ARNALL GOLDEN & GREGORY, LLP

2800 ONE ATLANTIC CENTER
1201 WEST PEACHTREE STREET • ATLANTA, GEORGIA 30309-3450
TELEPHONE (404) 873-8500 • FACSIMILE (404) 873-8501

FIRST LIBERTY BANK TOWER
SUITE 1000
201 SECOND STREET
MACON, GEORGIA 31201
(912) 745-3344

WRITER'S DIRECT DIAL NUMBER
404-873-8536
WRITER'S DIRECT DIAL FACSIMILE
404-873-8767

via FEDERAL EXPRESS

December 7, 1999

Florida Public Service Commission
Division of Records and Reporting
2530 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Broadslate Networks of Florida, Inc. 991860-TX

Dear Sir or Madam:

Enclosed please find an original and six (6) copies of the Application Form for Authority to Provide Alternative Local Exchange Service within the State of Florida with regard to the above-referenced company. In addition, we have enclosed our check in the amount of $250.00 representing our application fee for same.

Thank you for your assistance in this matter, and if you have any questions or comments, please do not hesitate to call.

Very truly yours,

Anne E. Franklin

Anne E. Franklin

AEF:ph
Enclosure

989004v1

****FLORIDA PUBLIC SERVICE COMMISSION****

DIVISION OF TELECOMMUNICATIONS
BUREAU OF CERTIFICATION AND SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE WITHIN THE STATE OF FLORIDA

Instructions

- This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).

- Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.

- Use a separate sheet for each answer which will not fit the allotted space.

- Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of **$250.00** to:

  Florida Public Service Commission
  Division of Records and Reporting
  2530 Shumard Oak Blvd.
  Tallahassee, Florida 32399-0850
  (850) 413-6770

- If you have questions about completing the form, contact:

  Florida Public Service Commission
  Division of Telecommunications
  Bureau of Certification and Service Evaluation
  2540 Shumard Oak Blvd.
  Tallahassee, Florida 32399-0850
  (850) 413-6600

APPLICATION

1. This is an application for √ (check on):

(√) **Original certificate** (new company).

( ) **Approval of transfer of existing certificate:** Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

( ) **Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

( ) **Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of Company:

Broadslate Networks of Florida, Inc.

3. Name under which the applicant will do business (fictitious name, etc.):

Broadslate Networks of Florida, Inc.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

585 Loblolly Lane

Charlottesville, Virginia 22903

5. Florida address (including street name & number, post office box, city, state, zip code):

Not applicable

6. Structure of organization:

( )	Individual	( )	Corporation
(X)	Foreign Corporation	( )	Foreign Partnership
( )	General Partnership	( )	Limited Partnership
( )	Other ____________		

7. **If individual,** provide:

Name: Not applicable ________________________________

Title: ________________________________

Address: ________________________________

City/State/Zip: ________________________________

Telephone No.: ____________________ **Fax No.:** ____________________

Internet E-Mail Address: ________________________________

Internet Website Address: ________________________________

8. **If incorporated in Florida,** provide proof of authority to operate in Florida:

   (a) **The Florida Secretary of State corporate registration number:**

   Not applicable ________________________________

9. **If foreign corporation,** provide proof of authority to operate in Florida:

   (a) **The Florida Secretary of State corporate registration number:**

   ____

Please see attached hereto at Exhibit "A" Applicant's application for authority to operate within the State of Florida filed with the Florida Secretary of State. Upon Applicant's receipt of this authority, Applicant will immediately file same with this Commission.

10. **If using fictitious name-d/b/a,** provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:**

Not applicable

11. **If a limited liability partnership,** provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:**

____

12. **If a partnership,** provide name, title and address of all partners and a copy of the partnership agreement.

Name: Not applicable

Title: ______________________________

Address: ______________________________

City/State/Zip: ______________________________

Telephone No.: ______________ **Fax No.:** ______________

Internet E-Mail Address: ______________________________

Internet Website Address: ______________________________

13. **If a foreign limited partnership,** provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) **The Florida registration number:** ______________________________

14. Provide **F.E.I. Number** (if applicable): 54-1951299

15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

None of Applicant's officers, directors, or any of the ten largest stockholders have ever been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime.

(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

No officer, director, or any of the ten largest stockholders of Applicant, have ever been an officer, director, partner or stockholder in any other Florida certificated telephone company.

16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

Name: Anne E. Franklin, Esq.

Title:

Address: Arnall Golden & Gregory, LLP, 1201 West Peachtree Street

One Atlantic Center, Suite 2800

City/State/Zip: Atlanta, Georgia 30339

Telephone No.: (404) 873-8536 **Fax No.:** (404) 873-8767

Internet E-Mail Address: Anne.Franklin@agg.com

Internet Website Address: www.agg.com

(b) Official point of contact for the ongoing operations of the company:

Name: Walter M. Zirkle

Title: Vice President

Address: 585 Loblolly Lane

City/State/Zip: Charlottesville, VA 22903

Telephone No.: 804-220-7700 **Fax No.:** 804-220-7701

Internet E-Mail Address: wmz@broadslate.net

Internet Website Address: Under construction

(c) Complaints/Inquiries from customers:

Name: Walter M. Zirkle

Title: Vice President

Address: 585 Loblolly Lane

City/State/Zip: Charlottesville, VA 22903

Telephone No.: 804-220-7700 **Fax No.:** 804-220-7701

Internet E-Mail Address: wmz@broadslate.net

Internet Website Address: Under construction

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

Applicant has not operated as an alternative local exchange company in any state.

(b) has applications pending to be certificated as an alternative local exchange company.

Applicant's affiliates have filed, or intend to file, applications in the states of Alabama, Delaware, Georgia, Mississippi, North Carolina, Pennsylvania, South Carolina and Tennessee.

(c) is certificated to operate as an alternative local exchange company.

Applicant's affiliates are certificated to operate, but are not yet operating, as competitive local exchange companieswithin the States of Kentucky and Ohio. Additionally, one of Applicant's affiliates has received its certification in Virginia, but is awaiting final tariff approval prior to being authorized to provide service in that state.

(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

Not Applicant nor any affiliates of Applicant have ever been denied authority to operate in any state.

(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

Not Applicant nor any affiliates of Applicant have ever had regulatory penalties imposed for violations of telecommunications statutes.

(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

Not Applicant nor any affiliates of Applicant have ever been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity.

18. Submit the following:

A. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer affirming that the financial statements are true and correct and should include:

1. the balance sheet;
2. income statement; and
3. statement of retained earnings.

NOTE: *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Applicant possesses the financial resources necessary to provide reliable telecommunications services. Applicant is a newly-created, privately-held company, and currently does not have audited financial statements. Accordingly, Applicant seeks a temporary waiver of the requirement that it file audited financial statements at this time. At such time as Applicant has audited financial statements, it will file them with this Commission. Applicant's parent, Broadslate Networks, Inc. is also newly-created and privately-held. One of Parent's primary investors, Columbia Capital, LLC ("Columbia Capital") intends to provide the necessary financial backing to Parent so that Applicant may provide the services contemplated hereunder. Attached at Exhibit "B" is Applicant's unaudited balance sheet. As Applicant has not begun its operations, it does not have an income statement or statement of retained earnings, and so respectfully requests a waiver of the requirement that it file these statements at this time. Also attached at Exhibit "B" is a letter from Columbia Capital discussing its commitment to invest in Parent. Also attached at Exhibit "B" is a Private Placement Memorandum from Columbia Capital which details Columbia Capital's exceptional – and very successful – track record of investing in telecommunications companies. Applicant's financial resources are sufficient to allow Applicant to succeed in a rapidly changing telecommunications market and to meet consumer demands for innovative telecommunications services.

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

Applicant believes that it has the financial capability to provide the requested service throughout the State of Florida. As stated above, Parent's investors, including Columbia Capital, intend to provide the necessary financial backing to Parent so that Applicant may provide the services contemplated hereunder. Attached at Exhibit "B" is Applicant's unaudited balance sheet. Also attached at Exhibit "B" is a letter from Columbia Capital discussing its commitment to invest in Parent. Also attached at Exhibit "B" is a Private Placement Memorandum from Columbia Capital which details Columbia Capital's exceptional – and very successful – track record of investing in telecommunications companies. Applicant's financial resources are sufficient to allow Applicant to succeed in a rapidly changing telecommunications market

and to meet consumer demands for innovative telecommunications services.

2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.

Applicant believes that it will have sufficient financial capability to maintain the requested service through revenues received from the service and capital received from its investors. Parent's primary investors, including Columbia Capital, intend to provide the necessary financial backing to Parent so that Applicant may provide the services contemplated hereunder. Attached at Exhibit "B" is Applicant's unaudited balance sheet. Also attached at Exhibit "B" is a letter from Columbia Capital discussing its commitment to invest in Parent. Also attached at Exhibit "B" is a Private Placement Memorandum from Columbia Capital which details Columbia Capital's exceptional – and very successful – track record of investing in telecommunications companies. Applicant's financial resources are sufficient to allow Applicant to succeed in a rapidly changing telecommunications market and to meet consumer demands for innovative telecommunications services.

3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

Applicant believes that it will have sufficient financial capability to meet any future lease or ownership obligations in the State of Florida. As discussed above, Parent's primary investors, including Columbia Capital, intend to provide the necessary financial backing to Parent so that Applicant may provide the services contemplated hereunder. Attached at Exhibit "B" is Applicant's unaudited balance sheet. Also attached at Exhibit "B" is a letter from Columbia Capital discussing its commitment to invest in Parent. Also attached at Exhibit "B" is a Private Placement Memorandum from Columbia Capital which details Columbia Capital's exceptional – and very successful – track record of investing in telecommunications companies. Applicant's financial resources are sufficient to allow Applicant to succeed in a rapidly changing telecommunications market and to meet consumer demands for innovative telecommunications services.

B. Managerial capability: give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

Please see Attachment "C" hereto.

C. Technical capability: give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

Please see Attachment "C" hereto.

****APPLICANT ACKNOWLEDGMENT STATEMENT****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of $50 is required.

2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.

3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.

4. **APPLICATION FEE:** I understand that a non-refundable application fee of $250.00 must be submitted with the application.

UTILITY OFFICIAL:

Signature: ______________________ Date: 11/9/99

Title: SrVice President Telephone No.: 804 984-2327

Address: 585 Loblolly Lane
Charlottesville, VA 22903 Fax No.: 804 984-5430

ATTACHMENTS:

A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
B - INTRASTATE NETWORK
C - AFFIDAVIT

FORM PSC/CMU 8 (11/95)
Required by Commission Rule Nos. 25-24.805, 25-24.810, and 25-24.815
982164v1

APPENDIX A

CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT

I, (Name) ____

(Title) ________________________________ of (Name of Company)

____

and current holder of Florida Public Service Commission Certificate Number#

________________, have reviewed this application and join in the petitioner's

request for a:

( ) sale

( ) transfer

( ) assignment

of the above-mentioned certificate.

UTILITY OFFICIAL:

______________________________ ______________________________
Signature Date

______________________________ ______________________________
Title Telephone No.

Address: ______________________ ______________________________
Fax No.

____

____

Required by Commission Rule Nos. 25-24.805, 25-24.810, and 25-24.815
982164v2

APPENDIX B

INTRASTATE NETWORK (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.

1. **POP:** Addresses where located, and indicate if owned or leased.

1)____________________ 2)____________________

____________________ ____________________

3)____________________ 4)____________________

____________________ ____________________

2. **SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

1)____________________ 2)____________________

____________________ ____________________

3)____________________ 4)____________________

____________________ ____________________

3. **TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

POP-to-POP	OWNERSHIP
1)____________________	____________________
2)____________________	____________________
3)____________________	____________________
4)____________________	____________________

APPENDIX C

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

UTILITY OFFICIAL:

Signature: ______________________

Date: 11/9/99

Title: Sr Vice President

Telephone No.: 804 984-2327

Address: 585 Loblolly Lane
Charlottesville, VA 22903

Fax No.: 804 984-5430

FORM PSC/CMU 8 (11/95)
Required by Commission Rule Nos. 25-24.805, 25-24.810, and 25-24.815
982164v1

Exhibit A

Applicant's Application for Authority to Transact Business in Florida

APPLICATION BY FOREIGN CORPORATION FOR AUTHORIZATION TO TRANSACT BUSINESS IN FLORIDA

IN COMPLIANCE WITH SECTION 607.1503, FLORIDA STATUTES, THE FOLLOWING IS SUBMITTED TO REGISTER A FOREIGN CORPORATION TO TRANSACT BUSINESS IN THE STATE OF FLORIDA.

1. Broadslate Networks of Florida, Inc.
(Name of corporation; must include the word "INCORPORATED", "COMPANY", "CORPORATION" or words or abbreviations of like import in language as will clearly indicate that it is a corporation instead of a natural person or partnership if not so contained in the name at present.)

2. Delaware
(State or country under the law of which it is incorporated)

3. N/A
(FEI number, if applicable)

4. November 12, 1999
(Date of incorporation)

5. perpetual
(Duration: Year corp. will cease to exist or "perpetual")

6. N/A
(Date first transacted business in Florida.) (SEE SECTIONS 607.1501, 607.1502 and 817.155, F.S.)

7. 585 Loblolly Lane
Charlottesville, VA 22903
(Current mailing address)

8. any lawful business
(Purpose(s) of corporation authorized in home state or country to be carried out in state of Florida)

9. **Name and street address of Florida registered agent:** (P.O. Box or Mail Drop Box NOT acceptable)

Name: Corporation Service Company

Office Address: 1201 Hays Street
Tallahassee, Florida, 32301
(Zip code)

10. **Registered agent's acceptance:**

Having been named as registered agent and to accept service of process for the above stated corporation at the place designated in this application, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

(Registered agent's signature)

11. Attached is a certificate of existence duly authenticated, not more than 90 days prior to delivery of this application to the Department of State, by the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which it is incorporated.

12. Names and addresses of officers and/or directors: (Street address ONLY - P.O. Box NOT acceptable)

Exhibit B

Financial Capability

BROADSLATE NETWORKS, INC.
Balance Sheet
September 30, 1999
(Unaudited)

ASSETS	
Cash and cash equivalents	$ 1,005,000
Total assets	$ 1,005,000
LIABILITIES	
Notes payable – Columbia Capital	$ 1,000,000
Total Liabilities	1,000,000
SHAREHOLDERS' EQUITY	
Paid in Capital	5,000
Total shareholders' equity	5,000
Total liabilities and shareholders' equity	$ 1,005,000

COLUMBIA CAPITAL

November 17, 1999

Mr. Earle A. MacKenzie, President
Broadslate Networks, Inc.
585 Loblolly Lane
Charlottesville, Virginia 22903

Re: Financial Investment

Dear Mr. MacKenzie:

We have advanced $1,000,000 to Broadslate Networks, Inc. ("Broadslate") to bridge Broadslate's initial equity financing scheduled to close on or before December 15, 1999. This advance has been made to provide initial working capital for Broadslate. Columbia Capital is particularly interested in assisting in Broadslate's pursuit of the required regulatory certifications from applicable state public service commissions.

We at Columbia Capital are most impressed with your and Mr. Walter Zirkle's exceptional technical, managerial and financial backgrounds within the telecommunications industry, and we believe that, in Broadslate, you have a wonderful opportunity to create a very successful endeavor.

We are committed to continue to support Broadslate's efforts based on the finalization of Broadslate's business plan and the approval of such plan by Columbia Capital's Board of Directors. Specifically, it is our intention to provide substantial capital for Broadslate's construction of a facilities-based network to provide telecommunications services.

As you know Columbia Capital has actively and successfully invested capital in the telecommunications industry for ten years. During this time, Columbia has achieved consistently high annual internal rates of return on these investments. Since 1989, Columbia Capital has invested approximately $215 million in 36 companies and has realized $401 million.

We look forward to continuing our relationship with Broadslate. Enclosed herewith is a Private Placement Memorandum that further discusses Columbia Capital's exceptional track record in funding telecommunications companies.

Very truly yours,

Donald A. Doering

Donald Doering
Chief Financial Officer

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

COLUMBIA CAPITAL

COLUMBIA CAPITAL EQUITY PARTNERS II, L.P.

BT Alex. Brown

ART
Advanced Radio Telecom℠

ALTIGA
NETWORKS

CCT
BOATPHONE™

CGC
CAPITAL CELLULAR
CORPORATION

CORSAIR
COMMUNICATIONS

CTI
Call Technologies, Inc.

Digital Television
SERVICES

NEXTEL®

COLUMBIA SPECTRUM
MANAGEMENT

SAVILLE
SYSTEMS

SPACEWORKS

nmp

STERLING CELLULAR

TAQUA
SYSTEMS

TELULAR

Torrent
Networking Technologies
Corporation

WNP COMMUNICATIONS, INC.

XEMOD

Copy Nr.: BB84

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "PPM") IS BEING DELIVERED ON BEHALF OF COLUMBIA CAPITAL EQUITY PARTNERS II, L.P. (THE "FUND" OR THE "PARTNERSHIP"), BY BT ALEX. BROWN INCORPORATED AND BT ALEX. BROWN INTERNATIONAL (COLLECTIVELY, "BT ALEX. BROWN" OR THE "PLACEMENT AGENT"). BT ALEX. BROWN INTERNATIONAL IS A DIVISION OF BANKERS TRUST INTERNATIONAL PLC ("BTI"). BTI IS REGULATED FOR U.K. INVESTMENT BUSINESS BY THE U.K. SECURITIES AND FUTURES AUTHORITY FOR THE PURPOSES OF THE U.K. FINANCIAL SERVICES ACT 1986.

THE PARTNERSHIP INTERESTS (THE "INTERESTS") OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY THE SECURITIES REGULATORY AUTHORITY OF ANY U.S. STATE, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE PPM, NOR IS IT INTENDED THAT THE SEC OR ANY SUCH AUTHORITY WILL DO SO. THE INTERESTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). IT IS ANTICIPATED THAT THE OFFERING AND SALE OF THE INTERESTS IN THE UNITED STATES WILL BE EXEMPT FROM REGISTRATION PURSUANT TO SECTION 4(2) AND REGULATION D PROMULGATED UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC MARKET FOR THE INTERESTS. EACH PURCHASER WILL BE REQUIRED TO REPRESENT, AMONG OTHER THINGS, THAT IT IS ACQUIRING THE INTERESTS PURCHASED BY IT FOR INVESTMENT AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION. THE INTERESTS MAY NOT BE RESOLD EXCEPT UNDER LIMITED CIRCUMSTANCES IN COMPLIANCE WITH APPLICABLE LAWS AND OTHER RESTRICTIONS DESCRIBED HEREIN. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 (THE "INVESTMENT COMPANY ACT").

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OR GIVE ANY INFORMATION WITH RESPECT TO THE INTERESTS EXCEPT THE INFORMATION CONTAINED IN THIS PPM, AND ANY REPRESENTATION OR INFORMATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND OR ANY OF ITS PARTNERS OR AFFILIATES. THIS PPM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE INTERESTS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THIS PPM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PROSPECTUS OR ADVERTISEMENT, AND THE OFFERING CONTEMPLATED IN THIS PPM IS NOT, AND UNDER NO CIRCUMSTANCES IS IT TO BE CONSTRUED AS, A PUBLIC OFFERING OF THE INTERESTS. THIS PPM IS FOR THE CONFIDENTIAL USE OF ONLY THOSE PERSONS TO WHOM IT IS TRANSMITTED IN CONNECTION WITH THIS OFFERING. BY THEIR ACCEPTANCE HEREOF, RECIPIENTS HEREOF AGREE NOT TO TRANSMIT, REPRODUCE OR MAKE AVAILABLE TO ANYONE THIS PPM, INCLUDING ANY INFORMATION CONTAINED HEREIN, OR TO USE IT FOR ANY PURPOSE OTHER THAN THIS OFFERING.

