THE COLUMBINE VENTURE FUND, LTD.

Confidential Investment Memorandum

$30,000,000

Limited Partnership Interests

COLUMBINE VENTURE FUND, LTD.

THIS MEMORANDUM HAS BEEN PREPARED IN CONNECTION WITH A PRIVATE OFFERING OF LIMITED PARTNERSHIP INTERESTS IN THE COLUMBINE VENTURE FUND, LTD., A COLORADO LIMITED PARTNERSHIP IN THE PROCESS OF BEING FORMED, SOLELY FOR THE INFORMATION OF ACCREDITED INSTITUTIONAL AND INDIVIDUAL INVESTORS HAVING THE ABILITY TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT IN VENTURE CAPITAL INVESTING. THIS MEMORANDUM IS NOT AN OFFER TO SELL LIMITED PARTNERSHIP INTERESTS IN ANY STATE OR JURISDICTION OR TO ANY PERSON IF PROHIBITED BY LAW. THIS MEMORANDUM IS INTENDED ONLY FOR THE USE OF THE PERSON TO WHOM IT IS GIVEN AND IS NOT TO BE REPRODUCED OR REDISTRIBUTED.

THE DATE OF THIS MEMORANDUM IS JULY 22, 1983

COLUMBINE VENTURE FUND, LTD.

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CONCEPT

The Columbine Venture Fund, Ltd. ("Columbine" or the "Fund") is being organized as a Colorado Limited Partnership to achieve exceptional capital appreciation by making approximately 20 to 30 venture capital investments in high growth, technology based businesses. The Fund will emphasize investments in the Rocky Mountain region, principally the states of Colorado, Arizona, Utah and New Mexico. The General Partners of the Fund will be Mark Kimmel, David R. Miller, Sherman J. Muller, Duane D. Pearsall and Terence E. Winters (the "General Partners"). The General Partners will originate many of the venture investment opportunities and will actively work to create companies of substantial economic value.

The following factors serve to differentiate Columbine from other venture capital vehicles:

1. ***The Fund's Location and Its Emphasis on Businesses in the Rocky Mountain Region*** — The Rocky Mountain region is experiencing significant growth in high technology industries and is emerging as an important venture capital market. The General Partners have made a number of venture capital investments in a variety of technology based businesses in the Rocky Mountain region and have experience with the various financial, governmental and other institutions serving this region.

2. ***The Venture Capital Experience of the General Partners*** — Messrs. Kimmel and Muller have operated Enervest, Inc., an SBIC headquartered in Denver. Enervest, Inc. is projected to realize a compounded return of 30% per year as it winds down its activities in 1983. Dr. Winters has been instrumental in the founding and operating of DS Ventures, the venture capital subsidiary of Diamond Shamrock Corporation.

3. ***Two of the General Partners are Successful Entrepreneurs*** — David R. Miller created Denelcor, Inc. and has guided it to an emerging success in the supercomputer business. Duane D. Pearsall founded Statitrol Corporation and grew it to the largest manufacturer of smoke detectors. These two General Partners will provide the Fund's portfolio companies with the benefits of their success as entrepreneurs.

4. ***A Team of Five General Partners*** — The age span of the General Partners enables them to bring the required energy and experience to the affairs of the Fund. The General Partners have a breadth of experience in the computer, communications, electronics, medical and biotechnology industries. The General Partners have experience in co-investing, acquisitions, initial public offerings and syndications. Four of the General Partners have worked together for several years; the fifth has recently joined this team.

5. ***The Fund's Emphasis on Early-Stage Investments*** — The General Partners have had significant experience in early stage investing. They will create investment opportunities in start up and early round financings to take advantage of the greater returns from early stage investments. The risks inherent in venture capital investing will be reduced through a diversified portfolio approach and intensive monitoring by the General Partners.

SUMMARY OF TERMS

Entity:	Columbine Venture Fund, Ltd., a proposed Colorado limited partnership.
General Partners:	Mark Kimmel, David R. Miller, Sherman J. Muller, Duane D. Pearsall and Terence E. Winters will be the General Partners.
Management Company:	Columbine Venture Management, Inc. (the "Management Company") will be responsible for the day-to-day management of the Fund. The Management Company is owned by the General Partners and one of the Special Limited Partners.
Special Limited Partners:	Columbine Venture Associates, Ltd. and Robert M. Collins are Special Limited Partners of the Fund. They have been granted a portion of the General Partners' interest.
Advisory Board:	The Advisory Board will advise the Fund with respect to existing portfolio investments as well as new investments. The initial members of the advisory board are: Frank S. Barnes, Robert M. Collins, Alan C. Henderson, William S. Johnson, Sr., Dr. Mariano I. Montana, and Burton J. Smith.
Purpose:	To achieve exceptional capital appreciation by making approximately 20 to 30 venture capital investments in high growth, technology based businesses, located principally in the Rocky Mountain region.
Capital Contributions:	Commitments to make capital contributions (up to $30,000,000 including the General Partners' capital contributions) by signing the Agreement of Limited Partnership. 33-⅓% of capital commitments will be taken down at closing; 33⅓% on the first anniversary and 33⅓% on the second anniversary of the initial closing.
Limited Partners:	Accredited institutional or individual investors making minimum investments of $1,000,000 each. The General Partners reserve the right to accept smaller commitments.
Allocation of Gains and Losses:	Profits, gains and losses will be allocated 80% to the Limited Partners and 20% to the General Partners and Special Limited Partners. The excess of income from money market instruments or other short-term instruments (in which capital contributions will be invested prior to their investment in venture capital enterprises) over operating expenses will be allocated 99% to the Limited Partners and 1% to the General Partners.

Distributions:	The General Partners will use their best efforts to distribute annually at least 50% of the net operating profits and net realized capital gains of the Fund from the preceding fiscal year. It is the intention of the General Partners to distribute portfolio securities pro-rata to the Limited Partners at such time as further ownership by the Fund is deemed unnecessary. Until such time as each of the Limited Partners has received a return of its capital contribution in full from distributions made by the Fund, all distributions by the Fund shall be allocated solely to the Limited Partners. Thereafter, distributions will be made on the same basis as the allocation of profits and gains set forth above.
Investment by General Partners:	The General Partners will invest, in the aggregate, 1% of total capital commitments. Such General Partners will contribute 33-1/3% of their total capital commitments at closing and thereafter 33-1/3% of their total capital commitments at the same time as the Limited Partners.
Management Fee:	A management fee will be paid quarterly in advance to the Management Company equal to one-fourth of the greater of (i) $350,000 or (ii) the sum of 2-1/2% of the first $20 million of commitments plus 1% of commitments in excess of $20 million. The maximum annual fee payable will be $600,000. Such fee will be adjusted for changes in the consumer price index – urban consumers on an annual basis.
Valuation Committee:	The Valuation Committee will consist of representatives of the Limited Partners, and its approval will be required for all valuations, interested-party transactions and certain other transactions.
Organization Expenses:	All organization expenses (estimated at $200,000) will be paid by the Fund including reimbursement of expenses incurred by the General Partners.
Accountants:	The General Partners have retained Price Waterhouse as the Fund's independent public accountants.
Attorneys:	The General Partners have retained LeBoeuf, Lamb, Leiby and MacRae as the Fund's legal counsel.

