.

- 2. Structure:** The acquisition would be structured as a purchase of 100% of the LLC units of [REDACTED] by a newly formed corporation ("Newco"). At closing, CGP will pay to the Company's current beneficial owners \$[REDACTED] million in cash proceeds, less any management rollover ("Management Roll"), plus or minus customary adjustments for debt, working capital and escrow. CGP's investment, as well as any Management Roll, will be invested in preferred units accruing dividends at 8.0% plus a corresponding percentage of common units. We would work to structure any Management Roll to receive tax-free rollover treatment. Shares of the common security would represent ownership in Newco. For the avoidance of doubt, any Management Roll would be pari passu with CGP. We will attempt to sign and close the contemplated transaction between [REDACTED] and CGP before signing and closing the [REDACTED] acquisition.

- 3. Purchase Agreement:** As you are aware, we have submitted a redline to the Unit Purchase Agreement to [REDACTED] and our counsels have been in contact to discuss our comments. We expect that we will be able to come to an agreement on all major points and are prepared to work expeditiously to finalize the documents.

- 4. Timing:** We would expect to sign a definitive purchase agreement by July 27th and close the transaction as soon as practical thereafter.

- 5. Sources & Uses:** The estimated sources and uses of funds for the proposed transaction are as follows.

Sources (\$ in millions)		Uses (\$ in millions)	
CGP Equity	\$ [REDACTED]	Purchase Price	\$ [REDACTED]
Management Roll ⁽¹⁾	TBD	Fees and Expenses	[REDACTED]
Debt Financing	\$ [REDACTED]	Residual Cash ⁽²⁾	\$ [REDACTED]
Total Sources	\$ [REDACTED]	Total Uses	\$ [REDACTED]

(1) Amount to be confirmed with management.

(2) Residual cash to be held for [REDACTED].

- 6. Working Capital:** We have determined the appropriate net working capital "peg" based on historical norms and shorter-term projected working capital needs. Our analysis excludes any assets and liabilities related to (i) cash, cash equivalents and short-term investments, (ii) the current portion of any indebtedness including capital leases, (iii) income taxes and (iv) transaction expenses but would include deferred revenue. Any surplus or

shortfall of the Estimated Working Capital to the Working Capital peg will accrue to the benefit of [REDACTED] current owners or NewCo, respectively. Based on our preliminary analysis of historical and projected working capital needs (subject to confirmatory accounting due diligence), we would set the net working capital peg at (\$ [REDACTED]). Please see Appendix A. We will also incorporate a [REDACTED] collar that defines the range of (\$ [REDACTED]) to (\$ [REDACTED]) for the target net working capital within which the Company will not receive nor pay a true-up payment

- 7. Management:** CGP views this transaction as a partnership with management. As such, a key component of our proposal is the continued participation of the Company's existing executive team. We envision maintaining salary and benefits in line with current practices. We would offer senior managers employment agreements that reflect market terms for transactions of this type.
- 8. Management Incentives:** CGP recognizes the importance of aligning the incentives of [REDACTED] senior management team with those of the sponsor shareholders. Therefore, CGP would establish a management incentive ownership pool (likely in the form of restricted units). CGP envisions incentives totaling [REDACTED]% of the common equity outstanding vesting over a five year time period, with accelerated vesting upon a sale of the Company. We would endeavor to structure these incentives to be eligible for capital gains tax treatment upon an exit.
- 9. Financing:** CGP does not require third-party debt financing to close this transaction.

We would plan to finance the transaction with both equity and debt financing. CGP and affiliated entities, in combination with any Management Roll, would contribute the necessary equity for the transaction. CGP's funding would be provided by our latest fund, Chicago Growth Partners II, L.P., a \$500 million fund. Several leading lending institutions have expressed interest in supporting the transaction and have vetted the opportunity extensively with their committees. Support letters from our top two institutions are included in Section 4 of this proposal.

CGP intends to structure the debt financing to provide [REDACTED] management team maximum flexibility for growth while maintaining adequate equity returns for shareholders. We do not believe in over-leveraging growth companies.
- 10. Complete CGP Buy-In:** We have vetted this opportunity with all of the CGP partners and have obtained their enthusiastic approval to submit this letter of intent. Final approval for transactions at CGP requires a simple majority vote by the partners.
- 11. Due Diligence:** We would focus on completing all due diligence by July 27th. As we have discussed, we see great potential for the platform that exists at [REDACTED] and have completed a significant amount of diligence to date. Working expeditiously with the management team, we are confident that our remaining due diligence can be completed in short order following the executing this letter of intent. Remaining due diligence we would need to conduct (as has been detailed) is as follows:

 - Finalize accounting and tax (Ernst & Young)
 - Legal and regulatory (McDermott Will & Emery)

- Customer references (CGP)
- Management presentation to CGP Partnership [REDACTED]/CGP)
- Management interviews and reference checks (CGP)
- Management assessment (Steven Julius and AE Insights)
- Background checks (NCO Financial Services)
- Review [REDACTED] diligence for structuring purposes
[REDACTED]/CGP)

Attached hereto as Section 3 is contact information for the advisors CGP would engage to complete its due diligence.