EACH PERSON WHO HAS RECEIVED A COPY OF THIS PPM (WHETHER OR NOT SUCH PERSON PURCHASES ANY INTERESTS) IS DEEMED TO HAVE AGREED (I) NOT TO REPRODUCE OR DISTRIBUTE THIS PPM, IN WHOLE OR IN PART, (II) IF SUCH PERSON HAS NOT PURCHASED INTERESTS, TO RETURN THE PPM TO THE PLACEMENT AGENT UPON ITS REQUEST, (III) NOT TO DISCLOSE ANY INFORMATION CONTAINED IN THE PPM EXCEPT TO THE EXTENT THAT SUCH INFORMATION WAS (A) PREVIOUSLY KNOWN BY SUCH PERSON THROUGH A SOURCE (OTHER THAN THE FUND) NOT BOUND BY ANY OBLIGATION TO KEEP CONFIDENTIAL SUCH INFORMATION, (B) IN THE PUBLIC DOMAIN THROUGH NO FAULT OF SUCH PERSON, OR (C) LATER LAWFULLY OBTAINED BY SUCH PERSON FROM SOURCES (OTHER THAN THE FUND) NOT BOUND BY ANY OBLIGATION TO KEEP SUCH INFORMATION CONFIDENTIAL, AND (IV) TO BE RESPONSIBLE FOR ANY DISCLOSURE OF THE PPM, OR THE INFORMATION CONTAINED HEREIN, BY SUCH PERSON OR ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES. PROSPECTIVE

INVESTORS ARE URGED TO REQUEST ANY ADDITIONAL INFORMATION THEY MAY CONSIDER NECESSARY OR DESIRABLE IN MAKING AN INFORMED INVESTMENT DECISION. EACH PROSPECTIVE PURCHASER IS INVITED, PRIOR TO THE CONSUMMATION OF A SALE OF ANY INTERESTS TO SUCH PURCHASER, TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM, COLUMBIA CAPITAL EQUITY PARTNERS, LLC, A DELAWARE LIMITED LIABILITY COMPANY (THE "GENERAL PARTNER") CONCERNING THE FUND AND THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION TO THE EXTENT THE GENERAL PARTNER POSSESSES THE SAME OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE, IN ORDER TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THE PPM OR OTHERWISE.

ANY PROJECTIONS OR OTHER ESTIMATES IN THIS PPM, INCLUDING ESTIMATES OF RETURNS OR PERFORMANCE, ARE FORWARD-LOOKING STATEMENTS AND ARE BASED UPON CERTAIN ASSUMPTIONS. OTHER EVENTS WHICH WERE NOT TAKEN INTO ACCOUNT MAY OCCUR AND MAY SIGNIFICANTLY AFFECT THE ANALYSIS. ANY ASSUMPTIONS SHOULD NOT BE CONSTRUED TO BE INDICATIVE OF THE ACTUAL EVENTS WHICH WILL OCCUR. ACTUAL EVENTS ARE DIFFICULT TO PREDICT AND MAY DEPEND UPON FACTORS THAT ARE BEYOND THE FUND'S CONTROL. CERTAIN ASSUMPTIONS HAVE BEEN MADE TO SIMPLIFY THE PRESENTATION AND, ACCORDINGLY, ACTUAL RESULTS MAY DIFFER, PERHAPS MATERIALLY, FROM THOSE PRESENTED. SOME IMPORTANT FACTORS WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN ANY FORWARD-LOOKING STATEMENTS INCLUDE, AMONG OTHERS, THE FOLLOWING: FOREIGN EXCHANGE DEVELOPMENTS AND FINANCIAL, MARKET, ECONOMIC OR LEGAL CONDITIONS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT ESTIMATED RETURNS OR PROJECTIONS CAN BE REALIZED OR THAT ACTUAL RETURNS OR RESULTS WILL NOT BE MATERIALLY LOWER THAN THOSE ESTIMATED HEREIN. SUCH ESTIMATED RETURNS AND PROJECTIONS SHOULD BE VIEWED AS HYPOTHETICAL AND DO NOT REPRESENT THE ACTUAL RETURNS THAT MAY BE ACHIEVED BY AN INVESTOR. INVESTORS SHOULD CONDUCT THEIR OWN ANALYSIS, USING SUCH ASSUMPTIONS AS THEY DEEM APPROPRIATE, AND SHOULD FULLY CONSIDER OTHER AVAILABLE INFORMATION.

PROSPECTIVE INVESTORS ARE CAUTIONED NOT TO RELY ON THE RETURNS SET FORTH HEREIN IN MAKING A DECISION WHETHER OR NOT TO PURCHASE THE INTERESTS OFFERED HEREBY. THE RETURN INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED OR VERIFIED BY ANY INDEPENDENT PARTY AND SHOULD NOT BE CONSIDERED REPRESENTATIVE OF THE RETURNS THAT MAY BE RECEIVED BY AN INVESTOR. CERTAIN FACTORS EXIST THAT MAY AFFECT COMPARABILITY INCLUDING, AMONG OTHERS, THE DEDUCTION OF FEES AND EXPENSES AND THE PAYMENT OF A CARRIED INTEREST (WHICH MAY BE DIFFERENT FOR THE FUND).

COPIES OF THE SUBSCRIPTION AGREEMENT, THE FUND'S PARTNERSHIP AGREEMENT AND OTHER RELEVANT DOCUMENTS WILL BE PROVIDED TO PROSPECTIVE PURCHASERS UPON REQUEST. THESE DOCUMENTS CONTAIN IMPORTANT AGREEMENTS AND OTHER TERMS RELATING TO THE FUND AND THE OFFERING OF THE INTERESTS. CERTAIN OF THE TERMS OF THE SUBSCRIPTION AGREEMENT, THE PARTNERSHIP AGREEMENT AND OTHER RELATED DOCUMENTS ARE DESCRIBED IN SUMMARY HEREIN. THESE DESCRIPTIONS DO NOT PURPORT TO BE COMPLETE AND EACH SUMMARY DESCRIPTION IS SUBJECT TO, AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO, THE ACTUAL TEXT OF THE RELEVANT DOCUMENT.

CERTAIN INFORMATION IN THIS PPM HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE ALTHOUGH NEITHER THE FUND NOR THE PLACEMENT AGENT GUARANTEES ITS ACCURACY, COMPLETENESS OR FAIRNESS. OPINIONS AND ESTIMATES MAY BE CHANGED WITHOUT NOTICE.

PLEASE NOTE THAT THE LEVELS AND BASES OF TAXATION CAN CHANGE. YOUR INVESTMENT WILL BE DENOMINATED IN U.S. DOLLARS ($) AND, THEREFORE, WILL BE SUBJECT TO ANY

FLUCTUATION IN THE RATE OF EXCHANGE BETWEEN U.S. DOLLARS ($) AND THE CURRENCY OF YOUR OWN JURISDICTION. SUCH FLUCTUATIONS MAY HAVE AN ADVERSE EFFECT ON THE VALUE, PRICE OR INCOME OF YOUR INVESTMENT.

THE FUND IS OFFERING INTERESTS TO INVESTORS THAT ARE NOT "U.S. PERSONS" AS DEFINED IN RULE 902 OF THE SECURITIES ACT. THE FUND ALSO IS OFFERING INTERESTS, IN CERTAIN LIMITED INSTANCES, TO TAX EXEMPT U.S. PERSONS THAT ARE "QUALIFIED PURCHASERS" AS DEFINED UNDER THE INVESTMENT COMPANY ACT, "QUALIFIED ELIGIBLE PARTICIPANTS" AS DEFINED IN RULE 4.7 UNDER THE COMMODITY EXCHANGE ACT OF 1974, AS AMENDED, AND "ACCREDITED INVESTORS" AS DEFINED IN THE SECURITIES ACT, IN EACH CASE RESIDING IN OR DOING BUSINESS IN THE UNITED STATES.

THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), IMPOSES CERTAIN LIMITATIONS ON THE INVESTMENT BY CERTAIN PENSION AND OTHER EMPLOYEE BENEFIT PLANS IN INVESTMENTS SUCH AS THE FUND. THEREFORE, ANY PENSION OR OTHER EMPLOYEE BENEFIT PLAN CONSIDERING AN INVESTMENT IN THE FUND SHOULD CONSULT ITS OWN COUNSEL AS TO THE LEGAL EFFECTS OF SUCH INVESTMENT. SEE "CERTAIN TAX, ERISA AND LEGAL MATTERS."

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NOTICE TO RESIDENTS OF GERMANY

THE INTERESTS MAY ONLY BE ACQUIRED IN ACCORDANCE WITH THE GERMAN WERTPAPIERVERKAUFS-PROSPEKTGESETZ (SECURITIES SELLING PROSPECTUS ACT) AND THE AUSLANDSINVESTMENTGESETZ (ACT ON THE FOREIGN INVESTMENT FUNDS). THE INTERESTS ARE NOT REGISTERED OR AUTHORISED FOR DISTRIBUTION UNDER THE ACT ON FOREIGN INVESTMENT FUNDS AND ACCORDINGLY MAY NOT BE, AND ARE NOT BEING, OFFERED OR ADVERTISED PUBLICLY OR OFFERED SIMILARLY UNDER §1 ACT ON FOREIGN INVESTMENT FUNDS OR SECURITIES SELLING PROSPECTUS ACT. THEREFORE THIS OFFER IS ONLY BEING MADE TO RECIPIENTS TO WHOM THIS PPM IS PERSONALLY ADDRESSED AND DOES NOT CONSTITUTE AN OFFER OR ADVERTISEMENT TO THE PUBLIC. THE INTERESTS CAN ONLY BE ACQUIRED FOR A MINIMUM PURCHASE PRICE OF AT LEAST $5,000,000 EXCLUDING COMMISSION AND OTHER FEES PER PERSON.

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Table of Contents

I. EXECUTIVE SUMMARY

The Fund

Columbia Capital Equity Partners II, L.P. (the "Partnership" or the "Fund"), a Delaware limited partnership, has been formed to make private equity investments in companies in the communications and information technology ("CIT") industries. The Managing Directors of the Fund will be the eight Managing Directors of Columbia Capital Corporation ("Columbia"), a leading investment firm specializing in the CIT industries, who will be committed to the Fund's success. The Fund's general partner will be Columbia Capital Equity Partners, LLC (the "General Partner"), a limited liability company owned by members of the Management Team (defined in the following paragraph).

The Fund will be actively managed by Columbia's current private equity team comprised of Columbia's eight Managing Directors and seven additional private equity professionals (the "Management Team"). The Fund will invest in companies in all stages of development, including early-stage opportunities, later-stage companies seeking growth capital, privately negotiated buyouts, and private investments in public entities. The Fund is seeking $300 million in aggregate limited partner capital commitments. The Management Team will commit to invest an aggregate of at least $15 million in, or alongside, the Partnership.

Historical Investment Performance

Number of Investments	Number of Realizations	Amount Invested by Columbia	Realized Value	Unrealized Value	Annual IRR	Times Investment Return
23	10	$112 million	$401 million	$79 million	194%	4.3x

Columbia has actively invested the firm's capital in CIT businesses for ten years. During this time, Columbia has achieved consistently high annual internal rates of return ("IRRs") on these investments. Since 1989, Columbia has invested approximately $112 million in 23 companies and realized $401 million. As of August 31, 1998, the aggregate value of these investments, on a realized, partially realized and unrealized basis, generated a gross annual IRR of 194%.

Market Opportunity

The Management Team believes that major changes occurring in today's global economy create a tremendous opportunity for experienced and knowledgeable CIT investors to identify attractive investments. The Management Team believes that the changes generating these CIT investment opportunities can be characterized by four key themes:

- transition to the "information economy";
- growth of the Internet and increasing demand for bandwidth;
- U.S. and international deregulation of communications markets; and
- continued rapid development and decreasing costs of technologies.

Given these underlying trends and Columbia's CIT industry experience, the Management Team believes that the Fund is well positioned to capitalize on a range of excellent investment opportunities including:

- next generation competitive carriers;
- enabling technologies;
- wireless services and technologies;
- information technology services; and
- enterprise applications.

Fund Highlights

- Experienced Team. The Partnership will field a highly talented, diverse, and cohesive team of 15 investment professionals with more than 145 years of CIT industry experience. Columbia has invested private equity in the CIT industries for ten years, and the Managing Directors have worked together for up to fourteen years. The Partnership's broad and experienced team has a substantial network of industry resources and contacts, positioning it as a value added investor among CIT entrepreneurs.

- Exceptional Track Record. Columbia has generated a gross annual IRR of 194% over ten years on its portfolio of 23 CIT investments. This exceptional return represents a 4.3x multiple on approximately $112 million of invested capital across a broad range of CIT industry segments.

- Proactive and Proprietary Deal Flow Generation. Over a third of Columbia's investments have been generated internally where Columbia defined the concept and then built the management team and company around the investment idea. To date, only one of Columbia's 23 investments has been sourced through an agent.

- Active Involvement With Investments. With their collective experience and industry knowledge, Columbia's professionals typically are involved in mapping the strategic direction of portfolio companies, building the management teams and leveraging a wide variety of relationships to access key industry contacts and capital markets advice and financing. Columbia has taken 32 seats on the boards of 19 portfolio companies.

- Flexible Investment Parameters. The broad range of experience of the Management Team will allow the Fund to invest across the entire range of CIT industry segments in companies at all stages of development, including: early-stage opportunities; later-stage companies seeking growth capital; privately negotiated management buyouts; and private investments in public entities.

- Geographic Advantage. The greater Washington, D.C. area is quickly developing into one of the U.S.'s strongest regions for CIT-based industries. The Management Team believes that the Fund will be the most significant base of capital with headquarters in the area devoted solely to CIT investments and is thus poised to take advantage of emerging CIT opportunities.

- Industry Leadership. Columbia's excellent reputation in the CIT industries has allowed the firm to attract proprietary deal flow, premier management teams and a following of value-added investors. Columbia has acted as the lead investor in 19 out of the firm's 23 investments. In total, approximately $568 million in private equity capital has been committed to the 19 investments led by Columbia. Co-investors in these transactions include more than 30 sophisticated CIT private equity investors and strategic partners.

- Substantial Capital Commitment. The Management Team is making a substantial minimum capital commitment of $15 million.

II. KEY TERMS AND CONDITIONS OF THE PARTNERSHIP

The following summary of key terms and conditions of an investment in the Partnership should be read in conjunction with the other sections of the PPM, including the section titled "Summary of Terms and Conditions of the Partnership," and is qualified in its entirety by the text of the Partnership Agreement.

The Partnership:	Columbia Capital Equity Partners II, L.P., a Delaware limited partnership.
Investment Objectives:	The principal investment objective of the Partnership is to realize significant long-term capital appreciation through private, directly negotiated investments in companies ("Portfolio Companies") in, or associated with, the communications and information technology industries.
Target Size:	$300 million of limited partner commitments.
General Partner:	Columbia Capital Equity Partners, LLC, a Delaware limited liability company owned by members of the Management Team.
Manager:	Columbia Capital LLC, a Delaware limited liability company owned by members of the Management Team.
Minimum Commitment:	The minimum capital commitment for a limited partner of the Partnership (a "Limited Partner") will be $5 million.
Commitments by Management Team:	The Management Team will commit to invest an aggregate of at least $15 million in, or alongside, the Partnership. The Management Team's coinvestment commitment may be increased (but not decreased) on an annual basis up to an amount representing a maximum of 10% of the unfunded portion of the Limited Partners' and the Management Team's total Fund commitments, so long as the amount of such additional coinvestment commitment is determined prior to the beginning of any calendar year and held constant for the Portfolio Company investments made during such calendar year and thereafter.
Term:	10 years with the provision to extend for up to two additional one-year periods.
Commitment Period:	Commencing on the initial closing date and expiring at the earlier of (a) the date when all of the Partnership's committed capital has been drawn by the Partnership, and (b) the 5th anniversary of the final closing date (the "Commitment Period.")

Initial and Subsequent Closings: An initial closing will be held once a sufficient minimum amount of commitments has been obtained. Subsequent closings shall occur no later than 270 days after the initial closing.

Distributions: Net proceeds from the disposition of, and dividends and interest income on, investments in portfolio companies will be distributed in the following order of priority:

(a) First, 100% to the Limited Partners and the General Partner (collectively, the "Partners") in proportion to capital commitments until the cumulative amount distributed in respect of all "realized" investments to date equals the aggregate of the following:

(i) the capital contributions attributable to all realized investments plus the amount of write-downs;
(ii) the capital contributions attributable to all Management Fees and other Partnership expenses paid to date and allocated to realized investments; and
(iii) a preferred return on amounts included in (i) and (ii) above at a simple rate of 8% per annum (the "Preferred Return");

(b) second, 100% to the General Partner until such time as the General Partner has received, in respect of its carried interest, 20% of the sum of the distributed Preferred Return and distributions made pursuant to this paragraph (b); and

(c) thereafter, 80% to all Partners in proportion to capital commitments and 20% to the General Partner in respect of its carried interest.

Management Fee: 2.25% of the Limited Partners' capital commitments through the end of the Commitment Period. After the Commitment Period, the Management Fee will equal 2.0% of Limited Partner commitments drawn for investments less distributions constituting returns of capital on such investments.

Management Fee Offset: Future Management Fees will be reduced by (a) 100% of any break-up fees from transactions not completed that are paid to the General Partner or the Manager and (b) 50% of any transaction or monitoring fees paid by Portfolio Companies to the General Partner or the Manager.

Co-Investment: When the General Partner deems it appropriate and consistent with the interests of the Partnership, it may provide Limited

Partners with co-investment opportunities, either directly or through an entity established by the General Partner (a "Coinvest Entity").

Limited Partner Advisory Committee:

A Limited Partner Advisory Committee of at least five individuals will be appointed by the General Partner. A majority of the Limited Partner Advisory Committee members must be representatives of the Limited Partners or their advisors. The Limited Partner Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with investment strategy, potential conflicts of interest, portfolio valuation and other Partnership matters. The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including investment decisions. The Partnership will reimburse each Limited Partner Advisory Committee member for reasonable out-of-pocket expenses.