RISKS AND BENEFITS

Venture Capital investing is a highly specialized form of investment which offers a qualified investor an opportunity for substantial returns but also involves very substantial risks.

Risks

A prospective investor in the Fund should consider all of the risks of an investment of this type, including the following:

1. Identification of new companies with high growth potential is difficult. Substantial competition exists among venture capital companies for the most promising investments. There is no assurance that all of Columbine's funds can be placed in attractive investments. Further it should be expected that some of the Fund's investments will result in a total loss.
2. New companies of the type in which the Fund plans to invest typically face various problems which must be solved before they become successful. Such problems frequently arise in the areas of product development, manufacturing, marketing and general management. Perhaps more important, these companies typically require succeeding rounds of financing, which may not be available from banks or the public market.
3. The success of the Fund is dependent exclusively on the five General Partners. The Fund will not, at the outset, have other management personnel.
4. It is impossible to predict when gains or losses will be realized. Typically, losses become apparent or even realized before substantial gains occur. Real investment successes require a considerable time to mature.
5. While a portion of the Fund's investments, at any one time, may be in publicly traded securities, most of the Fund's investments are expected to be essentially illiquid.
6. An investment in the Fund is not readily transferable. Partnership interests cannot be transferred without consent of the General Partners and a Limited Partner cannot withdraw his investment during the term of the Partnership. It is expected that the Limited Partners will be able to realize a return on their investments only as they receive interim distributions and upon ultimate Fund dissolution. The magnitude and timing of such distributions will be dependent primarily on the General Partners' success at realizing capital gains.

Benefits

An investment in the Fund offers significant benefits.

1. In meeting the challenges of venture capital investing, the Fund will have the benefit of the substantial experience of the five General Partners. In addition to an existing deal flow, they have a network of contacts and working relationships with small business and venture capital industry leaders who will assist in identifying attractive investments.

2. The Fund will be strengthened by the Board of Advisors, each having achieved notable business and/or technical success.
3. Private venture capital partnerships historically have achieved returns greater than investments in other investment vehicles. The General Partners have records which demonstrate that such a high level of returns can be achieved.
4. Participation in a substantial number of investments mitigates the risks inherent in making only a few venture capital investments. Moreover, since the Fund intends to invest in new businesses in such diverse fields as computers, electronics, medical and biotechnology, a decline in one area could be offset by success in another.
5. Private venture capital investing frequently offers an investor a "window on technology" with the opportunity to discover and track the leading edge of technologies or markets. For example, venture capital investors have been responsible for financing a number of successful companies in growth industries such as semiconductors, data processing, genetic engineering and energy related ventures.
6. Participation in a venture capital partnership can also provide early warning of significant changes in businesses and industries which may assist an investor in adjusting strategies and/or making timely portfolio changes.
7. This Fund will invest extensively in the Rocky Mountain region. Participation in the Fund will enable an investor to track developments in this region of the U.S. and, through an investment in the Fund, capitalize on advantageous developments.

THE ROCKY MOUNTAIN REGION

The Rocky Mountain Region comprises the States of Arizona, Colorado, Idaho, Montana, New Mexico, Utah and Wyoming.

General The venture capital investment opportunity in the Rocky Mountain region is concentrated in the Denver metropolitan area (along the Front-Range of Colorado – from Colorado Springs on the South through Denver to Fort Collins on the North) and in the metropolitan areas of Phoenix, Tucson, Salt Lake City and Albuquerque. These are five of the ten cities of great opportunity as identified by John Naisbitt in *Megatrends*. Each of these metropolitan areas already has a sizeable base of high technology enterprises and each area is growing rapidly, with employment expanding at a rate equal to 150% to 300% of the national average and unemployment generally standing at less than the national average. The climate, natural resources, lifestyle and educational level of its citizens have all contributed to the high growth that characterizes the Rocky Mountain region.

Recent studies conducted by the State of Colorado, the Four Corners Regional Commission and the Western Governors' Policy Office indicate that the favorable trends which exist throughout this region are likely to continue for the next 10-20 years. These studies also indicate that small business accounts for more than 75% of private employment within the Rocky Mountain region.

High Technology The four states of Colorado, Arizona, Utah and New Mexico had a combined 1980 population of 8,372,178. 1% of the population is employed by firms in the semiconductor and information machines industry. This is approximately the same percentage as for California which is generally regarded as a "high tech" state.

Venture Capital In 1982, according to *Venture Economics*, there were 47 venture capital financings in the four states of Colorado, Arizona, Utah and New Mexico. Once again this compares favorably to the 384 venture capital financings for California.

Colorado was the fifth largest recipient state in 1982 with $65.0 million of venture capital invested. About 4% of all venture capital investments are currently made in Colorado. This is up from about 1.5% in 1978.

As of year end 1982, according to the *Guide To Venture Capital Sources*, there was approximately $57 million of venture capital under management in the four states of Colorado, Arizona, Utah and New Mexico. This represents less than 1% of the national pool of venture capital.

Summary There is an imbalance between a large number of financings and a small amount of resident venture capital in the Rocky Mountain region. Because venture capital is a regionally oriented investment vehicle and a value-added type of financing, the need for more venture capital funds based in this region is evident. There are only two major funds currently headquartered in this region. The General Partners have been making venture investments in this region for several years and believe that the Fund meets the current and future needs of this region.

Colorado In the 1960's and 1970's, the Colorado Front-Range began to attract major high technology companies. There are presently over 400 high technology based firms doing business in Colorado and collectively constitute one of the largest employers in the state. Major technology companies with facilities in the Denver/Boulder area include General Automation, Inc., International Business Machines Corporation, Martin Marietta Corporation, Pentax Corporation, Pfizer, Inc., Rockwell International Corporation, Shell Chemical Company and Western Electric Company. Nearby, Colorado Springs has operations of Ampex Corporation, Digital Equipment Corporation, Ford Aerospace and Communications Corporation, Hewlett Packard Company, Honeywell, Inc., Inmos Corporation, Kaman Sciences Corporation, Litton Industries, Inc., NCR Corporation, Rolm Corporation, Texas Instruments, Inc., and United Technologies, Inc. In addition, Eastman Kodak Company, Hewlett Packard Company and Teledyne Corporation have large plants in northern Colorado.