12. Contact Information: The following individuals from CGP will participate in due diligence.

David Chandler
Managing Partner
dchandler@cgp.com
(312) 698-6323

Devin Mathews
Managing Partner
dmathews@cgp.com
(312) 698-6312

Ryan Milligan
Vice President
rmilligan@cgp.com
(312) 698-6309

Kevin Fitzgerald
Associate
kfitzgerald@cgp.com
(312) 698-6329

13. References: We take great pride in the working relationships we develop with our portfolio company management teams. We encourage [REDACTED] to reach out to the CEOs of our current and former investments, as we would expect them to testify to our balanced approach of empowering our management teams while providing support when appropriate. References for each of the deal team members are included as Section 2 of this proposal.

14. Conditions: This letter is a letter of intent, not a binding agreement. CGP's equity funds are committed solely at the discretion of its Partners. We do not anticipate any other approvals or material conditions to closing other than those customary in a transaction of this type such as (i) satisfactory results of our due diligence investigation, (ii) satisfactory approval from necessary regulatory bodies (i.e. HSR approval), and (iii) satisfactory documentation of purchase agreements.

15. Exclusivity: The parties agree that after signing this Letter of Intent, the Company will not, and will cause its equityholders, affiliates, officers, managers, representatives and advisors (collectively, the "Representatives") not to, for a period commencing on the date hereof and ending at 5:00 P.M. CST on July [REDACTED] (the "Exclusivity Date"), and will extend the Exclusivity Date to July 27th in the event that CGP provides the Company a written confirmation that CGP has not changed any material deal term (including but not limited to Valuation) to the disadvantage of the Company, (1) solicit or respond to any proposals from any other person or enter into any negotiations or discussions with any other person with respect to a possible sale of all or any part of the company, whether by merger, recapitalization, financing, IPO, sale or other disposition of all or any part of the Company's assets or equity securities, or (2) provide any confidential information regarding the Company to any potential purchaser. Notwithstanding the foregoing, in the event that CGP proposes to materially alter the terms set forth in this Letter of Intent (including, without limitation, any downward adjustment to the proposed Purchase Price), the Company may send a notice in writing to CGP requesting that CGP confirm in writing that it wishes to proceed with the proposed Transaction

in all material respects on the terms set forth in this Letter of Intent, and, if following such notice, CGP does not confirm in writing to the Company that it wishes to continue to proceed with the proposed Transaction in all material respects on the terms set forth in this Letter of Intent within one (1) day after receipt of such notice from the Company, then, as of such time, CGP shall be deemed to have advised the Company in writing that CGP does not wish to proceed with the proposed Transaction, and the exclusivity period shall be deemed immediately terminated and the Company shall be immediately released from its obligations under this Letter of Intent.

16. Fees & Expenses:

Each party shall pay their own fees and expenses related to the transaction contemplated hereby; provided that if the transaction contemplated hereby closes, the Company shall pay all fees and expenses incurred by or on behalf of CGP (including all attorneys' fees and advisors' fees and expenses).

17. Disclosure:

None of [REDACTED] its beneficial owners, [REDACTED] Partners or CGP will, without the prior consent of the other parties, make any public comment or communication with respect to a transaction between the parties or the contents of this letter and specifically the purchase price offered herein, except as required by law and after consultation with the other parties. The timing and content of announcements concerning these matters shall be by mutual agreement.

[Signature page follows]

July [redacted]
[redacted] of 6

If you are in agreement with the terms set forth above and desire to proceed with the transaction on that basis, please sign this letter agreement in the space provided below. Nothing herein is intended to or shall be deemed to create any legally binding obligations other than the provisions of Sections 15, 16 and 17 and this paragraph, each of which shall be legally binding. We look forward to moving forward together toward the expeditious completion of this transaction.

Sincerely,

Chicago Growth Partners II, LP

By: Chicago Growth Management II, LP
Its: General Partner

By: _____
David Chandler
Managing Partner

By: _____
Devin Mathews
Managing Partner

By: _____
Ryan Milligan
Vice President

By: _____
Kevin Fitzgerald
Associate

AGREED AND ACCEPTED as of

July [redacted]

[redacted]

By: _____