III. HISTORICAL INVESTMENT PERFORMANCE

The following pages include (i) a chart setting forth details regarding Columbia's historical investment performance and (ii) summary descriptions of Columbia's portfolio companies by industry sector. Highlights of Columbia's performance include:

- ***A gross annual IRR of 194% on approximately $112 million of the firm's capital invested since 1989;***
- ***A total return of 4.3x invested capital;***
- ***Lead investor on nineteen out of its 23 investments spanning a broad range of CIT industries;***
- ***Approximately $568 million in private equity attracted to portfolio companies in Columbia-led deals; and***
- ***32 seats on the boards of nineteen portfolio companies.***

The table below sets forth details as of August 31, 1998, regarding Columbia's 23 CIT investments(1):

Initial Investment Date	Company	Investment Attributes (See Key)	Columbia Investment To Date ($000) (2)	Total Private Equity Commitment in Columbia-Led Deals ($000)	Status	Initial Distribution Date	Distributions To Date ($000) (3)	Remaining Value ($000) (4)	Annual IRR (5)	Times Investment Return (6)
12/89	Sterling Cellular, Inc.	L, B	$588	$42,600	Realized	11/94	$4,057	Closed	43.58%	6.90x
9/91	Saville Systems PLC	L, B, I	16,368	18,400	Realized	11/95	162,921	Closed	214.62	9.95
5/92	Telular Corporation	L, B, I	5,670	23,200	Realized	1/94	88,705	Closed	437.62	15.64
6/93	CCT/Boatphone, Ltd.	L, B, I	132	500	Partially Realized	12/94	157	1,750	84.23	14.46
8/93	Skywire Corporation	L, B	4,190	18,500	Unrealized	---	---	500	-76.27	0.12
1/94	Spaceworks, Inc.	L, B	19,146	18,600	Unrealized	---	---	18,406	-2.15	0.96
2/94	Go! Communications Corporation	L, B	4,456	125,700	Partially Realized	6/96	3,000	366	-21.16	0.76
6/94	Phoenix Wireless Group, Inc.	L, B, I	6,746	23,500	Unrealized	---	---	2,500	-38.92	0.37
7/94	Columbia Spectrum Management, L.P.	L, B	920	900	Partially Realized	12/95	18,176	736	257.50	20.55
5/95	VA/02 RSA Partnership	L, B	392	400	Partially Realized	6/96	143	249	0.00	1.00
6/95	Advanced Radio Telecom Corp.	L, B, I	1,343	1,300	Realized	2/98	44,976	Closed	541.40	33.50
10/95	Innovative Telecom Corporation		393	---	Unrealized	---	---	393	0.00	1.00
2/96	Digital Television Services, Inc./Pegasus	L, B,	27,350	50,400	Partially Realized	4/98	76,517	430	101.25	2.81
8/96	Torrent Networking Technologies Corp.	L, B, I	6,949	23,700	Unrealized	---	---	34,843	321.44	5.01
12/96	Corsair Communications, Inc.	I	1,030	---	Realized	4/98	2,121	Closed	71.22	2.06
4/97	Call Technologies, Inc.	I	1,532	---	Unrealized	---	---	1,739	25.29	1.14
10/97	VenInfoTel, Inc.	I	1,080	---	Unrealized	---	---	1,080	0.00	1.00
12/97	Xemod Incorporated	L, B	1,090	4,500	Unrealized	---	---	1,090	0.00	1.00
1/98	WNP Communications, Inc.	L, B	4,400	198,000	Unrealized	---	---	4,400	0.00	1.00
2/98	Taqua Systems, Inc.	L, B	1,970	5,000	Unrealized	---	---	1,970	0.00	1.00
2/98	NMP, Inc.	L, B, I	1,275	1,200	Unrealized	---	---	4,000	775.04	3.14
4/98	Altiga Networks, Inc.	L, B	2,570	6,200	Unrealized	---	---	2,570	0.00	1.00
8/98	Global Connect Partners, Inc.	L, B, I	2,400	5,000	Unrealized	---	---	2,400	0.00	1.00
		Total	$111,990	$567,600			$400,773	$79,422	194.29% (7)	4.29x (8)

Key:	L -- Columbia served as the lead or co-lead investor.	B -- Columbia has Board seat.	I -- Portfolio company has international operations or revenues derived from international sales.

(1) All investment values have been rounded to the nearest thousand except Total Private Equity Commitment in Columbia-Led Deals which has been rounded to the nearest hundred thousand.
(2) Including cash loans from Columbia and value of stock contributed. Also includes transaction expenses attributed to investment basis.
(3) Including stock distributed to Columbia (valued on date of transfer, net of appropriate discounts) and repayment of loans from Columbia (see Appendix B).
(4) Based on internal valuation or total remaining shares multiplied by the per share market value (per public exchange) at August 31, 1998 (see Appendix B).
(5) Based on the date and amount of cash outflows and inflows (excluding the tax effects) with the Remaining Value treated as an inflow on August 31, 1998. Calculated before deduction of any fees and expenses. The rate of return actually realized by an investor in the Partnership will be reduced by the General Partners' carried interest and payment of the Management Fee and other expenses of the Partnership.
(6) Distributions plus Remaining Value divided by Columbia Investment.
(7) Based on the date and amount of cash outflows and inflows (excluding the tax effects) for all entities, with Remaining Value treated as an inflow on August 31, 1998.
(8) Distributions for all entities plus Remaining Value for all entities divided by Columbia Investment for all entities.

Portfolio Company Description

SERVICES

Company	*Industry*	*Description*
Sterling Cellular, Inc.	Cellular	Constructed and managed cellular systems in rural markets.
CCT/Boatphone, Ltd.	International Cellular	Provides cellular service to the British Virgin Islands.
Skywire Corporation	Wireless Data	Provides data monitoring systems for remote devices including vending machines and delivery drop boxes.
Go!Communications Corporation	PCS	Bidding entity for C-band PCS auctions; withdrew from auction.
Columbia Spectrum Management, L.P.	Wireless Engineering Services	Provides turn-key relocation services for incumbent microwave systems in the 2GHz spectrum allocated for PCS.
VA/02 RSA Partnership	Cellular	Provides cellular service in rural Virginia markets.
Advanced Radio Telecom Corp.	Wireless ISP	Provides broadband wireless Internet and data services utilizing a nationwide portfolio of 38GHz spectrum licenses.
Digital Television Services, Inc.	Satellite Television Services	Exclusive reseller of DIRECTV satellite television services in rural markets.
VenInfoTel, Inc.	International Cable/CLEC	Provides cable television and telecommunications services in major metropolitan markets in Venezuela.
WNP Communications, Inc.	Broadband Wireless	Will provide broadband communications services in major U.S. metropolitan markets utilizing 28GHz LMDS spectrum licenses.
NMP, Inc.	IT Services	Provides Internet-based business solutions including consulting, integration and application development.
Global Connect Partners, Inc.	International Telecom. Svcs.	Provides international data and telecommunications services.

SOFTWARE

Company	*Industry*	*Description*
Saville Systems, PLC	Billing and Customer Care	Provides billing software and management information systems for the telecommunications industry.
Spaceworks, Inc.	Internet/Electronic Commerce	Provides Internet-enabled business-to-business electronic commerce software solutions and services.
Phoenix Wireless Group, Inc.	Enhanced Services	Provides enhanced services application development tools for wireless carriers.
Innovative Telecom Corporation	Prepaid Calling	Provides prepaid long distance calling card services.
Call Technologies, Inc.	OSS/Enhanced Services	Provides hardware-independent OSS and enhanced services applications for telecommunications service providers.

HARDWARE

Company	*Industry*	*Description*
Telular Corporation	Wireless Telecom. Equipment	Provides fixed wireless network interface equipment enabling standard telephone equipment to operate over wireless networks.
Torrent Networking Technologies Corp.	Data Networking Equipment	Provides next-generation Internet-class gigabit routing solutions.
Corsair Communications, Inc.	Wireless Telecom. Equipment	Provides radio frequency-based fraud prevention systems and signal analysis services for wireless carriers.
Xemod Incorporated	Wireless Telecom. Equipment	Provides radio frequency power amplifier components for mobile and fixed wireless networks.
Taqua Systems, Inc.	Telecom. Switching Equipment	Develops open, programmable switching platforms for telecommunications networks.
Altiga Networks, Inc.	Data Networking Equipment	Develops virtual private networking solutions for businesses and carriers.

IV. MARKET OPPORTUNITY, INVESTMENT STRATEGY AND PROCESS

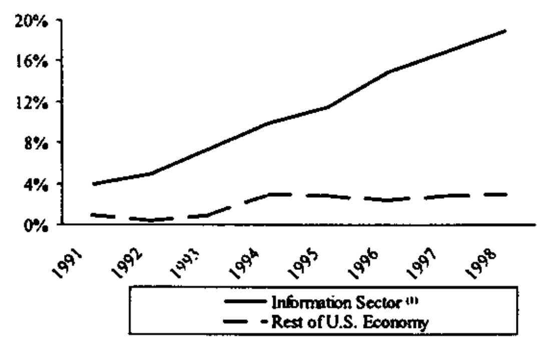
MARKET OPPORTUNITY

The Management Team believes that major changes occurring in today's global economy create a tremendous opportunity for experienced and knowledgeable communications and information technology ("CIT") investors who can identify attractive investments. The Management Team believes that the major changes generating these CIT investment opportunities can be characterized by four key themes:

Transition to the Information Economy

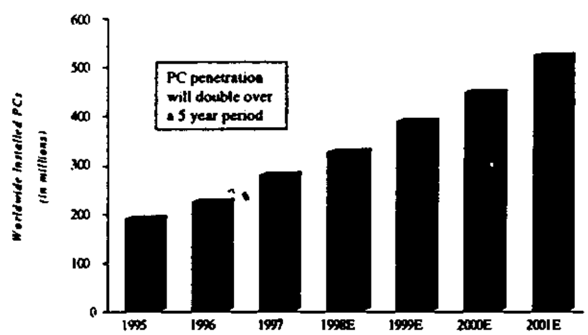
The Management Team believes that CIT progress will drive the 21st century economy. With the advent of the Internet and rapid advances in technology development. the information revolution is accelerating. The information sector is increasingly becoming the most powerful factor in boosting growth and increasing productivity. The emergence of the "information economy" is evidenced by the fact that annual growth in CIT industries far outpaces the rest of the U.S. economy (see chart below).

High-Tech Growth Soars
Annual U.S. Growth Rate Over Previous Three Years



Source: Bureau of Economic Analysis, Business Week.
(1) Information Technology, Hardware and Telephone.

Worldwide Installed PCs



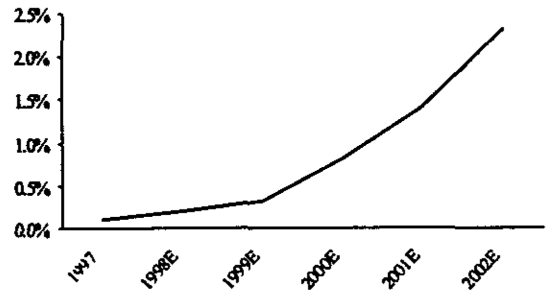
Source: MCI.

Businesses are devoting more of their investment spending to computers and information technology than ever before and reaping large productivity gains in return. According to *Business Week*, over the last four years, business spending on computers has risen by 86%, far outpacing the 40% rise in other types of investment. As illustrated above, personal computer penetration is expected to double during the five-year period from 1996 to 2001.

The Management Team believes that another fundamental driver of the global transition to an "information economy" is the rapid growth of electronic commerce. Electronic commerce fundamentally changes business models by dramatically decreasing capital costs, providing instant communications and near-zero interaction costs with customers, and creating new electronic marketplaces.

Forrester Research, Inc. estimates that, by the year 2002, Internet commerce among U.S. businesses alone will reach more than $300 billion, equal to 2.3% of U.S. gross domestic product. Analysts estimate that electronic commerce has the potential to represent 20% to 60% of all commerce in industries such as computers, software, catalogs, music, and publishing.

E-Commerce Begins to Take Hold
U.S. Business-to-Business Internet Commerce as a Percentage of GDP



Source: Forrester Research, Inc., Business Week.

Growth of the Internet and Increasing Demand for Bandwidth

The Internet is tying the world together and making communications easier and cheaper. In short, the Internet is revolutionizing the way we communicate and is significantly affecting all aspects of the CIT industries.

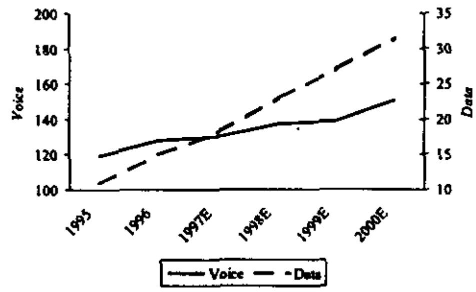
The Management Team sees two major developments occurring:

- The Internet/data market is undergoing explosive growth. In fact, according to The Yankee Group (see chart below), data revenues are growing at a rate almost five times faster than voice revenues.

- The strong growth in the data market and the ever-increasing demand for higher transmission speed and greater bandwidth are causing a fundamental shift and convergence in traditional voice and data switching technologies.

The Yankee Group estimates that wireline voice market revenues will reach $150.9 billion in year 2000, up from $118.9 billion in 1995. This represents a 4.9% compound annual growth rate. The research group also forecasts data revenues to grow to $31.4 billion in 2000, almost three times its 1995 level of $10.9 billion, this represents a compound annual growth rate of 23.6%.

Data Revenues Will Double Over the Next Three Years
($ in Billions)



Source: The Yankee Group, J.P. Morgan Securities Inc.

The strong growth in the data market is largely driven by the explosive growth of the Internet, which, in turn, fuels growth in related segments in the data market, such as networking and equipment. Although the data market is currently much smaller in size than the voice market, the data market will undergo rapid growth and should become an increasingly important component of the overall telecommunications market.

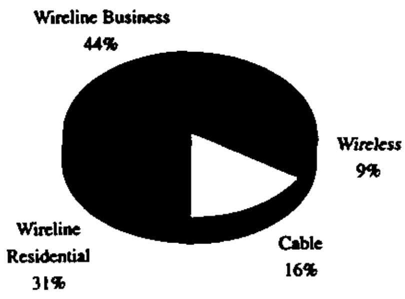
The number of Internet customers doubles every year, and traffic on the Internet is growing at a rate of 1000% annually. Currently, most Internet Service Providers ("ISPs") charge customers at a flat rate regardless of usage (i.e., the well-known $19.95 per month) for Internet access, and customer demand has skyrocketed. The Internet has already become a critical component of corporate life and penetrates a significant number of homes. The Management Team expects the influence of the Internet to continue to increase rapidly in both corporate and residential markets, aided by the recent improvements in security standards.

U.S. and International Deregulation of Communications Markets

Evolving deregulation is driving the CIT industries to a level playing field that rewards innovation, efficiency and entrepreneurship rather than historical franchise and network assets. The Telecommunications Act of 1996 (the "Act") overhauled the U.S. telecommunications regulatory structure by opening all aspects of the local market to competition. The Act ultimately is intended to break down the regulatory barriers separating local dialtone, long distance services, and cable television and promote vigorous competition in all telecommunications markets. For example, the Act will eventually permit the Regional Bell Operating Companies, which are the local telecommunication companies created by the breakup of AT&T, to compete fully against MCI, Sprint, AT&T and others in the provision of long distance services upon the satisfaction of certain statutorily mandated criteria. The Act also encourages competition by requiring incumbent local exchange carriers to provide competitors with interconnection and nondiscriminatory access to the local exchange network on more favorable terms than have been available in the past.

The U.S. communications market opportunity created by deregulation is enormous. It represents over $220 billion in revenue opportunity, including wireline services, wireless telephony, cable and data. These markets historically have been dominated by monopoly or oligopoly carriers. The business communications market alone, an area where many new competitors have focused, is a $96 billion market opportunity – 55% local services (monopolies) and 45% long distance (oligopolies).

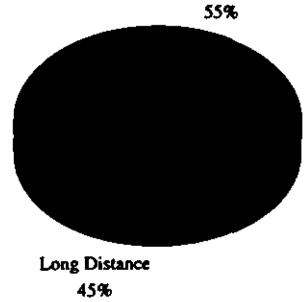
U.S. Communications Market



Total Market = $221 Billion

Source: U.S. Census Bureau, 1995.

Wireline Business Communications Market

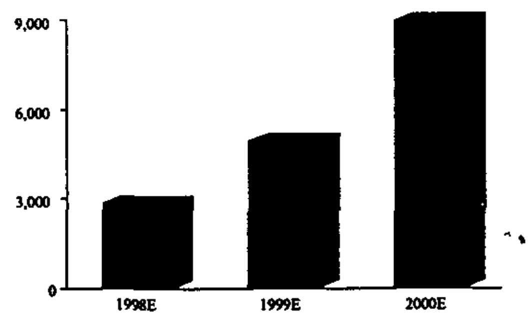


Total Market = $96 Billion

Source: U.S. Census Bureau, 1995 and Forrester Research.

Deregulation opens these markets to competition from efficient and entrepreneurial competitors such as competitive local exchange carriers ("CLEC's"), broadband wireless service providers and traditional wireless carriers. Already, competitive pressures are rising. Morgan Stanley Dean Witter estimates that competitive local exchange carriers will have nearly three million business lines in 1998. This number should grow to five million by 1999 and to nine million by 2000. Many industry analysts expect CLEC's to obtain up to a 50% market share by the end of the next decade.

CLEC Business Lines (000s)



Source: Morgan Stanley Dean Witter Research Estimates

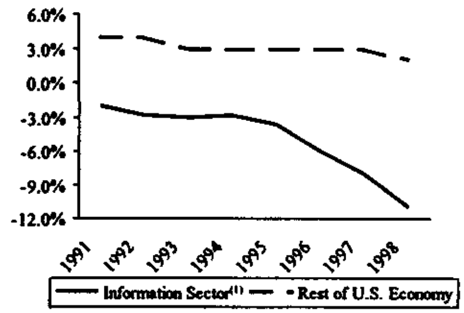
Countries outside the United States also are experiencing a telecommunications privatization and deregulation trend. International governments, recognizing the "virtuous circle" relationship between infrastructure development and prosperity, are steadily privatizing their state-owned telephone authorities. deregulating markets, allowing new competitors, licensing cellular carriers, and welcoming foreign capital. The Management Team believes that telecommunications globalization will continue well into the 21st century as developing nations rapidly expand telephone infrastructure to stimulate their economies.

Continued Rapid Development and Decreasing Costs of Technologies

Continued rapid technological advances allow for scalable, faster and more cost effective telecommunications networks, creating new opportunities and diminishing the economy-of-scale advantages enjoyed by large traditional carriers. The Management Team believes that telecom network development will parallel developments in the computer industry in the 1980's, during which smaller, faster, less-expensive PCs replaced mainframe computers, shifting the balance of power from proprietary mainframe equipment manufacturers and software vendors to emerging competitors with architectures based on open standards and distributed processing capacity.

Prices Keep Falling

Annual Change in Prices over Previous Three Years



Source: Bureau of Economic Analysis, Business Week.
(1) Information Technology, Hardware and Telephone.

The Internet and other data applications will continue to gain prominence, applying the inherent economic advantages of packet-switched over circuit-switched technology. Whereas traditional circuit-switched technology requires a full open line from caller to receiver, thereby allowing reliable, high-quality, real-time conversations, packet switching carries traffic far more efficiently by compressing the signal and sending it on a path shared by other calls. Packet switching also allows traffic to be sent across a wide array of routes, thereby avoiding network congestion on any one route.

Ten years ago in the United States, fewer than one million people subscribed to cellular service, toll free 800 numbers were scarce, and Direct Broadcast Satellite ("DBS") television services were non-existent. Today there are more than 44 million cellular subscribers, seven million toll free 800 numbers, and seven million DBS television subscribers. The Management Team expects continued explosive growth and innovation in the CIT industries during the next ten years.

INVESTMENT STRATEGY

Overview

The Fund's investment strategy is to invest in the CIT sectors that have defined and delivered Columbia's exceptional track record. The CIT sectors continue to be driven by fundamental economic and business trends that offer investors opportunities for exceptional returns. The objective of the Fund is to capitalize on these opportunities by providing capital and resources to CIT companies poised to benefit from the major industry trends at critical stages in their corporate development.