A significant contributor to Colorado's growth has been venture capital backed companies, such as Auto-Trol Technology Corporation, Cobe Laboratories, Inc., Denelcor, Inc., International Medical Corporation, NBI, Inc., and Storage Technology Corporation. Newer venture investments include Graftek, Biox Technology, Prolink, Miniscribe, Otrona, Infomed, Agrigenetics, and Genetic Engineering. In many of these cases, venture capital was and continues to be raised for these entities from sources outside of Colorado.

Arizona The high technology movement in Arizona began with the establishment of Motorola, Inc.'s Defense Products Division in Scottsdale, Arizona, in the 1950's. Since that time, the Phoenix metropolitan area has seen a number of major companies establish manufacturing centers, primarily for electronics products. In addition to Motorola, Inc., which is currently the largest employer in the state of Arizona, those high technology companies with headquarters in major facilities in Arizona include: Garrett Manufacturing Company, Burr Brown Research Corporation, Courier Terminal Systems, Inc., Digital Equipment Corporation, Goodyear Aerospace Corporation, GTE Automatic Electric Labs, Honeywell Information Systems Division, Hughes Aircraft Company, International Business Machines Corporation, Intel Corportion, Litton Industries - Electron Tube Division, National Semiconductor Corporation, Rogers Corporation and Tally Industries of Arizona, Inc.

While not as significant as Colorado, a number of technology based companies have been financed with venture capital: Three Phoenix, Phoenix Digital and PHAZE Information Machines. At this time, the venture capital supplied to Arizona has come almost entirely from out-of-state sources. The General Partners believe that the demand for venture capital to support the high technology companies in the Tucson and Phoenix areas will continue to be greater than the amount that can be supplied from any anticipated local sources and they plan to be active in these metropolitan areas.

Utah Approximately two-thirds of the population of Utah is located in the metropolitan Salt Lake City area known as the Wasatch Front. The State of Utah estimates that its population will increase 50% by the year 2000. Some of the high technology employers along the Wasatch Front are: Applied Digital Data Systems, Beehive International, Deseret Pharmaceuticals Company, Inc., Evans & Sutherland Computer Corporation, Kenway Division (Eaton Corporation), Med Labs (Control Data Corporation), Perkins Elmer Corporation, and Univac Division (Sperry Rand Corporation).

Attractive venture capital candidates have developed in the Salt Lake City area in the computer, electronics and medical technology businesses. The General Partners believe that, because of the strong overtures being made to businesses to locate in the Salt Lake City area, substantial venture capital opportunities will continue to emerge over the next several years.

New Mexico New Mexico's high technology industries have resulted from the numerous scientific and government laboratories located in the Albuquerque and Santa Fe areas. The existence of Sandia Laboratories, Los Alamos National Laboratory and other government installations has spawned new companies based on scientific innovations developed at these installations. Major scientific laboratory and industrial employers in the state of New Mexico include: Digital Equipment Corporation, E G & G, Inc., Eberline Instruments Corporation (Thermo Electron Corporation), General Electric Company, GTE – Lenkurt, Inc., Data Systems Division – Gulton Industries, Los Alamos National Laboratory, Motorola, Inc., Sandia National Laboratories, Sperry Flight Systems Division – Sperry Rand Corporation and White Sands Missile Range.

The General Partners believe that significant venture capital investment opportunities will evolve in New Mexico in the near future.

Idaho, Montana, and Wyoming The other states comprising the Rocky Mountain region do not, at this time, have a high concentration of technology based companies. However, the General Partners believe that significant developments will take place within these states in the near future providing interesting venture capital opportunities.

INVESTMENT STRATEGY

The Fund will invest in and provide management assistance to emerging growth companies with outstanding growth and profit potential. The General Partners do not expect to predict economic cycles or the timing of stock market enthusiasm for small companies. The focus will be on finding and investing at the high growth stage in the life cycle of companies which can use long-term capital efficiently in the creation of real economic value, leading to substantial capital appreciation.

1. *Rate of Return Target.* Investments in individual portfolio companies will be made with a target return objective of greater than 50% per year.

2. *Size of Investment.* The commitment level to a company will normally be in the $300,000 to $750,000 range, although the initial investment may be considerably less than the commitment amount and subsequent rounds of investment may exceed this commitment level. Any one investment will not exceed 10% of the Fund's capital.

3. *Selection Criteria.* Investments by the Fund will be characterized by exhaustive investigation into all facets of the business. The General Partners anticipate reviewing over 300 business plans annually. An attractive investment opportunity for the Fund will be generally characterized by the following:

   a. Qualified Management - The General Partners believe that management is the key to investment success. Therefore, the major emphasis in analyzing a potential investment will be the evaluation of the entrepreneur, his track record and the supporting management team.

   b. Competitive Uniqueness - The business must fill a unique and large market need in which the portfolio company can potentially become a substantial company. Competitive uniqueness may stem from technical innovations, proprietary products or services or an established market position.

   c. Sound Business Planning - The business opportunity being exploited by the portfolio company must be economically viable and be supported with detailed strategic planning, reporting and controls.

4. *Number of Investments and Investment Timing.* Columbine plans to invest its funds within approximately three to four years and expects to make 20 to 30 investments.

5. *Operating Strategy.* The operating strategy of the Fund is based upon the team of five experienced professionals who can actively seek out and manage venture investment opportunities. The General Partners plan to maintain a sizeable deal flow by actively marketing the Fund. The day-to-day activities of the Fund will be managed by the Management Company. All of the General Partners will participate in both the selection and monitoring of the investments.

6. *Structure of Investments.* The Fund's objective is to realize gains through sales of securities after long-term equity appreciation has taken place. However, investments will be structured when possible to produce some current yield and to provide for the return of invested capital in the event of mediocre performance. It is intended that investments will be made both in common stock and in securities paying interest or dividends and convertible into common stock.

7. *Realization of Gains.* The ability to liquidate an investment once its capital appreciation potential has been realized will be key to the Fund's success. Investments will be

made in companies where the public offering or acquisition potential is high. The General Partners will obtain registration rights for securities purchased in order to enhance liquidity. In addition to encouraging the public offering route, the General Partners will assist portfolio companies in pursuing acquisition as a means to liquidity.

The Fund will, from time to time, make distributions "in kind" of publicly traded securities to its investors. Distributed securities will be in companies where ownership by the Fund is no longer deemed appropriate.

8. *Early Stage Investments.* The Fund will focus on investments in early stage companies:

a. *Start-ups:* "Seed" and "start-up" financings will comprise about 40% of the Fund's total investments.

b. *First and Second Round:* The majority of investments will be in early stage companies which possess management sophistication and some operating history. These include follow-on financings for the Fund's start-up investments.

9. *Regional Emphasis.* Columbine expects to be the lead investor in over 50% of the cases and to syndicate investments for companies in the Rocky Mountain region. To a lesser extent, the Fund will participate in syndications originated in other regions of the country. The General Partners expect that approximately two-thirds of Columbine's funds will be invested in the states of Colorado, Arizona, Utah and New Mexico.

10. *High Technology Emphasis.* The majority of the investments of Columbine will be concentrated in technology based industries such as described below. The skills and experience of the General Partners are particularly appropriate for investments in these industries.

a. *Computers and Communications:* The pace of innovation in this area is anticipated to continue as defense, business and consumer demand remain high during the 1980's. Equipment, systems and software investment opportunities are part of this industry segment.

b. *Electronics:* Components and instruments used for the measurement and control of a wide variety of consumer, commercial and industrial applications are included. New materials and electronic components, including semiconductors and optical devices, will be the driving forces in this industry.

c. *Medical:* The aging of the population in the United States and other industrial countries will increase the demand for products and services. Continuing pressure on costs in the delivery of health care together with the trend towards home care will provide opportunities for innovative labor, time and cost saving products.

d. *Biotechnology and Material Sciences:* Advances in genetic engineering have created major opportunities in the life science and chemical businesses; especially in agriculture, human and animal health and natural resources. New materials, specialty chemicals and replacements of expensive chemical products and processes are also attractive opportunities.

The Fund will not directly invest in companies whose primary business is natural resource extraction, construction, retailing or real estate.

11. *Monitoring.* Investments made by Columbine will usually represent a sufficient percentage ownership to place the Fund in a position of influence. The Fund will seek to invest in companies with outstanding managers, particularly those who have demonstrated a long-term commitment to the business. Columbine's value added contributions will be to supplement this management with the experience of the Fund's General Partners. In most instances a General Partner will serve as a member of the board of directors of a portfolio company. Periodic reports and meetings will be used to both monitor and assist the portfolio companies' management.

MANAGEMENT

General Partners of the Fund

The General Partners of the Fund will be Mark Kimmel, David R. Miller, Sherman J. Muller, Duane D. Pearsall, and Terence E. Winters. Messrs. Kimmel and Muller and Dr. Winters will devote full time to the affairs of the Fund. Messrs. Miller and Pearsall will dedicate their time as required to the business of the Fund.

Mark Kimmel, age 43, is the President and a Director of the Management Company. He is also a founder and since inception in 1977, the President and a Director of Enervest, Inc. He has been responsible for the day-to-day operations of Enervest since its inception. Since July 1982, he has been a General Partner of CVA, the management company for Enervest.

Mr. Kimmel has extensive experience in the various aspects of new business development. Prior to his involvement with Enervest, Mr. Kimmel was the Vice President of Business Development for National City Lines, Inc., a diversified holding company located in Denver, Colorado. From August 1971 to July 1976, he was the Manager of New Business Development for Motorola, Inc., in Chicago, Illinois, with responsibility for planning, evaluating, coordinating, managing and negotiating with a variety of acquisition candidates and for new business venture opportunities. Mr. Kimmel was associated with 3M Company in systems design, sales, market research and new business evaluation capacities from 1963 to 1969.

Mr. Kimmel has a B.S. in Electrical Engineering and a B.S. in Business from the University of Colorado and an M.B.A. in Finance from the University of Southern California.

He is the past Chairman of the Capital Formation Committee for the Small Business Council of the State of Colorado and the past President of the Southwestern Regional Association of SBICs. He is a member of the Board of Governors of the National Association of Small Business Investment Companies and a member of the Board of Directors of MAXIM Series Fund, Inc. He has served on several Boards of Directors of Enervest portfolio companies including BSL Technology which filed for reorganization under Chapter 11 in April 1983. He is currently a member of the Board of Directors of Exidyne, Inc., PHAZE Information Machines Corporation and Datec, Inc.

David R. Miller, age 56 is the founder, Chairman of the Board, and a Director of Denelcor, Inc., the manufacturer of the ultra high speed HEP (heterogeneous element processor) computer. He served as President of Denelcor from its inception in 1968 until September 1981. He is a Director of the Management Company.

Mr. Miller has extensive experience in the design and commercialization of computer technology. From November 1959 to June 1967, Mr. Miller was President of Comcor, Inc., which manufactured and sold large scale hybrid computer systems. In 1957, Mr. Miller was appointed Manager of the Computer Systems Laboratory at Colorado Research Corp., where he had responsibility for the design, construction and sales of analog computer systems.

Before joining Colorado Research Corp., Mr. Miller was employed by Beckman Instruments to manage their San Francisco Computer Center and to provide customer consultation. Previously, Mr. Miller was employed by the Denver Research Institute, where he designed and built a computer for the Institute's use. Prior to that, Mr. Miller was employed by the Bendix Corporation as a research mathematician.

Mr. Miller has a B.A. degree from Goshen College and an M.A. degree in Mathematics from Denver University.

He is a member of the Society for Computer Simulation, a non-profit national technical society of computer specialists, and in 1969 served as President of that organization. He is a member of the Small Business Council of the State of Colorado.

Sherman J. Muller, age 30, is the Treasurer and a Director of the Management Company. He has for the past six years been directly involved in venture capital investment management, including evaluation of prospective investments, monitoring of portfolio companies and negotiation of investment terms. Mr. Muller is also a General Partner of CVA the management company for Enervest and since 1979 Secretary and Vice President of Enervest.

From May 1977 to July 1979, he was employed by Louisiana Equity Capital Corporation ("LECC") of Baton Rouge, Louisiana (an SBIC owned by three bank holding companies) where he was a Vice President.

Mr. Muller received his M.B.A. from Tulane University and a B.A. degree from Oral Roberts University.

He was the Conference Chairman for the 1982 Rocky Mountain Inventors Conference. Mr. Muller is a member of the Board of Directors of Datec, Inc. and Biox Technology, Inc. and has served as a member of the boards of directors of several other portfolio companies of Enervest.

Duane D. Pearsall, age 61, is President of the Small Business Development Corporation and a Director of Enervest, Inc. He is a Director of the Management Company.