Columbia's diverse and cohesive team of 15 investment professionals has more than 145 years of CIT industry experience. This depth and experience allows Columbia to attract proprietary deal flow, premier management teams and a following of value-added investors. The Manager expects to diversify investments of the Fund among a broad range of CIT industries in portfolio companies at all stages of development, including early-stage opportunities, later-stage companies seeking growth capital, privately negotiated buyouts, and private investments in public entities.

While the mid-Atlantic region has developed into one of the nation's strongest areas for emerging CIT companies, few private equity firms have devoted significant resources and capital to the region. The Management Team believes that the Fund will be one of the most significant bases of capital devoted solely to CIT investment located in the metropolitan Washington, D.C. area. As a result, while the Fund will invest across a broad geographic area, its mid-Atlantic presence (birthplace of the Internet and home of the Federal Communications Commission and many established CIT companies) creates a fertile investment environment and helps ensure a strong position for attractive deal flow.

The Management Team will seek to increase and protect the value of the Fund's investments by negotiating fundamentally sound investment structures, by obtaining strong corporate governance protections, and by advising management regarding strategic growth initiatives and capital markets financing. In addition, the Management Team believes that its active involvement with investments whereby portfolio companies are able to access Columbia's resources, experience, and contacts is unique and has been a major factor in Columbia's success to date.

Columbia will target emerging CIT enterprises with the following characteristics:

- Experienced, capable and motivated management teams
- Superior, innovative technologies that meet a market demand or identified market opportunity
- Large market potential
- Sustainable business models
- Companies that possess competitive advantages, such as barriers to entry, strong management, first-to-market capabilities

CIT Industry Focus

The Fund is well postioned to capitalize on excellent investment opportunities in certain segments of the CIT industries which are experiencing explosive growth. Examples include:

Next-Generation Competitive Carriers

- The rising demand for bandwidth creates enormous opportunities for new carriers, which are unencumbered by legacy technologies, to take advantage of new technologies to compete effectively in large market opportunities.
- Global deregulation removes legal barriers to new market entry.
- Voice and data networks are converging into single, multipurpose networks based exclusively on next-generation technologies.
- Businesses and consumers are demanding one-stop shopping for communications services and high-quality customer service and support that has not been available from traditional service providers.

Enabling Technologies

- Rapid technological advances and pricing pressure create a unique environment for talented entrepreneurs to build next-generation network equipment.
- Operational support systems such as billing, customer care and network management are becoming increasingly strategic to service providers.
- The Internet and corporate intranets and extranets are promoting the development of new enterprise-based communications infrastructures.

Wireless Services and Technologies

- PCS and cellular services are becoming a high quality, affordable alternative to traditional wireline telephony.
- Broadband wireless technologies are becoming viable, cost effective alternatives to digging fiber.
- Outdated networks and underpenetrated international markets are driving substantially increasing global demand for wireless telephony and data services.
- Demand for next generation wireless services is creating significant opportunities for entrepreneurs in the evolution of new wireless technologies.

Outsourced Consulting and Information Technology Services

- To leverage internal IT staffs and meet the demands of dynamic shifts in information technology, carriers and enterprises are in considerable need of information technology services such as consulting, custom applications development, network systems integration and outsourcing solutions.
- Entrepreneurial companies serving unique, critical niches in the CIT industries are aggressively developing solutions to provide high-value services to carriers.

Enterprise Applications

- The Internet and rapid development of corporate intranets and extranets are driving innovations in enterprise software applications and enterprise resource planning systems.
- Bandwidth availability plus developments in electronic commerce and supply chain automation are increasing the demand for enabling software solutions which can increase the productivity and decrease operating costs for enterprises.

Balanced Investment Strategy

Columbia prides itself on recognizing unique opportunities and not by investing according to a specific formula. This flexible approach allows the Management Team to tailor an investment to meet the specific objectives of entrepreneurs, management teams, and large shareholders. A key strength of Columbia is the diverse backgrounds of the Management Team, which has helped the firm generate consistent deal flow across a broad range of CIT industries. Further, because of the varied experience of the Management Team, the Fund is able to invest in CIT companies in all stages of development, including early-stage opportunities, later-stage companies seeking growth capital, privately negotiated buyouts, and private investments in public entities.

The Management Team believes that its investment strategy will result in a balanced portfolio of investments in many different segments of CIT industries.

INVESTMENT PROCESS

The Management Team has created significant value and generated exceptional returns by following a disciplined investment process to originate, analyze, structure, monitor and exit its CIT investments.

Origination/Sourcing

The Management Team believes that Columbia's history of consistent CIT deal flow and successful origination is a competitive advantage for the Fund. Columbia's exclusive CIT focus allows it to identify opportunities and detect risks that will affect the Fund's returns. The diverse backgrounds and more than 145 years of industry experience among the Fund's professionals have created a vast network of CIT industry contacts, including investment bankers, lenders, law firms, and industry analysts/experts that position Columbia as a value added investor to CIT entrepreneurs and management teams.

In addition, Columbia's record of success has created an extensive network of private equity investors who have participated in Columbia-led deals or co-invested alongside Columbia. Private equity firms with investments in Columbia's portfolio companies include:

21st Century Communications
Advent International
Alta Communications
AT&T Ventures
BancBoston Capital
Bessemer Venture Partners
CEA Capital Partners
Cedar Grove Partners
Chase Capital Partners
Commonwealth Ventures
Crest International
Draper International
Duff, Ackerman & Goodrich
Farley West Ventures
Fidelity Capital
Fleet Equity Capital
FBR Technology Venture Fund
INVESCO
J.H. Whitney
J.P. Morgan Capital
Kleiner, Perkins, Caufield & Byers
Madison Dearborn Capital Partners
Mary Celeste Ventures
Media/Communications Partners
Newbridge Andean Partners
New Enterprise Associates
Norwest Venture Fund
Prime New Ventures
Providence Equity Partners
Shawmut National Ventures Corporation
Spectrum Equity Partners
Sprout Group
Technology Crossover Ventures
Telecom Partners
U.S. Trust Private Equity

Due to these relationships, the Management Team believes that the Fund will continue to see an abundance of superior CIT investment opportunities outside its significant internally generated deal flow. Additionally, these relationships are a source of funding from value added investors for follow-on investment rounds involving the Fund's portfolio companies.

Due Diligence

Columbia carefully manages each element of the due diligence process. Primary responsibility for each investment opportunity is assigned to a team of Columbia professionals. Teams typically consist of at least one Managing Director and one or more additional investment professionals. However, each transaction is reviewed by members of the Management Team on an on-going basis and, to stay abreast of the critical issues related to each proposed investment, through a combination of weekly meetings and frequent deal team updates.

Initially, the team conducts a preliminary evaluation of the potential investment's business and management. After reaching a consensus to proceed further, the team then undertakes an extensive examination of the company's operations, technologies and market opportunity. The Management Team draws on the combined experience and expertise of its professionals to identify and evaluate opportunities.

Due diligence involves visits to the company and meetings with its management, industry research, research on the reputation of the company and the management (including identification of any additional managerial resource requirements), and coordination with any independent consultants utilized. Once a thorough understanding of a potential investment is achieved and opportunities to enhance value are identified, Columbia typically develops a financial model. The final modeling step is a sensitivity analysis of the potential investment returns in order to determine the appropriate valuation and capital structure for the proposed transaction.

Prior to committing to an investment in a Portfolio Company, Columbia, in cooperation with the company's management, typically prepares a detailed business plan. This plan provides benchmarks against which to measure company and management performance and often to trigger subsequent investments.

With the benefit of knowledge gained through the due diligence process and the development of the operating budget and plan, Columbia determines the appropriate valuation and structure of the financing. Each Fund investment will be reviewed by members of the Management Team prior to approval by the Investment Committee. The Investment Committee will consist of five Managing Directors and will meet regularly to provide final review and approval of the structure, timing, and other elements of the potential investment. Each investment must be unanimously approved by the Investment Committee.

Monitoring

Forming an alliance with the management team of a Portfolio Company is a critical element in Columbia's operating philosophy. Columbia does not manage day-to-day operations of its portfolio companies. However, the Management Team is actively involved in the business decisions which it believes are key to generating significant value, including the strategic direction of portfolio companies, recruiting of key members of management, and capital structure planning. Although the needs of each Portfolio Company dictate Columbia's level of involvement, the Management Team is generally very active with its portfolio companies in the pre-closing period and during the first six to twelve months after its initial investment. During this time, Columbia professionals ensure that the agreed-upon strategic initiatives are being implemented aggressively.

Exit

The needs and prospects of each Portfolio Company drive the exit strategy with regard to both the timing and nature of the exit. Columbia expects that dispositions of investments will be accomplished through private sales to strategic buyers or initial public offerings. As of August 31, 1998, Columbia had ten full and partial realizations, which represent 83% of the total investment return of its portfolio.

V. THE MANAGEMENT TEAM

The Management Team consists of fifteen investment professionals. The combined CIT experience of the investment professionals is more than 145 years. The Management Team believes that this represents one of the largest groups of senior level investment professionals dedicated to CIT investment. The team's ability to work together well is evidenced by the number of years they have been together and their historical investment performance. This collection of senior investment professionals with both experience and decision making authority will enable the Fund to source, evaluate, process and manage a large number of investments. The depth, quality, and experience of the Management Team will be key factors in the Fund's success.

Name/Age	Title	Years with Columbia	Years in CIT Industries
Robert B. Blow (48)	Managing Director	10	22
James B. Fleming (36)	Managing Director	4	9
R. Philip Herget, III (35)	Managing Director	7	7
Harry F. Hopper, III (44)	Managing Director	5	11
Mark J. Kington (39)	Managing Director	8	10
David P. Mixer (46)	Managing Director	10	18
James B. Murray, Jr. (52)	Managing Director	10	20
Mark R. Warner (43)	Managing Director	10	18
Jane A. Dietze (33)	Principal	1	6
Karl N. Khoury (29)	Principal	3	7
Jay D. Markley (32)	Principal	3	5
Jeffrey H. Patterson (30)	Principal	3	8
Corey V. Holloran (25)	Associate	3	3
Matthew C. Newton (26)	Associate	3	3
George Stellies, III (36)	Venture Partner	1	1
Total			148

Robert B. Blow, *Managing Director*
Bob Blow co-founded Columbia in 1988. He has been actively involved in Skywire, Inc. (Director) and Telular Corporation (Director). Prior to joining Columbia, Mr. Blow was active in the broadcasting, cellular, and paging industries. He was a co-founder of Dynatel Communications Corporation and Capital Cellular Corporation and the Managing General Partner of Celltellco Nationwide Paging. In addition, he was a management consultant for broadcast radio stations and an application provider for applicants of early round MSA cellular licenses. Mr. Blow attended Memphis State University.

James B. Fleming, *Managing Director*
Jim Fleming joined Columbia in 1994. He has been actively involved in Phoenix Wireless Group, Advanced Radio Telecom, Digital Television Services, Veninfotel, Xemod (Director), WNP Communications (Director), Taqua Systems, Inc. (Director), and Global Connect Partners (Director). Prior to joining Columbia, Mr. Fleming served as President and Vice-President of Finance of Prime Cellular, Inc., an entity involved in the operation of rural cellular markets. He is a former member of the audit department of Price Waterhouse. Mr. Fleming received his B.A. from Stanford University.

R. Philip Herget, III, *Managing Director*
Phil Herget joined Columbia in 1992. He has been actively involved in Telular, Saville Systems, Columbia Spectrum Management, Phoenix Wireless Group (Director), SpaceWorks (Director), Torrent Networking Technologies (Director), Call Technologies, Altiga Networks (Director), and NMP, Inc. (Director). Prior to joining Columbia, Mr. Herget served in various financial management positions for Energy Service Company, Inc., Energy Insurance International, Inc., Marsh & McLennan, Inc, and Lloyd's of London broker C.T. Bowring & Co. in London, England. In 1993, he joined Telular Corporation as its Chief Financial Officer where he led the company through an initial public offering, returning to Columbia Capital in 1994. Mr. Herget received his B.A. from the University of Virginia and his M.B.A. from Kenan-Flager Business School at the University of North Carolina-Chapel Hill.

Harry F. Hopper III, *Managing Director*
Harry Hopper joined Columbia in 1994. He has been actively involved in Digital Television Services (Director) and Columbia Spectrum Management (Director). In addition, from January 1995 through August 1998, Mr. Hopper served as Managing Director in charge of The Columbia Group, Inc., Columbia's affiliate investment banking arm. Under his leadership, The Columbia Group completed over 60 telecommunications transactions valued in excess of $3 billion. Prior to joining Columbia, Mr. Hopper served as Executive Vice President of Bachtel Cellular Liquidity, LP, a $41 million cellular investment fund. Prior to Bachtel, he was a founder of Sky Broadcasting Corporation and AFSC Corporation, as well as a corporate finance and transaction lawyer for Cummings & Lockwood and Union Carbide. He is currently a Director of Pegasus Communications Corporation. Mr. Hopper received his B.A. degree (Phi Beta Kappa) from the University of California at Berkeley and a J.D. degree from Berkeley's Boalt Hall School of Law.

Mark J. Kington, *Managing Director*
Mark Kington joined Columbia in 1990. He has been actively involved in Phoenix Wireless Group (Director), Columbia Spectrum Management (Director), and Spaceworks (Director). Prior to joining Columbia, Mr. Kington served as Vice President of Communications Lending at First Union National Bank in Charlotte, North Carolina and Vice President of Investments of Malarkey-Taylor Associates in Washington, D.C. He is also a Director of Boston Communications Group, Inc. Mr. Kington received his B.S. from the University of Tennessee and his M.B.A. from the Colgate Darden School of Business at the University of Virginia.

David P. Mixer, *Managing Director*
David Mixer co-founded Columbia in 1988. He has been actively involved in Sterling Cellular (Director), Saville Systems (Director), Spaceworks (Director), Digital Television Services (Director), and Taqua Systems, Inc. (Director). Prior to joining Columbia, Mr. Mixer served as President of Providence Journal Cellular where he led the Company in the acquisition of U.S. cellular properties. In addition, he held various management positions within corporate planning for AT&T. Mr. Mixer received his B.A. from Union College and his M.B.A. from the Harvard Business School.

James B. Murray, Jr., *Managing Director*
Jim Murray co-founded Columbia in 1988. He has been actively involved in Advanced Radio Telecom (Director), Saville Systems (Director), Columbia Spectrum Management (Director), Torrent Networking Technologies (Director), and CCT/Boatphone (Director). Prior to joining Columbia, Mr. Murray was active in the cellular and paging industries, including license negotiation, venture capital, system construction and operation, and general management. He is also a Director of Merrick Tower Corporation, Community Wireless Structures, LLC and Contact Paging of Albuquerque, N.M., the largest independent paging carrier in the South West. From 1991 through 1996 by appointment of the Governor

of Virginia, Mr. Murray served on the Board of Visitors of the College of William and Mary and was elected Rector (Chairman) of that Board. Mr. Murray received his B.A. from the University of Virginia and a J.D. from the Marshall-Wythe School of Law at the College of William and Mary.

Mark R. Warner, *Managing Director*
Mark Warner co-founded Columbia in 1988. He has been actively involved in Telular (Director), Spaceworks (Director), and NMP, Inc. (Director). Prior to joining Columbia, Mr. Warner was active in the cellular and wireless communications industries. He was a co-founder of Nextel (formerly Fleet Call) and Capital Cellular Corporation. He is also a Director of George Washington University, Virginia Union University, Virginia Health Care Foundation, and the Metropolitan Washington Y.M.C.A. Mr. Warner is a former Chairman of the Democratic Party in Virginia and a former candidate for the United States Senate. Mr. Warner received his B.A. from George Washington University and J.D. from Harvard Law School.

Jane A. Dietze, *Principal*
Jane Dietze joined Columbia in 1998. She has been actively involved in Spaceworks. Prior to joining Columbia, Ms. Dietze was the Director of International Business Development at Wayfarer Communications. She was the President, Chief Executive Officer, and co-founder of TORSO, a developer of middleware tools for emerging technologies. In addition, she served as an investment officer at the International Finance Corporation ("IFC") in Albania, Macedonia, and Turkey and served as a mergers and acquisitions analyst with Goldman, Sachs & Co. in New York. Ms. Dietze received her B.A. from Princeton University and her M.A. from Johns Hopkins University.

Karl N. Khoury, *Principal*
Karl Khoury joined Columbia in 1996. He has been actively involved in Digital Television Services, CCT/Boatphone and NMP, Inc. In addition, he has been involved in the origination and execution of mergers and acquisitions, private equity and debt financings, and financial advisory services for The Columbia Group, Inc., Columbia's affiliate investment banking arm. Prior to joining Columbia, Mr. Khoury served as an Associate in the Leading Technologies Group at J.P. Morgan & Co. in New York. Mr. Khoury received his B.S. from Lehigh University.

Jay D. Markley, *Principal*
Jay Markley joined Columbia in 1996. He has been actively involved in Torrent Networking Technologies, Xemod, Altiga Networks, and WNP Communications. Prior to joining Columbia, Mr. Markley served at the Federal Communications Commission where he developed U.S. Government wireless communications and spectrum auction policy, and assisted in the implementation of the Telecommunications Act of 1996. In addition, he held positions in real estate and corporate finance for Kidder, Peabody & Co. Incorporated in both New York City and Hong Kong. Mr. Markley received his B.A. from Washington & Lee University and his M.B.A. from Harvard Business School.

Jeffrey H. Patterson, *Principal*
Jeff Patterson joined Columbia in 1996. He has been actively involved in Digital Television Services, Phoenix Wireless Group (Director), Call Technologies, Veninfotel, Taqua Systems, Inc., and Global Connect Partners. Prior to joining Columbia, Mr. Patterson served as Assistant Vice President of Bank of Boston in the Media & Communications Finance Group in Boston and in the European Cable & Telephony Finance Group in London. Mr. Patterson received his B.A. degree from Bowdoin College and his M.B.A. from the J.L. Kellogg Graduate School of Management at Northwestern University.

Corey V. Holloran, *Associate*
Corey Holloran joined Columbia in 1995. She has been actively involved in Torrent Networking Technologies, Phoenix Wireless Group, CCT/Boatphone, and SpaceWorks. Ms. Holloran received her B.S. in Business Administration from Georgetown University.

Matthew C. Newton, *Associate*
Matt Newton joined Columbia in 1996. He has been actively involved in WNP Communications, Taqua Systems, Inc., NMP, Inc., Altiga Networks, Inc., and Global Connect Partners. Prior to joining Columbia, Mr. Newton served as an analyst in the Corporate Finance Department of Dean Witter Reynolds Inc. in New York where he specialized in structuring and executing public and private equity financings. Mr. Newton received his B.S. in Business Administration from Washington and Lee University.

George Stelljes, III, *Venture Partner*
Chip Stelljes joined Columbia in 1997. Prior to that he served as Executive Vice President and Principal of Allied Capital Corporation, a publicly-traded investment company. At Allied, he also served as the portfolio manager of Allied Venture Partnership and Allied Technology Partnership, two private investment funds with $45 million in committed capital. In addition, he held positions with a venture capital subsidiary of NationsBank and Sun Trust Banks. He is a Director of Virginia Telecom Towers and the Advisory Board of Virginia Capital. He received his B.A. in Economics from Vanderbilt University and his M.B.A. from the Colgate Darden School of Business Administration at the University of Virginia.

VI. SUMMARY OF TERMS AND CONDITIONS OF THE PARTNERSHIP

The following is a summary only of material terms and conditions of the Partnership Agreement of the Fund and is not a complete description thereof. It is qualified in its entirety by the Partnership Agreement.