Mr. Pearsall was founder and President of Statitrol Corporation which he sold to Emerson Electric Company in 1977. Statitrol was the leading manufacturer of commercial and residential smoke detectors. Mr. Pearsall was named "Fire Protection Man of the Year" in 1980 by the Society of Fire Protection Engineers in recognition of the 1970 introduction and development of the first battery-powered home smoke detector. Mr. Pearsall was also selected as the National Small Businessperson of the Year in 1976 by the Small Business Administration.

He received a Bachelor of Science degree from the University of Denver.

He also serves as a member of the Board of Directors of Mentor Corporation, Terayco International, Taylor Associates, and Hyatt Safety Systems. He is recognized as a national advocate for small business. Mr. Pearsall is a charter member of the Small Business High Technology Institute and the Council of Small Business of the U.S. Chamber of Commerce. He has testified before several Congressional committees on behalf of small business and has served on numerous government committees, including the 1976-77 Committee on Venture and Equity Capital of the Small Business Administration.

Mr. Pearsall also served on the President's Policy Review Committee on Technology and Industrial Innovation. He was Co-Chairman of the Small Business Council of the State of Colorado and Chairman of the Mountain States Association, an eight-state affiliation of Chambers of Commerce and trade associations, which serves as an advocacy organization for small business.

He currently serves as a director of the Colorado Alliance of Business, the Western Technical Manpower Commission, the Small Business Foundation of America and on the advisory committee to the College of Business Administration, Univ. of Denver. Mr. Pearsall also serves as a member of the Colorado Supreme Court nominating commission.

Terence E. Winters, age 41, is the Secretary and a Director of the Management Company. Until July 1983 Dr. Winters was Vice President of D.S. Ventures Inc., the Diamond Shamrock Corporation subsidiary for venture capital investing. He was responsible for making investments in both venture capital funds and direct venture investments and has a network of contacts in the venture capital community, having coinvested with several venture capitalists.

Prior to D.S. Ventures Inc., Dr. Winters spent all of his career in various aspects of new business development. As Manager of Licensing for Diamond Shamrock Corporation from December, 1977 to May 1981 he was responsible for technology acquisition as a basis for building new businesses. With Goodyear Tire and Rubber Company from February, 1973 to November 1977, he was Licensing Manager, responsible for technology transfer and joint venture administration and, from September 1968 to February 1973, was Senior Research Chemist, developing new products and processes in the fields of fibers, materials and adhesives in Goodyear's research laboratories.

Dr. Winters has a Ph.D. and B.Sc. in Chemistry from the University of Wales, U.K. and spent the 1968 academic year as a postdoctoral fellow at University of California, Los Angeles.

He is a member of the Board of Directors of the Animal Vaccine Research Company, LaJolla, California.

Advisory Board

The Advisory Board, consisting of between three and seven members, will advise the General Partners. The members, who are well known to the General Partners, have been selected for their experience and judgment in both business and technical matters. The Board will be compensated by the Management Company. Individual members of the Board will be available to the General Partners for consultation regarding specific investment opportunities and the monitoring of portfolio companies.

The current members of the Advisory Board are:

> ***Frank S. Barnes*** is a Professor of Electrical Engineering at the University of Colorado in Boulder. He was acting Dean of the College of Engineering and Applied Sciences during 1980 and 1981. He is prominent in academic and business circles both in Colorado and nationally.
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> ***Robert M. Collins*** is the co-founder and President of Cobe Laboratories, Inc., a major medical electronics company headquartered in Lakewood, Colorado. The company was founded in 1964 and manufactures kidney dialysis equipment and related products. 1982 sales were $105 million. Mr. Collins is also a Special Limited Partner of the Fund.
>
> ***Alan C. Henderson*** is the President of Financial Funding Corporation, Inc., a Salt Lake City based firm providing economic and financial consulting to Utah businesses and government agencies.

William S. Johnson is the President of Asset and Investment Monitoring, Inc., Phoenix, Arizona. From 1973 to 1978 he was the Chairman of the Board and President of Eberline Instrument Corporation of Santa Fe, New Mexico.

Marianno I. Montana is the President of Datavest Corporation and the President of Bantam Computers, Inc. both of Los Angeles, California. From 1967 to 1981 he was associated with Computer Sciences Corporation. His final position at CSC was as President of the Commercial Division. From 1954 to 1967 he was employed by IBM. During a portion of that time he was the Manager of World Trade European Sales.

Burton J. Smith is the Vice President of Research and Development for Denelcor, Inc. He is a recognized computer architect with academic connections to the University of Colorado and Massachusetts Institute of Technology.

Duties and Responsibilities of Columbine Venture Management, Inc.

The principal functions of the Management Company will be to manage and operate the Fund, including performance of all administrative functions.

The Management Company will bear substantially all operating expenses directly related to investment activities including (but not limited to): salaries and fringe benefits of professional, administrative, clerical, bookkeeping and secretarial personnel; telephone; fire and theft insurance; heat, light, cleaning, power, water and other utilities; stationery, postage and office supplies; travel and entertainment expense; rent for the office and any necessary office equipment; cost of publications and periodicals; expenses of reports to Limited Partners other than annual reports; the cost of fidelity bonds and other insurance; and any other contingency and miscellaneous expenses related to managing investment activities.

The Management Company will pay certain other expenses of the Fund not covered by the management fee. These Fund expenses include the following: legal and accounting expenses of the Fund, including non-reimbursed legal fees in connection with investments and preparation of federal and state tax returns; independent appraisers and consultants; expenses of the Fund meetings and annual reports to Partners; expenses of the Valuation Committee; brokerage commissions; and cost of registration of securities with the Securities and Exchange Commission (including costs of printing prospectuses) or costs of qualifying and maintaining qualifications of portfolio companies' shares under various state Blue Sky laws, transfer taxes on securities and other costs of security issuances.

The Fund will attempt to provide for its operating expenses with income derived from income-producing securities and interest on funds invested in short-term money market instruments. It is expected, however, that the Fund may incur operating losses as investments are made which do not provide sufficient current income to offset operating expenses.

Relationship with Enervest, Inc. and Columbine Venture Associates, Ltd.

As described in the Appendix A to this Memorandum, Enervest, Inc. ("Enervest") is an SBIC headquartered in Englewood, Colorado. Columbine Venture Associates, Ltd.

("CVA") manages the day-to-day affairs of Enervest pursuant to a management agreement which was initiated August 1, 1982 and which is renewable annually. Messrs. Kimmel and Muller are the General Partners of CVA. Some of the legal, accounting, and other expenses associated with the start-up of the Fund have been paid by CVA and will be reimbursed by the Fund at closing. CVA will be a Special Limited Partner of the Fund. Most of the shareholders of Enervest, Inc. are limited partners of CVA and as such will be entitled to a pro rata share of this Special Limited Partnership interest.

ADDITIONAL TERMS OF THE OFFERING

Limited Partnership Interests in the Fund are being offered to accredited institutional and individual investors. The purchase of Limited Partnership Interests should be considered by managers of large portfolios and others who are in a position to place a modest percentage of their assets in a non-liquid, long-term diversified investment.

The Fund may elect to hold one or more partial closings and to continue this offering for such additional period, not to exceed one year, as is determined to be appropriate by the General Partners, but on the same terms and conditions as herein provided. The General Partners will not accept commitments in excess of $30,000,000.

A Limited Partnership Interest will be non-assessable, and accordingly, once a commitment has been paid in full, there will be no obligation to make additional contributions to the Fund. A Limited Partner's failure to pay the balance of this commitment when due may result in a forfeiture of all prior capital contributions as well as his share of the future profits and losses of the Fund.

Except as otherwise provided by law, the Partnership Agreement provides that no Limited Partner shall have any liability for any debt or liability of the Fund in excess of the sum of his unpaid capital commitments and the balance of his capital accounts from time to time.

The Fund shall indemnify the General Partners, the Management Company, the members of the Valuation Committee and the Advisory Board against any losses resulting from actions taken by any of them on behalf of the Fund unless such losses result from the gross negligence or willful misconduct of such person or entity.

The Fund term is until October 31, 1993, unless extended by 66-2/3% in interest of the Limited Partners and all of the General Partners.

66-2/3% in interest of the Limited Partners together with all of the General Partners may amend the Partnership Agreement.

USE OF PROCEEDS

The Fund's primary business will be to provide venture capital to small companies. Until such time as Columbine's capital is so invested, it will be temporarily invested in bank certificates of deposit or money market instruments.

Organization expenses incurred by the Fund will include, but will not be limited to, the following categories: legal, accounting, consulting, printing, telephone and telex, postage, secretarial services, travel and entertainment, and other out-of-pocket costs paid or incurred in connection with organizing the business, formulating the structure, securing the financing and attending to other details concerning the Fund. These expenses will be repaid at the time of the initial closing.

VALUATIONS

Valuation of portfolio assets will be made semi-annually. Securities which are not restricted will be valued:

(a) if traded on a securities exchange, at the closing price; or

(b) if traded over-the-counter, at the closing bid; or

(c) if there is no active public market, at the fair market value determined by the General Partners in consultation with the Valuation Committee, taking into consideration the cost of securities, developments at the portfolio company, and financial data and projections provided to the General Partners.

Restricted securities will be subject to a discount from the value determined by the foregoing method to reflect the effect of the restrictions on transfer.

PARTNERS' RIGHTS

66-2/3% in interest of the Limited Partners may elect to dissolve the Fund if two or more of the General Partners withdraw, die, suffer an event of bankruptcy or are adjudicated incompetent. 66-2/3% in interest of the Limited Partners may terminate the Fund if the assets of the Partnership, including all prior distributions, are at any time less than 50% of the Aggregate Capital Contributions of the Limited Partners.

General Partners holding a majority of the General Partners' interests may carry out functions not delegated to the Management Company.

Prospective investors are encouraged to obtain copies of the Partnership Agreement and to review in detail the provisions governing termination of the Partnership and the respective rights and powers of the General Partners, the Special Limited Partners and the Limited Partners.

FUND MEETINGS, REPORTS AND ACCOUNTING

At least on an annual basis, the General Partners will review the status of the Fund's investments at meetings with representatives of the Limited Partners, and will brief them about various aspects of Columbine's activities. The General Partners of Columbine will welcome more frequent informal communications to the extent desired by any Limited Partner of the Fund.

Each Limited Partner will receive certified year-end audited statements and tax returns within 90 days following the close of the fiscal year which will end on October 31. Semi-annual reports of operations will be provided by the General Partners to each Partner by July 31 of each year.

APPENDIX A — ENERVEST, INC.

General

The material which follows summarizes the operations of Enervest, Inc., a Small Business Investment Company from its inception through July 15, 1983. Enervest was formed on August 17, 1977. Mark Kimmel was one of the two founders and the initial President of Enervest. Enervest has borrowed $1.8 million from the Small Business Administration which it has utilized, in addition to its paid-in capital of $1.1 million, to make its investments.

Enervest is winding down its operations and will make distributions via a complete liquidation in 1984. Enervest currently has cash and marketable securities in the amount of $1.5 million in addition to its current portfolio.

An average compounded return on investment of over 30% per year is forecast on the basis of the current portfolio.

During the last six years, Enervest has made investments in 22 portfolio companies. As of April 30, 1983, Enervest had active investments in 11 portfolio companies. Fifteen of Enervest's investments were located in Colorado, one in Utah, one in New Mexico, two in Arizona, one in California, one in Illinois and one in Texas. At the time of Enervest's initial investment, six of the 22 portfolio companies were start-ups, two were second-round financings, one was a purchase of shares in an initial public offering, and the remaining were round one financings where the portfolio company had sales of under $5,000,000.

The common stocks of 8 of the 22 portfolio companies are publicly traded in the over-the-counter market. Four of the portfolio companies have been acquired. No new investments have been made since September of 1982.

PORTFOLIO SUMMARY

Medical Businesses

Acucare Medical, Inc. ("AMI"), Denver, Colorado AMI was organized in 1980 and was engaged in the marketing of a disposable medical product designed specifically for securing tracheotomy tubes. In 1982 AMI was acquired by Exidyne, Inc., another Enervest portfolio company, and Enervest received shares of Exidyne common stock.

Biox Technology, Inc. ("BTI"), Boulder, Colorado BTI was founded in 1978 and is engaged in the manufacturing of an oximeter which measures blood oxygen saturation noninvasively. Shipments began in October 1981, resulting in sales of $2.2 million and after-tax profits of $456,000 for its first full year of operation. BTI is currently discussing acquisition with several larger companies. Enervest currently holds convertible notes.

BSL Technology ("BSL"), Salt Lake City, Utah BSL was incorporated in 1976 and is engaged in the design, manufacture, system integration, and marketing of medical computer systems, principally for clinical laboratories. For the fiscal year ended September 30, 1982, BSL had sales of $3.5 million and a loss of $2.2 million. In April of 1983, BSL filed for reorganization under Chapter 11 of the U.S. Bankruptcy code. BSL's stock is traded nationally in the over-the-counter market. Enervest currently holds common stock.