The Partnership:	Columbia Capital Equity Partners II, L.P., a Delaware limited partnership.
Investment Objectives:	The principal investment objective of the Partnership is to realize significant long-term capital appreciation through private, directly negotiated investments in Portfolio Companies in, or associated with, the CIT industries.
General Partner:	The general partner of the Partnership will be Columbia Capital Equity Partners, LLC, a Delaware limited liability company owned by members of the Management Team.
Manager:	The Manager will be Columbia Capital, LLC, a Delaware limited liability company owned by members of the Management Team.
Limited Partner Capital Commitments:	The Partnership is seeking an aggregate of $300 million in capital commitments from Limited Partners, although the General Partner reserves the right to form the Partnership with any amount of capital commitments. The minimum capital commitment for a Limited Partner in the Partnership will be $5 million; provided that the General Partner reserves the right to reduce the minimum capital commitment for selected investors.
Management of the Partnership:	The General Partner will manage the Partnership and will have sole discretionary authority with respect to investments. The General Partner will appoint an Investment Committee consisting of five Managing Directors to review and approve each investment opportunity. No investment will be undertaken without the unanimous approval of the Investment Committee. The Manager will manage the day to day affairs of the Partnership on behalf of the General Partner. References herein to the General Partner shall be deemed to include the Manager, as appropriate.
Investment Commitments of Management Team:	The Management Team will commit to invest an aggregate of at least $15 million in, or alongside, the Partnership. The commitment will be comprised of (a) a commitment to invest through the General Partner an amount equal to 1% of the total Fund commitments and (b) a commitment to coinvest the

balance of such commitment in each investment that the Partnership and parallel investment entities make in Portfolio Companies.

The Management Team's coinvestment commitment may be increased (but not decreased) on an annual basis up to an amount representing a maximum of 10% of the unfunded portion of the Limited Partners' and the Management Team's total Fund commitments, so long as the amount of such additional coinvestment commitment is determined prior to the beginning of any calendar year and held constant for the Portfolio Company investments made during such calendar year and thereafter.

Employee Investments:

The General Partner may, in its discretion, from time to time make available to employees of Columbia and its affiliates, other than the Managing Directors (the "Employees") opportunities to invest in Portfolio Companies. Employee investments in Portfolio Companies will be made at the same time as and upon the same terms as the Partnership's investment in such Portfolio Companies. Employee investments will not be subject to the Management Fee (as defined below) or the General Partner's carried interest. Employee investments in any Portfolio Company will not exceed 5% of the total amount invested in such Portfolio Company by the Partnership, by the Employees, by any Coinvest Entity (as defined below) and by any co-investing Limited Partners.

Commitment Period:

The Partners will be obligated to fund their commitments during the period (the "Commitment Period") commencing on the initial closing date and expiring at the earlier of (a) the date when all of the Partnership's committed capital has been drawn by the Partnership, and (b) the fifth anniversary of the final closing date; provided that the Partners will be obligated to fund any remaining portions of their commitments throughout the term of the Partnership to (i) cover expenses, liabilities and obligations of the Partnership, including Management Fees; (ii) complete investments by the Partnership in transactions which were in process as of the end of the Commitment Period; and (iii) effect follow-on investments in Portfolio Companies.

Term:

The Partnership's initial term will terminate on the tenth anniversary of the final closing date; provided that the General Partner may in its discretion extend the term of the Partnership for up to two additional one-year periods to allow for an orderly termination and liquidation of the Partnership's investments.

Initial and Subsequent Closings:

An initial closing of the Partnership will be held once the General Partner determines that a sufficient minimum amount of commitments has been obtained. Subsequent closings may occur at the discretion of the General Partner; provided that such closings shall occur no later than 270 days after the initial closing.

Each investor that becomes a Limited Partner at any closing subsequent to the initial closing will be required to make a capital contribution at admission equal to (a) all Management Fees payable in respect of such Limited Partner's commitment, retroactive to the initial closing date; (b) such Limited Partner's proportionate share of (i) organizational, offering and other expenses attributable to the formation of the Partnership, the General Partner and any related entities and to the admission of Limited Partners to the Partnership and other Partnership expenses, and (ii) the original cost of any Portfolio Company investment made at or prior to such Limited Partner's admission; and (c) interest at the prime rate on the amounts described in clauses (a) and (b) above through the date of admission. Any amounts paid under (a) above (and interest thereon paid under clause (c) above) will be paid to the Manager; the remaining amount paid to the Partnership will be distributed to the Partners that participated in prior closings ratably based on the amount and timing of their previous capital contributions.

Capital Calls; Reinvestment of Capital:

Each Partner's commitment will be payable when called by the General Partner to meet anticipated Partnership expenses and liabilities and to make investments. Any amounts returned to the Partners (a) in connection with the subsequent admission of additional Limited Partners (less any interest received with respect thereto), (b) as a return of commitments called in anticipation of an unconsummated Partnership investment, (c) as repayment of a Bridge Financing (as defined below) made by the Partnership within the preceding twelve months, or (d) as a return of invested capital on investments that are realized prior to the expiration of the Commitment Period may, in each case, be recalled and will be available for future Partnership investments; provided that the Partnership will not, over the life of the Partnership, invest more than 125% of its aggregate capital commitments in Portfolio Companies (excluding any Bridge Financing that is repaid within twelve months).

If 25% or more of the Limited Partner commitments are from employee benefit plans or other funds subject to ERISA, each Limited Partner will pay its pro rata share of each quarterly Management Fee and other Partnership expenses directly to the General Partner or the Manager, as appropriate, until the Partnership has qualified for the "venture capital operating company" exception to the Department of Labor plan asset regulations (i.e., until the Partnership has made its first qualifying investment), but for purposes of calculating when each Limited Partner has fulfilled its commitment and for purposes of calculating gains, losses, distributions and sharing ratios, all amounts so paid, as well as any corresponding amounts payable by the General Partner to fulfill its commitment, will be treated as having been paid into the Partnership as a capital contribution by each Partner.

Co-Investment: When the General Partner deems it appropriate and consistent with the interests of the Partnership, it may provide Limited Partners with co-investment opportunities, either directly or through an entity established by the General Partner (a "Coinvest Entity").

Diversification: Without the prior approval of the Limited Partner Advisory Committee, (i) the Partnership's investment in any single Portfolio Company will not exceed 25% of the Partnership's total capital commitments. (ii) the Partnership's investments in businesses based outside of North America and with principal operations outside of North America will not exceed 20% of the Partnership's total capital commitments.

Distributions: Net proceeds attributable to the disposition of investments in Portfolio Companies, together with any dividends or interest income generally (after Tax Distributions (as defined below) are made to the General Partner) will be distributed in the following order of priority:

(a) First, 100% to all Partners in proportion to capital commitments until the cumulative amount distributed in respect of all "realized" investments to date (i.e., investments sold, disposed of or written off on or before such date) equals the aggregate of the following:

(i) the capital contributions attributable to all realized investments plus the amount of write-downs, if any, with respect to each unrealized investment written down as of that time;

(ii) the capital contributions attributable to all Management Fees and other Partnership expenses paid to date and allocated to realized investments; and

(iii) a Preferred Return on amounts included in (i) and (ii) above at a simple rate of 8% per annum;

(b) second, 100% to the General Partner until such time as the General Partner has received, in respect of its carried interest, 20% of the sum of the distributed Preferred Return and distributions made pursuant to this paragraph (b); and

(c) thereafter, 80% to all Partners in proportion to capital commitments and 20% to the General Partner in respect of its carried interest.

All short-term investment income, including interest earned on a Bridge Financing during the first year after such Bridge Financing is provided, but excluding other short-term interest income received from Portfolio Companies, will be distributed 100% to the Partners in proportion to capital commitments.

The Partnership will distribute (a) all net interest and dividend income (other than original issue discount and payment in kind income) from Partnership portfolio securities and short-term investment income at least annually and (b) the full net proceeds received in cash from investment dispositions within six months of such receipt, each subject to the General Partner's right to reinvest certain amounts (as described elsewhere in this Summary) and to the availability of cash after paying Partnership expenses and setting aside appropriate reserves for reasonably anticipated liabilities and obligations of the Partnership.

Prior to the termination of the Partnership, distributions will be in cash or marketable securities. Upon termination of the Partnership, distributions may also include restricted securities or other assets of the Partnership.

The Partnership may make cash distributions to the General Partner in an amount which, taken together with other cash distributions made to the General Partner in respect of its carried interest during such period, is sufficient to pay the General Partner's income taxes on income allocated to the General Partner in respect of its carried interest ("Tax Distributions").

If the General Partner is required by applicable law to withhold tax with respect to a Partner, and to pay over such withheld amount to a taxing authority, such payment generally will be treated as if it were a distribution to such Partner.

Allocation of Income, Expenses, Gains and Losses:	Income, expenses, gains and losses of the Partnership will generally be allocated among the Partners in a manner consistent with the distribution of proceeds described in "Distributions" above.
Bridge Financing:	The Partnership may provide interim financing ("Bridge Financing") in order to facilitate a portfolio investment. A Bridge Financing recouped within one year following the date of the closing of such financing and returned to the Partners will be added to unfunded commitments and will be subject to recall by the Partnership. During such one-year period, interest on the Bridge Financing will be treated as short-term investment income. A Bridge Financing not recouped within one year will thereafter be treated as a permanent investment in the Portfolio Company.
General Partner Giveback:	Upon termination of the Partnership, the General Partner will be required to restore funds to the Partnership to the extent that it may have received cumulative distributions in respect of its carried interest in excess of amounts otherwise distributable to the General Partner pursuant to the distribution formula set forth above, calculated on a cumulative basis, but in no event will the General Partner be required to restore more than the cumulative distributions received with respect to its carried interest (less income taxes thereon).
Operating Expenses:	The Manager will be responsible for all customary overhead expenses of managing the Partnership, including compensation for its employees, rent, utilities and other administrative expenses.
Partnership Expenses:	The Partnership will be responsible for all other expenses incurred by or on behalf of the Partnership which are not reimbursed by Portfolio Companies, including legal, auditing, consulting, financing and accounting fees and expenses; expenses associated with the Partnership's financial statements, tax returns and K-1s; out-of-pocket expenses of the General Partner or the Manager for transactions not consummated; other expenses associated with the acquisition, holding and disposition of the Partnership's investments, including extraordinary expenses (such as litigation, if any); and any taxes, fees or other governmental charges levied against the Partnership. The Partners will be assessed periodically for such expenses in accordance with their capital commitments.
Organizational and Offering Expenses:	The Partnership will bear all organizational and offering expenses (including legal, travel, accounting, filing, capital-raising and other expenses) incurred in the formation of the

Partnership up to a maximum of $750,000. The Manager will bear the cost (through an offset against Management Fees or otherwise) of any placement fees payable to any placement agent in connection with the formation of the Partnership.

Management Fee:

The Manager will charge an annual management fee ("Management Fee"), payable quarterly in advance by the Limited Partners, equal to 2.25% of the Limited Partners' capital commitments through the end of the Commitment Period. After the Commitment Period, the Management Fee will equal 2.0% of (a) the Limited Partners' commitments drawn for investments less (b) distributions constituting returns of capital on such investments.

Future Management Fees will be reduced by (a) 100% of any break-up fees from transactions not completed that are paid to the General Partner or Manager, and (b) 50% of any transaction or monitoring fees paid by Portfolio Companies to the General Partner or Manager.

Withdrawal and Transfer:

Generally, Limited Partners may not withdraw from the Partnership prior to its dissolution. In addition, Limited Partners may not transfer any of their interests, rights or obligations under the Partnership Agreement except with the consent of the General Partner.

Limited Partner Advisory Committee:

A Limited Partner Advisory Committee of at least five individuals will be appointed by the General Partner. A majority of the Limited Partner Advisory Committee members must be representatives of the Limited Partners or their advisors. The Limited Partner Advisory Committee will provide such advice and counsel as is requested by the General Partner in connection with investment strategy, potential conflicts of interest, portfolio valuation and other Partnership matters. The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Partnership, including investment decisions. The Partnership will reimburse each Limited Partner Advisory Committee member for reasonable out-of-pocket expenses.

Other Funds:

Without the prior approval of a majority in interest of the Limited Partners, neither the General Partner nor any Managing Director will organize another private investment fund with the principal investment objective substantially similar to that of the Partnership (other than any entity established to effect any co-investment in Portfolio Companies otherwise permitted or required, as described elsewhere in this Summary), until the earlier of (a) the expiration of the

Commitment Period, or (b) the date on which at least 70% of the Partnership's capital commitments have been invested or used to pay Partnership or organizational expenses (the "Fund Priority Period").

Conflicts of Interest:

Without the prior approval of the Limited Partner Advisory Committee, the Partnership will not be permitted to invest in any portfolio company in which Columbia, any member of the Management Team or any of their respective affiliates has an existing investment (other than companies in which the Partnership has an existing investment); subject to Limited Partner Advisory Committee approval, the Partnership will be given the opportunity to purchase up to fifty percent of any follow-on investment opportunity made available to Columbia in any portfolio company in which Columbia has an investment as of the initial closing date. In addition, during the Fund Priority Period, (i) none of Columbia and its affiliates, the General Partner, and the members of the Management Team will offer any new investment opportunity for a company principally engaged in the communications or information technology industry (except in respect of any co-investment otherwise permitted or required, as described elsewhere in this Summary) to Columbia, any affiliate of Columbia or any investment entity managed by Columbia or an affiliate of Columbia (other than to any entity established to effect any co-investment in Portfolio Companies otherwise permitted or required under this Summary) without first offering such investment opportunity to the Partnership, and (ii) none of the Managing Directors shall, so long as they continue to be associated with Columbia or actively involved in the management of the General Partner or Manager, make any new investment in any company principally engaged in the communications and information technology industry (except in respect of any co-investment otherwise permitted or required, as described elsewhere in this Summary), when the aggregate investment opportunity made available to the Managing Directors exceeds $750,000, without first offering such investment opportunity to the Partnership.

Indemnification:

The Partnership will indemnify the General Partner and Manager and their respective managers, members, employees, controlling persons, agents, and affiliates against claims, liabilities, costs and expenses (including legal fees, judgments and amounts paid in settlement) as incurred, in connection with their activities on behalf of, or their association with, the Partnership; provided that the person seeking such indemnification has acted in good faith in what such person believed to be the best interests of the Partnership and was neither grossly negligent nor engaged in willful malfeasance.

Portfolio Valuations:	Valuations of the Partnership's securities and assets will be conducted by the General Partner (a) annually as of December 31 of each year and (b) otherwise as necessary or appropriate. In general, freely tradable securities for which market quotations are readily available will be valued at the last trade on the exchange where they are primarily traded or, if not traded on an exchange, generally at the mean of the closing bid and asked prices or sale prices last quoted by an established over-the-counter quotation price. All other securities and assets will be valued by the General Partner after considering pertinent factors and appropriate information and data; no independent appraisal will be obtained.
ERISA Investors:	The General Partner intends to cause the Partnership to qualify as a "venture capital operating company" under the Department of Labor plan asset regulations.
Tax-Exempt Investors:	The Partnership may engage in transactions that will cause tax-exempt Limited Partners to recognize "unrelated business taxable income" within the meaning of section 512 of the Internal Revenue Code ("UBTI") as a result of their investment in the Partnership; provided that the General Partner will use its reasonable best efforts to cause the Partnership to invest not more than 25% of the Partners' aggregate commitments in Partnership investments that will generate UBTI.
Foreign Investors:	The Partnership may engage in transactions that will cause foreign Limited Partners to recognize income "effectively connected with the conduct of a trade or business within the United States" within the meaning of sections 871 and 872 of the Internal Revenue Code. Each prospective foreign investor should consult its own tax and other advisors in determining the possible tax, exchange control or other consequences to it under the laws of the jurisdictions of which it is a citizen, resident or domiciliary. in which it conducts business or in which it otherwise may be subject to tax, of the purchase and ownership of interests in the Partnership.
Reports and Meetings:	Limited Partners will receive within 90 days following the end of each year annual audited financial statements of the Partnership and an annual review providing annual financial information for, and a valuation of the Partnership's investment in, each of the Portfolio Companies. Summary financial information and other information on each Portfolio Company will be provided within 45 days following the end of each of the first three quarters of each calendar year. In addition, each Limited Partner will be provided annually an IRS Schedule K-1 and such other information as may reasonably be requested by such Limited Partner as necessary for the completion of federal income tax returns.

	The Partnership will hold annual meetings, offering the Limited Partners the opportunity to review and discuss the Partnership's investment activities and portfolio. In addition, representatives of the General Partner will make themselves available to Limited Partners during the year as necessary.
Accountants:	KPMG Peat Marwick
Legal Counsel:	Kirkland & Ellis
Placement Agent:	BT Alex. Brown

VII. RISK FACTORS AND CONFLICTS OF INTEREST

In considering an investment in the Partnership, prospective investors should be aware of certain risks, which include, but are not limited to, the following:

Management by General Partner

All decisions with respect to the management of the Partnership's assets and the operation of the Partnership are made exclusively by the General Partner. Limited Partners have no right to participate in the management of the Partnership or to make any decisions with respect to the investments to be made by the Partnership. Consequently, Limited Partners must rely entirely on the General Partner with respect to the selection of investments and management of the Partnership.

Limited Operating History

The Partnership is a new entity with no operating history. There can be no assurance that investments by the Partnership will achieve returns comparable to those achieved by Columbia described herein or will achieve targeted returns.

Time and Attention of Key Personnel

The Management Team have other responsibilities outside the Fund to which the Management Team may be required to devote time and attention. The Management Team will devote such time and attention to the business of the Partnership as they, in their discretion, deem necessary to carry out the operations of the Partnership effectively.

Limited Diversification

The Partnership intends to concentrate on investments in the communications and information technology sectors, and will be less diversified for industry risk than other, more broadly focused funds. As a result of the Partnership's sector focus, the effect on the Partnership's returns of certain factors that have a greater impact upon the sectors than on other industry sectors may be more pronounced than in more broadly focused funds.

Early Stage Company Investments

The Partnership's strategy includes investing in companies in early stages of growth. Early stage companies may be more volatile due to their limited product lines, markets or financial resources, or their susceptibility to major setbacks or downturns.

The Partnership will make investments in companies engaged in the telecommunications business. Many of these companies are subject to federal and state laws and regulations governing, among other things, the operation, ownership and control of such companies. These regulations may restrict the manner in which the Partnership makes, monitors, divests and acts to protect its investment in such companies and could, under some circumstances, attribute an ownership interest in some or all of such companies to some or all of the Partnership's Limited Partners. While the Partnership Agreement will contain provisions intended to insulate the Limited Partners from such attributed ownership, no assurance can be given that the FCC or other regulatory authorities would not assert that some or all of the Limited Partners are deemed to have an ownership interest in some or all of such companies.

Lack of Liquidity of Investments

The Partnership expects to invest in securities that are illiquid and subject to resale restrictions because they were acquired from the issuer in "private placement" transactions. Dispositions of such investments may require a lengthy time period and, under some circumstances, may result in distributions in kind to the Partners.

Lack of Transferability of Partnership Interests

The Limited Partner interests will not be registered under the Securities Act and therefore are subject to restrictions on transfer thereunder. In addition, the Partnership is not obligated to redeem any Limited Partner's interest and the Partnership Agreement contains significant restrictions on the ability of Limited Partners to transfer their interests in the Partnership. No market exists for the Limited Partner's interests in the Partnership, and none is expected to develop. Consequently, a Limited Partner should not expect to liquidate its investment in the Partnership readily and must be able to bear the economic risk of its investment in the Partnership for a substantial period of time.

Allocation of Investment Opportunities

Columbia's affiliate, the Columbia Group, periodically represents individuals and institutions seeking to raise capital for, or to buy, sell or invest in, firms in the CIT industries, including firms that would be suitable for investment by the Fund. No assurances can be given that all potentially suitable investment candidates that seek advice from or retain Columbia or its affiliates will be offered to the Fund as an investment opportunity.

Subject to Limited Partner Advisory Committee approval, the Fund will be given the opportunity to purchase up to fifty percent of any follow-on investment opportunity made available to Columbia in any portfolio company in which Columbia has an investment as of the initial closing date. During the Fund Priority Period (as defined in "Summary of Terms and Conditions of the Partnership – Other Funds"), (i) none of Columbia, its affiliates, the General Partner and the members of the Management Team will offer any new investment opportunity for a company principally engaged in the communications and information technology industry to Columbia, any affiliate of Columbia, or any investment entity managed by Columbia or an affiliate of Columbia (other than in connection with certain Fund-related co-investment rights described elsewhere herein) without first offering such investment opportunity to the Fund and (ii) none of the Managing Directors shall, so long as they continue to be associated with Columbia or actively involved in the management of the General Partner or Manager, make any new investment in any company principally engaged in the communications and information technology industry (except in respect of any co-investment otherwise permitted or required, as described elsewhere in the section titled "Summary of Terms and Conditions of the Partnership"), where the aggregate investment opportunity made available to the Managing Directors exceeds $750,000, without first offering such investment opportunity to the Partnership. Following the Fund Priority Period, investment opportunities will be allocated among all potential investors (including the Fund) based upon each potential investor's primary investment objectives, applicable investment restrictions and such other factors as are deemed to be fair and appropriate under the circumstances. Without the prior approval of the Limited Partner Advisory Committee, the Fund will not be permitted to invest in any company in which Columbia, any member of the Management Team or any of their respective affiliates has an existing investment (other than follow-on investments).

The General Partner may, in its discretion, from time to time make available to Employees opportunities to invest in Portfolio Companies. See "Summary of Terms and Conditions of the Partnership – Employee Investments."

Compensation for Services

Columbia and affiliates of Columbia other than the General Partner or the Manager (the "Other Affiliates") may be engaged to provide services to the Fund or its Portfolio Companies (including in connection with the consummation or disposition of an investment in a Portfolio Company), and may, in connection with the provision of such services, be paid fees or granted discounts on its purchase of securities. Any such services to be provided by Columbia or its Other Affiliates must be provided on terms no less favorable to the Fund or the Portfolio Company than those obtainable on an arms' length basis from an unrelated party. No fees or discounts paid to Columbia or its Other Affiliates for provision of such services will be shared with the Fund or its investors.

Tax-Exempt Investors

The Partnership may engage in transactions that would generate UBTI. See "Summary of Terms and Conditions of the Partnership – Tax Exempt Investors."

Foreign Investors

The Partnership may engage in transactions that will cause foreign Limited Partners to recognize income effectively connected with the conduct of a trade or business within the United States. See "Summary of Terms and Conditions of the Partnership – Foreign Investors."

VIII. CERTAIN TAX, ERISA AND LEGAL MATTERS

Federal Income Tax Matters

The Partnership has received an opinion from Kirkland & Ellis, counsel for the Partnership, that the Partnership will be classified for federal income tax purposes as a partnership rather than as an association taxable as a corporation under currently applicable tax laws. Opinions of counsel, however, are not binding on the Internal Revenue Service ("IRS") or the courts, and no ruling has been or will be requested from the IRS. No assurance can be given that the IRS will concur with such opinions or the tax consequences set forth below.

The Partnership will not pay federal income taxes, but each Partner will be required to report its distributive share (whether or not distributed) of the income, gains, losses, deductions and credits of the Partnership (which may include the income and other tax items of any partnerships in which the Partnership invests). It is possible that the Partners could incur income tax liabilities without receiving from the Partnership sufficient distributions to defray such tax liabilities. The Partnership's taxable year will be the calendar year, or such other year as required by the Internal Revenue Code of 1986, as amended (the "Code"). Tax information will be distributed to each Partner annually.

Certain Considerations for U.S. Investors

The following discussion summarizes certain significant U.S. Federal income tax consequences to a prospective investor who (i) owns, directly or indirectly through another partnership, an interest as a Limited Partner, (ii) is, with respect to the United States, a citizen or resident individual, a domestic corporation or partnership, an estate the income of which is subject to U.S. Federal income taxation regardless of its source, or a trust for which a court in the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions, as such terms are defined for U.S. federal income tax purposes (a "U.S. Investor"), and (iii) is not tax-exempt.

Interest on any amount borrowed by a Limited Partner (other than a corporation) to purchase an interest in the Partnership will generally be "investment interest," subject to a limitation on deductibility. In general, investment interest will be deductible only to the extent of the taxpayer's "net investment income." For this purpose "net investment income" will generally include net income from the Partnership and other income from property held for investment (other than property which generates passive activity income). However, long-term capital gain is excluded from the definition of net investment income unless the taxpayer makes a special election to treat such gain as ordinary income rather than long-term capital gain. Interest that is not deductible in the year incurred because of the investment interest limitation may be carried forward and deducted in a future year in which there is sufficient investment income.

The Partnership Agreement will contain provisions intended to comply substantially with IRS regulations describing partnership allocations that will be treated as having "substantial economic effect," and hence be respected, for tax purposes. However, those regulations are extremely complex, and there can be no assurance that the allocations of income, deduction, loss, and gain for tax purposes made pursuant to the Partnership Agreement will be respected by the IRS, if reviewed. Even if the IRS were to review the Partnership allocations and determine that they do not technically comply with such regulations, such allocations would be determined "in accordance with each partner's interest in the Partnership (determined by taking into account all facts and circumstances)." The allocations under the Partnership Agreement should in most cases be substantially identical to each "partner's interest in the partnership."

Under Section 67 of the Code, a non-corporate taxpayer (including a shareholder of an S corporation) may deduct certain miscellaneous deductions (e.g., investment advisory fees, tax preparation fees, unreimbursed employee expenses, subscriptions to professional journals, etc.) only to the extent such deductions exceed, in the aggregate, 2% of the taxpayer's adjusted gross income. Each Limited Partner's share of the Management Fee and other Partnership expenses probably will be treated as miscellaneous itemized deductions. Accordingly, a Limited Partner who is an individual generally will be permitted to deduct such expenses only to the extent that the sum of such expenses plus the individual's other miscellaneous itemized deductions exceed 2% of the individual's adjusted gross income. However, corporate Limited Partners (other than S corporations) and tax-exempt organizations are not affected by the 2% floor (unless, in the case of a tax-exempt organization, it is not a corporation and has unrelated business taxable income from the Partnership). Section 68 of the Code separately imposes limitations on the deductibility of itemized deductions by an individual whose adjusted gross income exceeds a specified amount (e.g., $124,500 for unmarried individuals, or married individuals filing jointly, for 1998, adjusted annually for inflation), which may also affect the ability of any Partner who is an individual to deduct his or her share of the Management Fee and other Partnership expenses. A Limited Partner who is an individual also generally will not be permitted to deduct his or her share of the Management Fee and other Partnership expenses for purposes of calculating such individual's alternative minimum tax liability.

Non-corporate investors (and certain closely held, personal service and S corporations) are subject to the limitations on using losses from passive business activities to offset business income, salary income, and portfolio income (i.e., interest, dividends. capital gains from portfolio investments, royalties, etc.). The Partnership's distributive share of income or losses from a Portfolio Company which is a partnership or limited liability company engaged in business generally will be treated as passive activity income or losses. Accordingly, an investor will be subject to the passive activity loss limitations on the use of any such Portfolio Company losses, but any such Portfolio Company income may be offset by other passive losses (such as losses from limited partnership interests in tax shelters). Other partnership income generally will be treated as portfolio income. Therefore, an investor generally will not be able to use passive activity losses to offset such portfolio income from the Partnership.

Tax-Exempt Investors

Except as described in the following paragraph, a tax-exempt Limited Partner's distributive share of the Partnership's income should consist principally of income from dividends, interest and capital gain from corporate stock and corporate securities -- types of income which (subject to the discussion of debt-financing below) is expressly excluded from "unrelated business taxable income" within the meaning of section 512 of the Code ("UBTI").

However, the Partnership may invest in securities (including equity interests in partnerships and limited liability companies) that will generate UBTI ("UBTI Investments"). Each tax-exempt Limited Partner generally would be subject to U.S. federal income tax on its share of any UBTI earned by the Partnership (and the receipt of UBTI could give rise to additional tax liability for certain limited categories of tax-exempt investors). The General Partner will use reasonable best efforts to cause the Partnership to invest not more than 25% of the aggregate capital commitments of the Partners in UBTI Investments. If the Partnership does invest in securities expected to produce UBTI, the Partnership will offer tax-exempt pension funds the option of making their investment in the Partnership through a group trust designed to prevent the pension fund from recognizing UBTI, although the group trust would recognize UBTI. Any taxes imposed on the income and gains of such group trust with respect to its share of the Partnership's income from such securities will be the responsibility of the group trust and the pension fund(s) electing to invest through it.

If a tax-exempt Limited Partner borrows any amount to fund its capital commitment, some or all of its distributive share of income from the Partnership could be UBTI, which could be taxable to such tax-exempt Limited Partner (and which could give rise to additional tax liability for certain limited categories of tax-exempt Limited Partner). Moreover, debt incurred either by the Partnership directly or in connection with a UBTI Investment could give rise to UBTI to a tax-exempt Limited Partner. The Partnership does not intend to incur debt to purchase corporate stock or corporate securities to the extent such borrowing would cause any tax-exempt Limited Partner to recognize a significant amount of UBTI.

Management Fees otherwise payable by the Partnership will be reduced by 100% of any breakup fees and 50% of any transaction or monitoring fees paid by portfolio companies (collectively, "Portfolio Company Fees") to the General Partner or the Manager. There is a risk that the IRS might take the position that a tax-exempt Limited Partner should be treated as having received a portion of Portfolio Company Fees and, if such fees were treated as regularly received by such tax-exempt Limited Partner, the tax-exempt Limited Partner's share of such fees could be treated as UBTI.

Certain U.S. Tax Considerations for Foreign Investors

Limited Partners not otherwise subject to U.S. Federal income tax generally should not be subject to U.S. Federal income tax on gains from the sale of Investments. Dividends paid by Portfolio Companies generally will, and interest paid by Portfolio Companies and capital gains upon realization of certain Investments may, in certain circumstances, be subject to withholding taxes, including U.S. withholding taxes, but such taxes may be reduced or eliminated by treaty. If the Partnership invests in partnerships or other persons that generate income effectively connected with a U.S. trade or business, however, Limited Partners will be subject to U.S. Federal income tax, including withholding tax (and possibly the branch profits tax) on their share of such income and on their share of gain realized on the Partnership's disposition of its interest in such other partnership's (or other person's) assets attributable to such U.S. trade or business, and they will be required to file appropriate returns.

THIS MEMORANDUM DOES NOT ADDRESS ALL UNITED STATES FEDERAL TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP THAT MAY APPLY TO AN INVESTOR, AND IT DOES NOT ADDRESS ANY STATE, LOCAL OR FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT. IN ADDITION, THE ABOVE DISCUSSION IS BASED ON CURRENT PROVISIONS OF THE CODE, TREASURY REGULATIONS, ADMINISTRATIVE RULINGS AND JUDICIAL DECISIONS, AND NO ASSURANCE CAN BE GIVEN THAT FUTURE LEGISLATIVE, JUDICIAL OR ADMINISTRATIVE ACTION WILL NOT AFFECT THE ACCURACY OF ANY STATEMENT IN THIS DISCUSSION, POSSIBLY WITH RETROACTIVE EFFECT. THE TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP MAY VARY DEPENDING ON AN INVESTOR'S PARTICULAR CIRCUMSTANCES. FOR THE FOREGOING REASONS, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX COUNSEL AS TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP.

Certain ERISA Considerations

The Department of Labor ("DOL") has issued regulations under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which generally provide that when an employee benefit plan invests in an entity such as the Partnership, the plan's assets include both the limited partnership interest and an undivided interest in each of the underlying assets of the Partnership, unless (i) the equity participation in the Partnership by benefit plan investors is not "significant" (defined as 25% of any class of the Partnership equity interests), (ii) the Partnership complies with the "venture capital operating company" ("VCOC") exception, or (iii) the Partnership qualifies for another exception under the DOL plan asset regulations. If the underlying assets of the Partnership were to be considered plan assets of the ERISA plan investor, the General Partner of the Partnership would be an ERISA fiduciary and the Partnership would be subject to undesirable ERISA requirements with which the Partnership generally cannot comply.

The Partnership will not limit investment by benefit plan investors and it is therefore possible that investment by benefit investors will be "significant." However, the Partnership has been designed and is intended to be managed to comply with the VCOC exception. If it qualifies for the VCOC exception, the Partnership will not be subject to the ERISA fiduciary rules and the underlying assets of the Partnership will not be deemed "plan assets" of any ERISA plan investor. The Partnership will qualify if it (i) has direct contractual rights to substantially participate in or substantially influence the management of operating companies comprising at least 50% of its portfolio (measured by cost) and (ii) in the ordinary course of its business, actively exercises such management rights with respect to at least one of the operating companies in which it invests. An "operating company" is an entity engaged in the production or sale of a product or service, as distinguished from a reinvesting entity.

The determination as to whether the fund qualifies as a VCOC is made when the Partnership makes its first long-term investment and thereafter on an ongoing basis. The Partnership must meet the 50% test at the time it makes its first long-term investment and on at least one day during each 90-day annual valuation period (generally beginning on the anniversary of the Partnership's first long-term investment) thereafter. The Partnership also would cease to qualify if it did not in the ordinary course of its business actually exercise its management rights with respect to at least one Portfolio Company each year. Special rules will apply to any wind-up of the Partnership when it enters into it "distribution period" as defined in the DOL regulations.

Prospective Limited Partners who are subject to the provisions of ERISA (such as pension funds or certain insurance company accounts) should consult with their counsel and advisors as to the provisions of ERISA applicable to an investment in the Partnership.

Securities Act of 1933

The limited partnership interests described herein will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemptions for transactions not involving a public offering. Each investor will be required to make certain representations to the Partnership including that such investor is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act, that it is acquiring an interest in the Partnership for its own account, for investment purposes only and not with a view to its distribution, that it has received or have had access to all information it deems relevant to evaluate the merits and risks of the prospective investment, and that it has the ability to bear the economic risk of an investment in the Partnership. The limited partnership interests described herein will constitute "restricted securities" under the Securities Act and as such will be subject to certain restrictions on transferability.

Prior to making an investment, offerees and their advisors are invited to ask questions of, and obtain additional information from, the General Partner concerning the interests described herein, the terms and conditions of the offering, and any other relevant matters. Such information will be provided to the extent the General Partner possesses such information or can acquire it without unreasonable effort or expense.

Investment Company Act of 1940

The Partnership will not register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon an available exemption from registration contained in the Investment Company Act. The Partnership will obtain appropriate representations and undertakings from all purchasers of limited partnership interests to ensure that such purchasers meet the conditions of the exemption.

Appendix A. Portfolio Company Profiles

Saville Systems PLC (NASDAQ "SAVLY")

SAVILLE SYSTEMS

Business Description

Saville Systems designs, develops, and licenses proprietary billing software and management information systems for the telecommunications industry. Saville also operates data processing centers for telecommunications carriers. Saville's software solutions have been adopted by a growing list of international telecommunications companies including AT&T, GTE, Time Warner, Energis, Ameritech, USLD, Frontier Corporation, Unitel, Nextlink, and Sprint.

Value Added

Columbia initially invested in Saville in 1991. Columbia purchased equity from Bruce Saville, the company's founder, in several transactions and owned approximately 72% of the company prior to its initial public offering. At the date of the initial investment, Saville was a small (less than $5 million in revenues) closely-held company which relied primarily on consulting services and product customization for its revenues. However, Columbia recognized that the Saville platform could be used as the basis to create a state-of-the-art software billing product. Accordingly, Columbia focused the company on productizing its software and generating recurring revenue from license fees. With the assistance of Jim Murray of Columbia, the company was able to successfully implement this strategy and negotiate major licensing agreements with Sprint, Unitel and AT&T. Columbia also focused and assisted the company in attracting a qualified management team necessary to successfully implement its business strategy. A core part of this management team was acquired with the hiring of Jack Boyle from CSC Intelicom to the position of CEO and President in August 1994. Additionally, Columbia was instrumental in the company relocating to Ireland in 1993 which resulted in significant tax benefits, access to a low cost pool of talented Irish software developers and gave the company better access to many world markets.

Today Saville is one of the leading providers of software billing and management information systems in the telecommunications industry. The company's revenues and net income have increased from less than $5 million and a small loss, respectively, at the time of the initial investment to a projected $170 million and $40 million, respectively, for its current fiscal year.

Exit Strategy

The company completed its initial public offering in November 1995 and trades on the NASDAQ exchange under the symbol SAVLY. Jim Murray and Dave Mixer are members of the Board of Directors.

Total Columbia Investment:	$16,368,125
Co-Investment Amount:	$2,000,000
Co-Investors:	Shawmut National Ventures Corporation
Date of Initial Investment:	September 1991
Lead Investor:	Columbia
Key Principals:	Jim Murray, Dave Mixer, Phil Herget, Mark Warner
Board Seat:	Yes (2)
Ownership Percentage:	72%
Number of Years Held:	4.75
Remaining Value	None
Exit Vehicle:	IPO
IRR:	214.62%

Digital Television Services, Inc./Pegasus Communications (NASDAQ "PGTV")

Digital Television SERVICES

Business Description

Digital Television Services ("DTS") was formed in January 1996 by Columbia to acquire the exclusive rights to distribute DIRECTV satellite television services in rural markets. Columbia identified this consolidation opportunity through discussions during the prior year with the Chief Operating Officer of the National Rural Telecommunications Cooperative ("NRTC"). Members of the NRTC, consisting primarily of independent telephone companies and utilities, had acquired the exclusive rights to distribute DIRECTV in their home markets prior to launch of the DIRECTV service. As the satellite television industry has grown, these rural markets have proved to be the best performing markets as they are under-served or not served by cable television systems and offer fewer forms of alternative entertainment relative to urban markets.

Value Added

With Harry Hopper initially serving as interim President, Columbia funded the company during its formation and completed several add-on acquisitions. Columbia subsequently hired the former executive management team from Sterling Cellular, a multi-system cellular operator which had consolidated rural markets during the early 1990's and a former Columbia portfolio company. From January 1996 to April 1998, DTS completed 17 acquisitions covering territories representing 1.7 million households and serving 145,000 DIRECTV subscribers.

In October 1996, Columbia assisted DTS in securing a $100 million bank facility led by CIBC Wood Gundy, J.P. Morgan & Co., and Fleet National Bank. In February 1997, DTS raised a $30 million second round of equity financing at a $45 million pre-money valuation with J.H. Whitney & Company, Fleet Equity Partners, and Columbia. In July 1997, Columbia assisted DTS in completing a 144A senior subordinated note offering for $155 million underwritten by Donaldson, Lufkin & Jenrette, CIBC Wood Gundy Securities, and J.P. Morgan & Co. In total, DTS raised $305 million in its first 18 months to fund its consolidation strategy.