International Medical Corporation ("IMC"), Englewood, Colorado IMC was founded in 1973 and is engaged in the business of cardiovascular measurement and analysis. IMC is a major supplier of holter monitors and EKG treadmill equipment. IMC's most recent fiscal year ended with sales of $16.1 million and after-tax profits of $1.7 million. In January 1983, Medtronics, Inc. consummated an agreement for the acquisition of IMC and Enervest received shares of Medtronics common stock in exchange.

Computers, Communications and Electronics Businesses

Computer Displays International, Inc. ("CDI"), Addison, Illinois CDI initiated operations in 1981 and is engaged in the manufacture and marketing of cathode ray tube (CRT) display monitors. CDI's management team is comprised of experienced individuals from one of the major competitors in the industry. CDI is currently in legal proceedings with management's former employer. CDI projects 1983 sales of $3.3 million with after-tax profits of $200,000. Enervest currently holds convertible notes and options for common stock.

Datec Incorporated ("DI"), Colorado Springs, Colorado DI was formed in 1982 to develop, manufacture and market a portable microprocessor-based data entry computer/terminal. DI is a development-stage company and to date has not attained significant sales. In 1982 Enervest took control of a predecessor company, formed DI and installed new management. Enervest currently holds notes and common stock.

Image Transfer Corporation ("ITC"), Boulder, Colorado ITC was formed in 1981 to engage in the business of converting movie film images into electronic signals for magnetic tape and/or magnetic disc. ITC acquired the interest of Doubleday Inc. in the technology used in this application called the "flying spot scanner". ITC has ceased operations and Enervest has written off its investment.

Network Security Corporation ("NSC"), Dallas, Texas NSC was organized in 1970, and is engaged in central security and guard service operations. NSC has developed a security system utilizing two-way, interactive signals through participation with cable TV operators and it is currently integrating that system with a satellite communications network. For the 1982 fiscal year, NSC had sales of approximately $13.6 million with a net loss of $1.4 million. NSC's stock is currently traded nationally in the over-the-counter market. Enervest has sold its common stock.

PHAZE Information Machines Corporation ("PIM"), Scottsdale, Arizona PIM is a development stage company engaged in the business of developing and marketing IBM plug-compatible computer terminals and executive workstations. PIM's management team has extensive prior experience with a leading independent competitor in the terminal industry. The company projects sales at $15 million for 1983 with profitability. Enervest currently holds a convertible note.

Vertronix, Inc. ("VI"), Evergreen, Colorado VI was founded in 1976 to manufacture and distribute consumer electronic products. The principal product developed was the "Bug", a home and automotive electronic security product. VI was sold in July, 1981 and Enervest's investment was repaid with a small gain.

Other Technology Based Businesses

Cartri-Jet Inc. ("CJI"), Scottsdale, Arizona CJI was incorporated in 1978 and was engaged in the business of manufacturing and distributing a unique blueprint reprographic machine. This machine, because it lacked the characteristic ammonia smell of similar machines, was principally employed in office reproduction of blueprint drawings. CJI has ceased operation and Enervest has written off its remaining investment.

Comparator Systems Corporation ("CSC"), Los Angeles, California CSC was formed in 1978 to manufacture and market the Comparator, a patented fingerprinting comparison machine which permits unknown fingerprints to be compared with known fingerprints and thereby verified. CSC's stock is traded in the over-the-counter market. Enervest currently holds a promissory note.

Enercorp, Inc. ("Enercorp"), Denver, Colorado Enercorp was formed in 1978 and was engaged in the business of distributing solar energy products manufactured by others and the development of solar energy products of its own design. Enercorp has subsequently become engaged in the business of petroleum and natural gas exploration and development. Enercorp did not have significant sales for 1982 and operated at a loss. Enercorp's common stock is traded in the over-the-counter market. Enervest holds common stock.

Exidyne, Inc. ("EI"), Colorado Springs, Colorado EI was formed in 1972 and is engaged in a variety of technology based businesses. EI has three subsidiaries. EI's sales for fiscal year 1982 were $2.8 million with a loss of $425,000. EI's stock is traded in the over-the-counter market. Enervest currently holds stock, warrants for common stock and convertible debt.

Seven Energy Corporation ("SEC"), Arvada, Colorado SEC was founded in 1980 to manufacture turn-key, farm-scale ethanol plants. In 1981, SEC was the leading producer of small-scale ethanol plants in the United States. SEC has subsequently discontinued operations. Enervest's investment in SEC has been written off.

Tetra Systems, Inc. ("TSI"), Golden, Colorado TSI was established in 1980 to engage in the business of acquiring petroleum mining sites and to engage in the development and marketing of proprietary petroleum mining systems. The management of TSI has experience with several major petroleum companies and the Colorado School of Mines. All of Enervest's stock has been sold.

Vac-Tec Systems, Inc. ("VTS"), Boulder, Colorado VTS was founded in 1976 and is engaged in the business of manufacturing and marketing of thin film vacuum coating equipment. The chief executive officer of VTS was replaced in 1981 and subsequently majority control was purchased by American Hoist and Derrick Corporation. For the fiscal year ending February 28, 1983, VTS had sales of $1.5 million, with a net loss of $1.5 million. VTS's stock is traded in the over-the-counter market. Enervest currently holds common stock and warrants.

Energy Businesses

Blue Ribbon Limited Partnership ("BRLP"), Paonia, Colorado BRLP was formed in 1978 by Sunflower Energy Corporation to operate the Blue Ribbon Mine, an underground coal mine located in Colorado. The mine was sold to Western Coal Company in 1981 and Enervest's investment was paid off pursuant to foreclosure proceedings.

Corsicana Petroleum Corporation ("CPC"), Albuquerque, New Mexico CPC was founded in 1979 to acquire oil and gas properties located in Texas and to develop these properties by further development drilling. Enervest has been repaid its initial investment and is attempting to recover a previously negotiated profits interest.

Energy Technology Services, Inc. ("ETS"), Englewood, Colorado ETS was founded in January 1979 and was engaged in the manufacturing and marketing of specialty chemicals to the oil and gas exploration business. ETS ceased operations during the first quarter of 1982. ETS is currently in default with respect to the payment of notes owed to Enervest and legal proceedings have been commenced.