Exit Strategy

In November 1997, DTS agreed to merge into Pegasus Communications for approximately 5.5 million shares of PGTV stock valued at $110 million plus the assumption of $140 million of DTS debt. This merger closed in April 1998. Columbia and its Management Team currently hold approximately 20% of PGTV's outstanding shares, and Harry Hopper serves on Pegasus Communication's Board of Directors.

Total Columbia Investment:	$27,350,001
Co-Investment Amount:	$23,000,000
Co-Investors:	J.H. Whitney & Co., Fleet Equity Partners
Date of Initial Investment:	February 1996
Lead Investor:	Columbia
Key Principals:	Harry Hopper, Jeff Patterson, Karl Khoury, Jim Fleming, Dave Mixer, Jim Murray
Board Seat:	Yes
Ownership Percentage:	61%
Number of Years Held:	1.75
Remaining Value	$430,000
Exit Vehicle:	Merger
IRR:	101.25%

Telular Corporation (NASDAQ "WRLS")

TELULAR

Business Description

Telular Corporation is a leading provider of fixed wireless network interface equipment. The company's proprietary technology enables standard telephone equipment to operate over existing wireless networks for primary voice and data communications and back-up applications.

Value Added

Columbia identified the Telular investment opportunity in 1992 through its relationship with the creator of Telular's technology and the president of the company, both of whom were familiar with Columbia's expertise in the wireless industry. Columbia invested $3.1 million in Telular during 1992 and 1993 to fund further development of the product and growth of the company.

Bob Blow, David Mixer, and Phil Herget of Columbia contributed significantly to Telular's growth. In 1993, Phil Herget left Columbia to join Telular as Chief Financial Officer. The Columbia team was instrumental in assisting Telular with: (i) recruiting key management including Jim Phillips, former President of SkyTel Corporation; (ii) attracting Motorola as a strategic investor in Telular; (iii) negotiating major customer and distribution contracts; (iv) completing acquisitions of Telular technology resellers Adcor Electronics International and CodeCom necessary to consolidate core patents and licensing agreements; and (v) guiding the company through an initial public offering to raise capital to fund the company's growth.

Exit Strategy

As Chief Financial Officer, Phil Herget led Telular through its January 1994 initial public offering. Telular sold 4 million shares of common stock through underwriters Lehman Brothers Inc. and Alex. Brown & Sons Incorporated and raised $80 million. Mr. Herget returned to Columbia later in 1994. Following the IPO, Bob Blow, Mark Warner and David Mixer served on the Telular Board of Directors. Currently, Mark Warner serves on the Telular Board of Directors.

Total Columbia Investment:	$5,669,875
Co-Investment Amount:	$17,530,125
Co-Investors:	Motorola, Inc.
Date of Initial Investment:	May 1992
Lead Investor:	Columbia
Key Principals:	Bob Blow, Mark Warner, Dave Mixer, Phil Herget
Board Seat:	Yes
Ownership Percentage:	34.4%
Number of Years Held:	1.50
Remaining Value	None
Exit Vehicle:	IPO
IRR:	437.62%

WNP Communications, Inc.

WNP Communications, Inc.

Business Description

WNP Communications will provide broadband communications services in major metropolitan markets throughout the United States. The company was the largest winning bidder in the FCC's recent Local Multipoint Distribution System (LMDS) auction which concluded in March 1998. WNP's spectrum holdings, acquired for a total purchase price of $187 million, covered a population of 100 million, including 11 of the top 12 and 30 of the top 50 U.S. metropolitan markets. These holdings make WNP the largest corporate holder of wireless spectrum in the world.

Value Added

Columbia and a small group of experienced CIT private equity firms invested in the initial business plan of a participant in the FCC's LMDS auction which resulted in the formation of WNP Communications. The LMDS auction represented the FCC's largest spectrum auction to date by far with 1,300 megahertz of spectrum available in each market (as compared to 25 megahertz in each market for cellular licensees) and likely represented the last opportunity to acquire such a large amount of spectrum.

Columbia brought a unique set of skills to this opportunity. First, Columbia contributed its in-depth understanding of the broadband wireless industry developed through its experience as one of the first investors in the millimeter wave industry (38 gigahertz licenses which were subsequently merged into Advanced Radio Telecom). Second, Columbia's experience with the FCC auction process was integral to recognizing and capitalizing on this opportunity. Third, Columbia identified and invested in a group of entrepreneurs with the complement of skills and backgrounds necessary to capitalize on the opportunity. Finally, Columbia's early participation in WNP Communications helped the entrepreneurs raise almost $200 million in private equity from a group of more than 20 private investors, including many of the most successful and experienced CIT private equity investors.

Jim Fleming is one of three investor electorates to the Board of Directors of WNP Communications. Jay Markley, Jim Murray and Matt Newton also have been instrumental in the investment.

Total Columbia Investment:	$8,000,000 committed
Co-Investment Amount:	$190,000,000
Co-Investors:	More than 20 sophisticated CIT venture investors
Date of Initial Investment:	January 1998
Lead Investor:	Columbia (co-lead)
Key Principals:	Jim Fleming, Jim Murray, Jay Markley, Matt Newton
Board Seat:	Yes
Ownership Percentage:	4%
Number of Years Held:	Less than 1
Remaining Value:	$4,400,000 (amount invested to date)
Exit Vehicle:	Unrealized
IRR:	Unrealized (held at cost)

Advanced Radio Telecom Corp.
(NASDAQ "ARTT")

ART
Advanced Radio Telecom℠

Business Description

Advanced Radio Telecom is a provider of broadband wireless data networks utilizing its nationwide portfolio of 38 gigahertz spectrum licenses. The company is providing high bandwidth applications, such as Internet service to corporations, to the 97% of office buildings not served by fiber networks. The performance level of microwave radio links exceeds that of copper based networks and is comparable to fiber based networks.

Value Added

Columbia was early in identifying both the opportunity to accumulate large amounts of spectrum at 38 gigahertz and the potential business applications for such spectrum. Although Columbia received a large number of licenses in major metropolitan markets, it realized that scale was required to successfully fund and execute a business plan utilizing these licenses. Accordingly, Jim Fleming led Columbia in merging its licenses with another large 38 gigahertz licensee to create a coverage area of approximately 90 million POPs. This entity was then merged with Advanced Radio Telecom, which also had a coverage area of approximately 90 million POPs, concurrently with Advanced Radio Telecom's initial public offering, resulting in a combined coverage area in excess of 150 million POPs with significant depth of spectrum in many major metropolitan markets. Columbia's sponsorship of Advanced Radio Telecom was instrumental in the company being able to complete its initial public offering. Columbia was the largest shareholder in Advanced Radio Telecom at the time of its initial public offering.

Exit Strategy

In November 1996, Columbia merged its 38 gigahertz licenses with Advanced Radio Telecom concurrently with its initial public offering at $15 per share in exchange for 3.2 million shares of common stock. In addition, Columbia sold additional licenses to Advanced Radio Telecom in November 1997 in exchange for 1.3 million shares of common stock. Jim Murray serves on the board of directors of Advanced Radio Telecom.

Total Columbia Investment:	$1,342,567
Co-Investment Amount:	None
Co-Investors:	None
Date of Initial Investment:	June 1995
Lead Investor:	Columbia
Key Principals:	Jim Murray, Jim Fleming
Board Seat:	Yes
Ownership Percentage:	17%
Number of Years Held:	2.75
Remaining Value:	None (fully realized)
Exit Vehicle:	Merger/IPO
IRR:	541.40%

Torrent Networking Technologies Corp.

Business Description

Torrent Networking Technologies is a privately-held network equipment manufacturer based in the Washington, D.C. metropolitan area. The company is the leading developer of next-generation Internet-class routing solutions. Torrent's product family delivers powerful new service management capabilities for Internet backbones to internet service providers with dramatic improvements in price-performance over today's routers. The Torrent organization is led by a veteran group of managers and world-class engineers.

Value Added

In August 1996 Columbia led Torrent's first round of financing of $5 million. The capital was used to build out the engineering and management teams as well as complete development of the company's beta product. Columbia's co-investors in this round included Draper International India Fund and a group of individual investors led by Frank Bonsal, a founding partner of New Enterprise Associates.

During the first two years of Torrent's development, Columbia has been actively involved in assisting Torrent's management more clearly define its market strategy, manage its financial position and build out the remainder of the management team and Board of Directors. Columbia was integrally involved in hiring the Vice President of Marketing and Vice President of Sales for the Company. These individuals bring a wealth of network industry experience to Torrent that is essential to its future success. Columbia has also initiated many strategic industry contacts for Torrent which have resulted in both significant customer wins and relationships with other vendors.

Phil Herget and Jim Murray are Columbia's representatives on the Board of Directors of Torrent. Jay Markley and Corey Holloran also are active in providing guidance to the Torrent management team.

Columbia was involved in Torrent's second round of funding which closed in July 1998. This was an $18 million financing round in which co-investors included Sprout Group and INVESCO (formerly Chancellor LGT Asset Management).

Total Columbia Investment:	$6,949,397
Co-Investment Amount:	$16,750,603
Co-Investors:	Sprout, INVESCO
Date of Initial Investment:	August 1996
Lead Investor:	Columbia
Key Principals:	Phil Herget, Jim Murray, Jay Markley, Corey Hollaran
Board Seat:	Yes (2)
Ownership Percentage:	Approximately 40%
Number of Years Held:	2
Remaining Value:	$34,843,164
Exit Vehicle:	Unrealized
IRR:	321.44%

In addition to Saville Systems, Digital Television Services, Telular Corporation, WNP Communications, Advanced Radio Telecom, and Torrent Networking Technologies, Columbia has invested in the following companies (in reverse chronological order):

Global Connect Partners, Inc.
Global Connect Partners provides international data and telecommunications services. The company's distributed network deployment strategy is based upon new opportunities created by global telecommunications deregulation. Global Connect Partners provides outbound international service from the United States to more than 200 countries through its network, which comprises switches, leased transport facilities, and alternative termination agreements. The company was formed in 1997. Columbia led a first round equity financing for Global Connect Partners in August 1998 with AT&T Ventures and Cedar Grove Partners.

Altiga Networks, Inc.
Altiga Networks is a leading developer of virtual private network ("VPN") solutions for corporations. Altiga develops critical technologies to allow remote users to efficiently access private corporate networks via the public Internet. Altiga's products are designed to provide scalable and cost-efficient solutions that utilize industry standard protocols for implementing next-generation VPN access environments. Columbia initially invested in Altiga Networks in April 1998 in a first round financing with Bessemer Venture Partners and Commonwealth Capital Ventures.

NMP, Inc.
NMP is a rapidly-growing Internet and Web-based business solutions provider serving both the corporate and not-for-profit sectors. The company provides consulting, marketing and design, sophisticated applications development and integration expertise for its clients in the communications and electronic commerce marketplace. NMP is led by a team of information technology entrepreneurs with significant expertise in consulting systems integration projects. NMP received its initial investment from Columbia in March 1998.

Taqua Systems, Inc.
Taqua Systems is developing an open, programmable switching platform for deployment in telecommunications service provider networks. Taqua's proprietary architecture provides a modular switching platform that enables service providers to rapidly and efficiently scale their telecommunications networks. Taqua's digital switching platform will provide a full spectrum of service functionality from intelligent peripheral services as part of a service node to full central office switching capabilities. Columbia provided the initial funding for Taqua Systems in February 1998.

Xemod Incorporated
Xemod designs, manufactures and markets radio frequency power amplifier components for mobile and fixed wireless communications markets. Xemod's RF components provide the building blocks for amplifier and communications equipment manufacturers to rapidly design and build reliable, inexpensive linear power amplifiers with the availability of Xemod's proprietary QuikPAk chip set technology. Columbia led a first round investment in Xemod in November 1997 along with Mary Celeste Ventures and Microsemi Corporation.

VenInfoTel, Inc.
VenInfoTel is a competitive cable television and telecommunications provider in major metropolitan markets in Venezuela. VenInfoTel is currently providing digital cable services to over 125,000 subscribers and offers telecommunications services using a fiber based network installed in the top metropolitan areas of Venezuela. Columbia invested in VenInfoTel's early round financing in September 1997 with Newbridge Andean Partners and Merrill Lynch Capital Partners.

Call Technologies, Inc.
Call Technologies develops and markets hardware independent, customizable OSS and enhanced services applications for telecommunications service providers. Call Technologies' enhanced services products provide an open systems service creation environment to develop packaged applications such as voice mail, one number service, fax and universal messenger services. The company's OSS products provide end-to-end, open systems solutions for activation, verification, notification, and provisioning of POTS, Centrex, and complex communication services to telecommunications service providers. Columbia has invested in two rounds of equity financing for Call Technologies in 1997 and 1998 along with New Enterprise Associates, 21st Century Communications Partners, and FBR Technology Venture Partners.

Corsair Communications, Inc.
Corsair uses its expertise in signal analysis and distributed system design to develop technology intensive solutions for the wireless telecommunications industry. Corsair's PhonePrint, the cellular industry's most widely used RF-based fraud prevention system, is currently installed in over 30 markets, including Los Angeles, San Diego, Chicago, Milwaukee, Boston, Connecticut, New York, Philadelphia, Baltimore, Washington DC, and Mexico. Columbia participated in the later stage funding of Corsair. The company completed its initial public offering in 1997 and now trades under the symbol CAIR.

Innovative Telecom Corporation
Innovative Telecom Corporation is a full-service organization providing superior telecommunications transaction processing services. The company has created some of the nation's most complex and challenging prepaid calling card and information services applications. Innovative Telecom Corporation's inTELEcash™ network enables the delivery of value-added services across the United States and select international markets. Columbia invested in the company in 1995.

VA/02 RSA Partnership
VA/02 Partnership is the owner of Virginia RSA #2 wireline cellular license and provides cellular service in the south west region of Virginia. The market is strategically located between Johnson City, Roanoke and Lynchburg. Columbia invested in the partnership in 1995.

Columbia Spectrum Management, L.P.
Columbia Spectrum Management ("CSM") was founded in 1994 by the Management Team of Columbia to provide relocation services for incumbent microwave systems in the 2GHz band allocated for personal communications services. CSM provides turn-key relocation services including analysis of spectrum availability, engineering feasibility, cost analysis, development of relocation plans, negotiation of relocation agreements, and physical relocation. In March of 1997, Columbia negotiated the sale of CSM to P-COM, a public company which designs, manufacturers, and markets network access systems for the worldwide wireless telecommunications market. P-COM trades under the symbol PCMS.

Phoenix Wireless Group, Inc.
Phoenix Wireless Group is developing an object-oriented, transportable software platform for call control and mobility management in telecommunications networks. The architecture enables rapid feature development for powerful new enhanced services for wireless carriers, including full integration of the wireless network with enterprise PBX platforms. The company's platform is based upon technology that Phoenix Wireless Group developed and successfully deployed for wireless local loop applications in developing countries. Columbia first invested in Phoenix Wireless Group in 1994. Co-investors in subsequent rounds of equity financing for the company have included Battery Ventures, Fidelity Capital, BancBoston Ventures, and Ziff Brothers Investments.

GO! Communications Corporation
GO! Communications was organized in 1994 to secure broadband personal communications services ("PCS") licenses in the FCC's Entrepreneurs Block auction. Columbia led the formation of GO! Communications and assisted in raising equity capital of approximately $100 million from strategic and financial investors, including ALLTEL Corporation, Century Telephone, Mitsubishi, Fidelity Capital, and Nissho Iwai. Additionally, GO!

Communications received $735 million in vendor financing commitments. GO! Communications withdrew from the PCS auctions and returned its equity capital when bidding exceeded levels upon which the company believed it could build a strong business model.

SpaceWorks, Inc.
SpaceWorks develops, markets and supports a suite of business-to-business electronic commerce software applications for use on the Internet and corporate intranets and extranets. SpaceWorks' software-based solutions automate mission critical business activities related to order processing and management and link to back-end systems for real-time data access. SpaceWorks' customers and business partners include Sterling Commerce, Primus Telecommunications, Pomeroy Computer Resources, Computer Science Corporation and MR&S.

SkyWire Corporation
SkyWire provides data monitoring systems for remote devices. The SkyWire systems acquire information from remote locations such as vending machines and drop boxes, transmit the information to a central location, and analyze the information for use in logistics management. Columbia founded the company in 1993. Additional investors include J.P. Morgan & Co.. Chancellor Capital, Duff Ackerman & Goodrich, and Ademco, the world's largest supplier of wireless residential alarm equipment and a subsidiary of Pittway Corporation.

CCT/Boatphone, Ltd.
Caribbean Cellular Telephone Limited. Inc. ("CCT") was founded in 1986 to provide cellular service to the British Virgin Islands ("BVI"). The company holds an exclusive license to provide cellular service to the BVI and its territorial waters over both the "A" and "B" bands. CCT operates under the name CCT/Boatphone through an agreement with Boatphone Marketing, a member of the Cable & Wireless Communications Group. In 1994, Columbia, Falconwood Investments. Boston Communications Group, and Sage Investment Holdings purchased CCT from Ameritech Mobile Communications.

Sterling Cellular, Inc.
Sterling Cellular was founded by Columbia in 1989 to consolidate cellular properties in rural markets. The company grew its operations to include the construction and management of cellular systems in over 20 markets. Sterling Cellular was funded by Columbia and the Bronfman family. The company sold its valuable network in clusters between 1994 and 1996 during industry consolidation to McCaw, Vanguard Cellular, Palmer Cellular, and others.

Appendix B. Bases of Preparation of Historical Investment Performance and Calculation of Returns

This Appendix sets forth the valuation guidelines used to determine the total returns for the portfolio of 23 investments made by Columbia to date, including guidelines to determine the timing of deemed distributions of publicly traded securities and their value at distribution, and guidelines for valuing remaining investments in private equity securities.

Equity Securities of Private Companies:

1. Generally, investments were valued at cost, subject to the following guidelines.

2. A valuation was reduced if a company's performance and potential had significantly deteriorated as of the valuation date. With respect to portfolio companies that at the valuation date appeared likely to face bankruptcy or discontinue operations for some other reason, liquidation value was employed.

3. Valuations were adjusted for significant equity financings occurring after the Columbia investment and prior to the valuation date (a "subsequent equity financing") if that new investment included a meaningful portion of the financing by a sophisticated, unaffiliated new investor. A subsequent equity financing with investors comprising substantially the same group of investors as a prior financing did not result in an adjustment in valuation.

4. Warrants were valued at the excess of the value of the underlying security over the exercise price.

Equity Securities of Public Companies:

1. Public securities were valued generally as follows: (a) for NASDAQ and over-the-counter stocks. valued at the average of the closing price for the valuation date and the preceding two days. and (b) for NYSE stocks, valued at the average of the closing price for the valuation date and the preceding two days.

2. The timing for determining value of public securities was as follows: (a) net proceeds of shares sold as part of an initial public offering ("IPO") or when any restrictions otherwise apply were deemed to be distributed at sale; (b) restricted securities held after an IPO were deemed to be distributed upon expiration of all legal restrictions on transferability (subject to the discount described in paragraph 4 below); and (c) restricted securities that were held, and were still subject to legal restrictions on transferability, at the valuation date were deemed distributed upon receipt (subject to the discounts described in paragraphs 3 and 4 below).

3. The valuation of restricted securities in a public company was discounted generally at 10% for each year that the securities would continue to be restricted, adjusted depending upon the resale restrictions under securities laws and the particular contractual agreements.

4. When the number of shares held was substantial in relation to the average daily trading volume, the valuation was discounted by 5%.

Appendix C. Glossary of Selected Communications and Information Technology Terms

38 GHz: A broadband fixed wireless service used to provide telecommunications links on a point-to-point basis. The FCC issued fourteen 100 MHz channels in each market in the United States in the range of 38.6 GHz to 40 GHz. This is also referred to as millimeter wave radio.

Analog: A method of transmission that employs a continuous (rather than pulsed or digital) electrical signal that varies in amplitude or frequency in response to changes in sound impressed on a transducer in the sending device.

ATM (Asynchronous Transfer Mode): A modern information transfer standard that allows packetized voice and data to share a transmission circuit. ATM provides much greater efficiency than typical channelized transmission media.

Bandwidth: The range of analog frequencies or the bit rate of digital signals that can be supported by a circuit or device. The bandwidth of a particular circuit is generally determined by the medium itself (wire, fiber optic cable, etc.) and the device that transmits the signal to the transmission medium (laser, audio amplifier, etc.)

Broadband PCS (Broadband Personal Communications Services): Operate in the 1850-1890 MHz, 1930-1970 MHz, 2130-2150 MHz, and 2180-2200 MHz bands. Broadband PCS provides a variety of mobile services that compete with existing cellular services.

Broadband: A digital communications facility operating at transmission speeds in excess of 1.54 Mbps (North American T-1 rate) or 2.048Mbps (the European E-1 rate).

Cellular System: An automated high-capacity system of one or more multi-channel base stations designed to provide radio telecommunication services to mobile stations over a wide area in a spectrally efficient manner. Cellular systems employ techniques such as low transmitting power and automatic hand-off between base stations of communications in progress to enable channels to be reused at relatively short distances. Cellular systems may also employ digital techniques such as voice encoding and decoding, data compression, error correction, and time or code division multiple access in order to increase system capacity.

Channel Points of Presence (POPs): A metric used to determine the scope of the license footprint of a broadband wireless provider. The number of potential subscribers within the wireless provider's license footprint is multiplied by the number of licenses the provider has.

Competitive Access Providers ("CAP"): The precursors to CLECs (see below). CAPs provided private-line local transport and special access telecommunications services as an alternative to the local exchange carrier. CAPs operate in direct competition with LECs, but have the luxury of focusing their services on high-revenue clients in business, government, and industry. CAPs have been authorized to provide a variety of services based on authorization from the Public Utility Commission of each state in which they operate.

Competitive Local Exchange Carrier ("CLEC"): A category of telephone service provider (carrier) that offers services similar to the former monopoly local telephone company, as recently allowed by changes in telecommunications law and regulation. A CLEC may also provide other types of telecommunications services (long distance, etc.)

Digital: A method of storing, processing, and transmitting data through the use of electronic or optical pulses that represent the binary code digits, 0 and 1. Digital transmission/switching technologies employ a sequence of discrete, distinct pulses to represent information, as opposed to the continuously variable analog signal. Therefore, digital transmission/switching offer a threefold improvement in speed and capacity over analog techniques, allowing much more efficient and cost-effective transmission of voice, video, and data.

Direct Broadcast Satellite (DBS) Service: A radiocommunication service in which signals transmitted or retransmitted by space stations are intended for direct reception by the general public. In the Direct Broadcast Satellite Service the term "direct reception" shall encompass both individual reception and community reception.

Ethernet: a popular standard for local area networks. The Ethernet connects servers and clients within a building or within other proximate areas. Ethernets typically pass data at 10 million bits per second (Mbs) or 10 Mbs.

Facilities-based Carrier: A carrier that owns and operates its own facilities and networks, as opposed to a non-facilities-based carrier, which aggregates or resells another provider's service. Resellers are present in every segment of the telecommunications business, and profit by buying excess capacity of facilities-based carriers at wholesale prices and selling it to the end user at retail prices. Companies that lease capacity and provide their own switching and network management are commonly referred to as facilities-based.

Fiber-Optic Cable: Fiber-optic cable is the medium of choice for the telecommunications and CATV industries. Fiber is immune to electrical interference and environmental factors that affect copper wiring and satellite transmission. Fiber-optic technology involves sending laser light pulses across glass strands in order to transmit digital information. A strand of fiber-optic cable is as thick as a human hair yet is said to have more capacity than copper cable the size of a telephone pole.

Fiber-Optic Ring Network: Most competitive access providers have built their networks in a ring configuration in order to ensure complete redundancy. If one segment of the network is damaged or cut, the traffic is simply rerouted and sent to its destination in the opposite direction. The competitive access providers are deploying state-of-the-art technology, such as SONET, in the construction of their fiber-optic rings.

Gigahertz (GHz): A measure of spectrum equal to one billion hertz or one thousand megahertz.

HDSL: High bit rate digital subscriber line technology. This offers the ability to put two-way T-1 service (1.5Mbps) over normal unshielded twisted pair copper without repeaters. Repeaterless T-1 service allows a carrier to implement service much faster than with repeaters.

Hertz (Hz): Unit for measuring the frequency with which an electromagnetic signal cycles from trough to trough or from peak to peak. One hertz equals one cycle per second; one kilohertz (KHz) equals one thousand hertz; one megahertz (MHz) equals one million hertz.

ICP (Integrated Communications Provider): A telecommunications carrier that provides packaged or integrated services from among a broad range of categories. including local exchange service, long distance service, enhanced data service, cable TV service, and other communications services.

ILEC (Incumbent Local Exchange Carrier): The local exchange carrier that was the monopoly carrier, prior to the opening of local exchange services to competition.

ISDN (Integrated Services Digital Network): A modern telephone technology that combines voice and data switching in an efficient manner.

ISP (Internet Service Provider): A recently created category of telecommunications service providers who provide access to the Internet, normally for dial access customers, by sharing communications lines and equipment.

IXC (Interexchange Carrier): A provider of telecommunications services that extend between exchanges, or cities. Also called long-distance carrier.

Kbps: Kilobits per second, or thousands of bits per second, a unit of measure of data transmission.

LAN (Local Area Network): A connection of computing devices within a building or other small area, which may extend up to a few thousand feet. The LAN allows the data and applications connected to one computer to be available to others on the LAN. Local Area Networks operate with various standards, the most popular of which is Ethernet.

Local Loop: The physical wires which run from the subscriber's phone or PBX to the local central office.

Local Multipoint Distribution Service (LMDS): A point-to-multipoint microwave service that operates in the 27.5-29.5 GHz and 31.0-31.3 GHz bands. The technology developed for use in this new broadband service provides very high subscriber capacity for two-way video telecommunications. There is sufficient capacity in the proposed LMDS system designs to provide wireless competition to both local exchange carriers and cable television systems. In addition, based on the interest generated in LMDS by entrepreneurs in the United States, LMDS has attracted attention and support from both developed and developing countries around the world.

Mbps: Megabits per second, or millions of bits per second. a unit of measure for the transmission of data.

Megahertz (MHz): A measure of spectrum equal to one million hertz.

Metropolitan Statistical Area (MSA): A geographic area defined by the Office of Management and Budget and modified by the Federal Communications Commission. There are 306 MSAs, including New England County Metropolitan Areas and the Gulf of Mexico Service Area (water area of the Gulf of Mexico -- border is the coastline).

Multiplexing: An electronic or optical process that combines a number of lower-speed transmission lines into one high-speed line by splitting the total available bandwidth into narrower bands (frequency division) or by allotting a common channel to several different transmitting devices one at a time, in sequence (time division).

Narrowband PCS (Narrowband Personal Communications Services): Operate in the 901-902 MHz, 930-931 MHz, and 940-941 MHz bands, using a smaller portion of the spectrum than Broadband PCS. Defined by the Federal Communications Commission as a family of mobile or portable radio services that may be used to provide wireless telephony, data, advanced paging, and other services to individuals and businesses, and which may be integrated with a variety of competing networks. For example, Narrowband PCS could be used for the development of advanced paging systems, in which pagers may become equipped with a small keyboard allowing the subscriber to both retrieve and send complete messages through microwave signals (e.g., wireless E-mail). Narrowband PCS licenses will most likely be used to provide such new services as voice message paging, two-way acknowledgment paging, and other text-based services.

Personal Communications Services (PCS): A new generation of digital, two-way, microcellular, wireless communications services in the 1.8-2.2 GHz bands that will provide telephony with seamless roaming, high voice reproduction quality, and low cost to the consumer relative to analog cellular. PCS will eventually support a wide range of services, including telephony, voice mail, e-mail, data transfer, and faxing capabilities.

Point of Presence: A location where a carrier, usually an IXC, has located transmission and terminating equipment to connect its network to the networks of other carriers or to customers.

Points of Presence (POPs): Locations where a long distance carrier has installed transmission equipment in a service area that serves as, or relays calls to, a network switching center of that long distance carrier. A long distance provider will have POPs in each LEC region in order to provide comprehensive service to its customers. Also used to describe wireless POPs, which involve a proportionate number of potential customers to which a cellular-PCS or wireless carrier company has access.

POP: A measure of population covered; one person is equal to one POP.

RBOC (Regional Bell Operating Company): One of the ILECs created by the Divestiture of the local exchange business by AT&T. These include BellSouth, Bell Atlantic, Ameritech, US West, SBC, and PacTel.

Rural Service Area (RSA): A geographic area used by the Federal Communications Commission to define coverage of spectrum licenses in certain services. There are 428 RSAs, which, when combined with 306 Metropolitan Statistical Areas (MSAs), comprise the 734 cellular geographic service areas.

Specialized Mobile Radio (SMR): Services used primarily for voice communications, although systems are also being developed for data and facsimile services. Additionally, the development of a digital, rather than analog, SMR marketplace is allowing new features and services, such as two-way paging and inventory tracking, credit card authorizations, automatic vehicle location monitoring, fleet management, remote database access and voice mail. The 800 MHz SMR service, established in 1974, was designed primarily to license dispatch radio systems on a transmitter-by-transmitter basis in local markets; it is anticipated that the new geographic area-based service will provide services comparable to cellular and PCS providers. The 900 MHz SMR service was established in 1986, when the Federal Communications Commission allocated 200 channel pairs in the 896-901 MHz and 935-940 MHz bands for SMR services.

Spectrum: The range of electromagnetic radio frequencies used in the transmission of voice, data and video.

Synchronous Optical Network (SONET): SONET is the electronics and network architecture that enables transmission of voice, video, and data at very high speeds. This self-healing ring network offers advantages over an older network, in that a cut line or equipment failure can be overcome by rerouting calls within the network. If the line is cut, the traffic is simply reversed and sent to its destination on the other side of the ring.

Appendix D. Selected Communications and Information Technology Acronyms and Common Units of Measurement

Selected Acronyms

ADSL	Asymmetrical digital subscriber line
AM	Amplitude modulation
ATM	Asynchronous transfer mode
BB	Broadband
BER	Bit error ratio
CAP	Competitive access provider
CATV	Cable television
CLEC	Competitive local exchange carrier
CO	Central office
CODEC	Coder-decoder
CPC	Carrier portability code
CPE	Customer premises equipment
CPU	Central processing unit
DACs	Digital access cross connect
DAT	Digital audio tape
DBA	Database administrator
DS-0	Digital signal, level 0
DS-1	Digital signal, level 1
DS-3	Digital signal, level 3
FCC	Federal Communications Commission
FDDI	Fiber distributed data interface
FITL	Fiber in the loop
FM	Frequency modulation
FSA	Fiber to the service area
FTTC	Fiber to the curb
FTTF	Fiber to the feeder
FTTH	Fiber to the home
Gbps	Gigabits per second
GHz	Gigahertz
HCT	Home communication terminal
HDT	Host digital terminal
HDTV	High definition television
HFC	Hybrid fiber coax
IC	Integrated circuit
ILEC	Incumbent local exchange carrier
ISDIN	Integrated services digital network
IXC	Interexchange carrier
KHz	Kilohertz
LAN	Local area network
LATA	Local access and transport area
LEC	Local exchange company
Mbps	Megabits per second
MHz	Megahertz
MPEG	Motion picture expert group
MSO	Multiple system operator
NID	Network interface device
NVOD	Near video on demand
O&M	Operations and maintenance
ONU	Optical network unit
OSS	Operational support system
PBX	Private branch exchange
PCS	Personal communication services
PDA	Personal digital assistant
PMSA	Primary metropolitan statistical area
POPS	Points of Presence
POTS	Plain old telephone service
PPV	Pay per view
PTT	Post, telephone and telegraphs (Europe)
QAM	Quadrature amplitude modulation
RAM	Random access memory
RBOC	Regional Bell Operating Company
RF	Radio frequency
RFI	Request for information
RIU	Residential interface unit
SMDS	Switched multimegabit data service
SONET	Synchronous optical network
VDT	Video dial tone
VOD	Video on demand
VSB	Vestigal sideband

Common Units of Measurement

Bits	Standard unit of memory
Bps	Bits per second - standard unit of measurement for data transmission
Kbps	Kilo bps - one thousand bits per second
Mbps	Mega bps - one million bits per second
Gbps	Giga bps - one billion bits per second
Hertz	A unit for measuring frequency that equals one cycle per second
KHz	Kilohertz - one thousand cycles per second
MHz	Megahertz - one million cycles per second
GHz	Gigahertz - one billion cycles per second
xDSL	A high-speed transmission technology unlocking the unused capacity of copper allowing 1.5-52Mbps speeds over copper

Exhibit C

Managerial and Technical Capability

TECHNICAL AND MANAGERIAL CAPABILITY

Earle A. MacKenzie, President

Earle A. MacKenzie is President of Cardinal Communications, Inc. ("Cardinal"). Mr. MacKenzie has extensive experience in the telecommunications industry, most recently as Chief Operating Officer of Digital Television Services, Inc. ("Digital"). Digital was the second largest franchisee of DIRECTV, providing service in nine rural franchise areas covering 1.7 million households. In this capacity he developed operating strategies, integrated acquisitions and managed the day-to-day operations of Digital. Prior to Digital, Mr. MacKenzie was President of Essex Communications Consulting and Essex Communications Partners (collectively, "Essex"), which provided consulting services to the telecommunications industry. Essex primary business was building and managing rural cellular properties, and Mr. MacKenzie's duties included the preparation of business plans, securing of financing, construction of the systems, setting up of the local organizations, development of distribution channels and management of the ongoing operations.

From 1984 until 1990, Mr. MacKenzie held various key management positions with Contel Cellular, Inc. ("Contel Cellular"), including Senior Vice President Finance and Administration. In this capacity, Mr. MacKenzie's responsibilities included managing the Accounting, Treasury, Human Resources, Information Services, Credit and Collections, Planning/Budgeting, Acquisitions, Federal and state regulatory and Industry Relations departments. During the period that Mr. MacKenzie was Vice President Marketing and Sales at Contel Cellular (May 1987 – February 1990), the company grew from fewer than 10,000 customers in 7 markets to 120,000 customers with revenues of

$170,000,000. Mr. MacKenzie played key roles in taking Contel Cellular public in April 1988 and in the completion in 1989 of a $1.3 billion acquisition from McCaw Communications.

From October 1977 to April 1984, Mr. MacKenzie was with the Eastern Region – Telephone Operations of Contel Corporation, rapidly advancing in key managerial positions. Prior to his time with Contel Corporation, Mr. MacKenzie was a Senior Accountant with Arthur Andersen & Co.

Mr. MacKenzie is a certified public accountant and has a B.A. in Business Administration from the College of William and Mary.

Walter M. Zirkle, Vice President and Secretary

Walter M. Zirkle is Vice-President and Secretary of Cardinal. Mr.Zirkle (41) served as President – Virginia Operations for CFW Communications (NASDAQ: CFWC), a regional telecommunications holding company based in Waynesboro, VA until June 1999. In that position he was responsible for the operations for all of CFW's business lines including wireless, wireline, cable and internet services. Mr. Zirkle joined CFW in 1996 as Vice-President and Chief Operating Officer for CFW Wireless, a wholly owed subsidiary of CFW Communications. In that position, he was responsible for the startup and development of CFW's PCS business. CFW's PCS business currently has a franchise area of 5M pops, operates nearly 300 cell sites and serves approximately 25,000 customers in Virginia and West Virginia. Prior to joining CFW he was a founder and principal in Essex Communications Partners, Inc., a telecommunications management and consulting firm serving the wireless industry. Essex provided turnkey development solutions for the rural cellular marketplace and telecommunications consulting services to the investment banking community. Essex was formed in early 1991.

Mr. Zirkle began his career in 1980 as member of the Eastern Region network design staff with Contel Corporation in Dulles, Virginia. He went on to serve as Planning

Manager for Contel Cellular beginning in 1984, when the cellular industry and Contel Cellular got its start. In that role, he oversaw the planning and development of Contel Cellular's initial markets. Mr. Zirkle became Director of Operations for Contel's Virginia Telephone Operations in 1989 where he was responsible for all customer, operator and access services as well as network maintenance operations. He left Contel in 1990 concurrent with GTE's acquisition of the company.

Mr. Zirkle received a BSEE Degree from Virginia Military Institute in 1980.

Donald A. Doering, Treasurer

Donald A. Doering, Treasurer of Cardinal, has over sixteen years of successful management experience in the communications industry with a focus on the formation and development of wired and wireless communications businesses. Mr. Doering is Chief Financial Officer of Columbia Capital, LLC. Prior to joining Columbia, Mr. Doering was Vice President at Digital Television Services ("Digital"), a direct-to-home satellite service provider with total assets in excess of $200 million and annual revenues in excess of $80 million. His responsibilities included raising equity and debt capital to fund business acquisitions and working capital needs for this start-up business. His principal duties included strategic business and financial planning; finance; treasury; financial reporting; tax compliance; risk management; information systems and employee benefits. As one of the initial senior management employees of Digital, Mr. Doering helped Digital develop into a leading provider of DIRECTV satellite television services, serving over 145,000 subscribers in ten states.

From December 1989 to April 1996, Mr. Doering was Vice President at Sterling Cellular. In this capacity, Mr. Doering's primary responsibility was to develop and implement the financial and administrative infrastructure to operate over twenty independent cellular businesses. His principal duties included acquisition analysis; all treasury functions; strategic and financial planning; procurement of financing; debt compliance; financial reporting; tax compliance; subscriber administration; customer services; information systems development and support, employee benefits and facilities. With Mr. Doering's assistance, the company grew from a start up to over 30,000 customers and over $35 million in revenue over a three year period.

From 1984 to 1989, Mr. Doering worked at Contel Cellular, first as Controller and later as General Manager. As one of Contel Cellular's first employees, Mr. Doering's responsibilities as Controller included development of financial control policies and procedures for the company's headquarters and numerous field locations. In his capacity as Controller, Mr. Doering's developed and implemented financial reporting package for Contel Cellular and its over twenty subsidiaries. Mr. Doering was promoted to General Manager at Contel Cellular where he was responsible for the in-market operations of Contel Cellular's Evansville, Indiana and Owensboro, Kentucky cellular properties. His duties included developing distribution channels, product analysis and procurement, pricing, public relations, systems maintenance, customer operations and office administration.

Prior to joining Contel Cellular, Mr. Doering was a Senior Accountant with Arthur Andersen & Co. Mr. Doering is a Certified Public Accountant, and has a B.A. of Business Administration from the University of Virginia.