Other Businesses

Energy and Environmental Companies, Inc. ("E&E"), Denver, Colorado E&E was founded in 1973 and is engaged in the businesses of marketing polution control and power plant equipment manufactured by others and designing, manufacturing and marketing a variety of equipment and process systems. E&E sales for the fiscal year ended September 30, 1982 approximated $10.5 million, with a profit of $414,000. E&E's stock is traded on the over-the-counter market. Enervest has sold its convertible debt back to E&E.

Merlin Corporation ("MC"), Englewood, Colorado MC is a financial holding company formed in 1981 with subsidiaries participating in oil and gas drilling partnerships and the marketing of various limited partnerships through a licensed broker-dealer subsidiary. Enervest currently holds a convertible note. MC was formerly part of E&E.

VALUATIONS

The chart on the following page details Enervest's current and former portfolio companies as of April 30, 1983. This chart breaks down the 22 portfolio companies by management's estimate of "Multiples" and also by "Realized Returns" and "Current Valuations." The estimate of "Multiples" is based on both actual and anticipated returns on investments for these companies. The date of Enervest's original investment is noted next to each company.

Since its inception, Enervest has invested $3,190,000. During that period, interest income, realized gains and losses and funds returned to the company through the sale of securities and the repayment of debt have totaled $2,932,000.

Current valuation of $3,240,000, as established by the Enervest Board of Directors as of April 30, 1982, represents the fair value of the investments based on the valuation method. Discounts for restricted securities in publicly traded companies of from 10% to 40%, are included. Investments are carried at cost until significant events such as public offerings, inside transactions or exemplary performances dictate a higher than cost valuation.

PORTFOLIO COMPANIES
ENERVEST, INC.

April 30, 1983
($000)

	Invested Funds	Realized Returns	Current Valuations
Anticipated Multiples of Greater than 10 Times			
Biox Technology, Inc. (1981)	213	69	1,476
Datec, Inc. (1981)	273	7	333
PHAZE Information Machines (1982)	150	9	289
Anticipated and Actual Multiples of Between 3 and 10 Times			
Comparator Systems Corporation (1979)	50	172	–
Computer Displays International, Inc. (1981)	250	65	250
Enercorp, Inc. (1978)	35	88	9
Exidyne, Inc. (1979)	192	188	270
International Medical Corporation (1982)	200	718	–
Network Security (1981)	50	319	–
Vac-Tec Systems, Inc. (1979)	305	205	352
Anticipated and Actual Multiples of Between 1 and 3 Times			
Blue Ribbon Limited Partnership (1978)	150	182	–
BSL Technology (1980)	204	215	108
Corsicana Petroleum Company (1980)	215	209	–
Energy and Environmental Companies, Inc. (1981)	100	159	–
Merlin Corporation (1982)	100	23	100
Vertronix, Inc. (1978)	152	212	–
Anticipated and Actual Partial and Total Losses			
Acucare Medical, Inc. (1981)	10	6	–
Cartri-Jet, Inc. (1981)	254	26	–
Energy Technology Services (1979)	110	36	53
Image Transfer Corp. (1981)	107	–	–
Seven Energy Corporation (1981)	20	–	–
Tetra Systems, Inc. (1981)	50	24	–
Total Portfolio Companies:	3,190	2,932	3,240

APPENDIX B — DENELCOR, INC.

Headquartered in Aurora, Colorado, the company manufactures and markets large-scale computer systems used in general scientific applications.

Founded in 1968 by David R. Miller with initial capital of $80,000, the initial product was analog computer systems. In 1976, Denelcor received a U.S. Army contract to develop the first HEP (heterogeneous element processor) computer.

Most recently, Denelcor has announced development of the HEP II, a product line of computers that will be the fastest computers in the world. The HEP II will operate at speeds of up to 12 billion instructions per second. The system will utilize a UNIX-based operating system. System prices will start at $7 million for a standard configuration.

Sales for 3-months ended March 31, 1983, were $3.1 million; net earnings were $151,000. Denelcor has a current market value of approximately $100 million. The stock is traded in the over-the-counter market. The initial public offering was in September 1978.

NOTE: The venture capital investors have received approximately a 45:1 return on their investment at the current stock price.

APPENDIX C — STATITROL CORPORATION

This company was sold to Emerson Electric Corporation in 1977 for approximately $16 million.

Statitrol was founded in 1963 by Duane D. Pearsall with initial capital of $50,000. The company's original product was static control devices for the graphic arts industry.

In 1965, the principle of ionization to detect smoke was discovered in the company's laboratory. The first U.S. made commercial ionization detector was sold through Honeywell under private brand from 1966 to 1970. The company developed the first battery-powered home smoke detectors in 1970. By 1974, the company had become the largest manufacturer in the U.S. of home smoke detector units. By 1976 there were over 50 brand name competitors and smoke detectors were required in many construction applications.

NOTE: The venture capital firm's original 1970 investment grew by a factor of 60:1 by the time the company was sold in 1978.

APPENDIX D — D.S. VENTURES

D. S. Ventures was formed as a subsidiary of Diamond Shamrock Corporation in June of 1981 to invest corporate funds in venture capital situations in order to further corporate strategic objectives.

Direct Investments

IMMUNOMED CORP. (formerly International Immunotechnology Corp.), Tampa, Florida. Immunomodulators for animals and humans. DS Ventures invested in July 1982, in a financing led by Lawrence W. P. G. Also participating were Pathfinder, Northstar, Faneuil Hall and Electroscience. Now in the process of additional round of venture financing.

IMMUNEX CORP., Seattle, Washington. Interleukin-2 and lymphokines for humans. DS Ventures invested in August 1982 with Cable, Howse & Cozadd, Mayfield, N. E. A., Rothschild and Merrill, Pickard. Initial public offering completed in July 1, 1983 at a 4.4 multiple to D. S. Ventures original investment.

IGEN CORP., Bethesda, Maryland. Monoclonal antibody diagnostics for animals and agriculture. DS Ventures invested in September 1982. Gene Kleiner, Fred Adler and Arthur Rock also participated. Now offering a private placement at a significant markup.

ANIMAL VACCINE RESEARCH CO., La Jolla, California. Recombinant DNA research to produce new animal vaccines. A joint venture with SIBIA (Salk Institute Biotechnology-Industrial Associates). SIBIA is a venture of the Salk Institute and Phillips Petroleum.

PARTNERSHIP INVESTMENTS

Date	Partnership
October 1981	Cable, Howse and Cozadd Seattle, Washington
November 1981	Dougery, Jones and Wilder San Francisco, California
January 1982	APA Ventures (Patricof) London, U. K.
May 1982	Plant Resources Venture Fund Boston, Massachusetts
June 1982	SunWestern Associates Dallas, Texas
August 1982	Taylor and Turner San Francisco, California

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