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The logo for ARRIS, consisting of the word "ARRIS" in a bold, italicized, sans-serif font, set against a solid black rectangular background.

February 27, 1989

Mr. Richard Gleason
The Gleason Partnership
114 Commonwealth Avenue
Boston, Massachusetts 02116

Dear Rick:

As always, it was a pleasure to speak with you. As you know, Sigma and Microtecture have been in negotiation for quite a few months regarding the potential of a relationship between the two organizations. Given the complexities of such negotiations it is not possible for me to predict when, or even if, we will come to terms which are acceptable to both parties.

However, there are a number of underlying philosophical issues which can be addressed. The question which was central to our conversation was our willingness to commit to the ongoing support and enhancement of Datacad in general, and our position with regards to an OS/2 version in particular.

Our interest in Datacad derives from our belief that it is an excellent product, and that it serves a market requirement which is largely separable from that served by the ARRIS family. While both address the needs of architects, they operate on substantially different platforms, and consequently appeal to different users. When a prospective customer enters a Sigma (note that I did not say ARRIS) dealership, I would like him to leave having purchased a product from me - independent of his preference for operating system or hardware configuration. I believe that the ability to address a broad range of operating environments is an important component of a business success.

One last comment on this subject. I have always been a strong believer in letting the marketplace determine product success. Should we come to an agreement with Microtecture regarding the Datacad family of product, I would continue to support market determinism.

The question of OS/2 as the future platform for Datacad is very simple on one hand, and very complex on the other. It is clear that for users such as yourself the ongoing enhancement of Datacad will require that the technological

constraints imposed by DOS be removed. Two operating system alternatives exist - OS/2 and UNIX. I would concur that OS/2 is certainly the more attractive of the two, for a number of reasons, and that it is the logical destination for advanced Datacad development. That is the simple part. Knowing where to go is easy in this case, knowing how to get there is more difficult.

What has been perceived to be my objection to OS/2 is actually a concern that a set of complex, and often conflicting objectives need to be balanced in establishing a near-term, mid-term and long-term development strategy.

For example:

1. If 50% of the Datacad users require the capabilities of OS/2 (with the attendant costs in hardware and conversion, potential downtime as machines are upgraded etc.) would it be reasonable to abandon DOS development, or should two products coexist (DOS and OS/2)?

2. Should the Datacad OS/2 product be a "port" from DOS, or should substantial pieces of the internal code be rewritten?

IF YES, then what is the tradeoff between time and cost to get the first OS/2 release out?

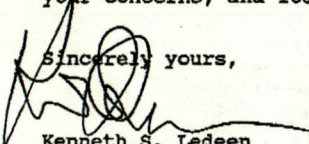
IF NO, will customers be prepared to pay a substantial amount of money (for upgraded hardware at least) if the new Datacad OS/2 release offers no immediate advantage over the contemporaneous DOS version?

3. What is the time frame, resource requirement, and external specification for the OS/2 product? Unlike question 2, which addresses only the desirability of a pure port, this questions raises issues of needed features.
4. Since the entire development/support system at Microstructure is DOS based, how do you support two complete environments, without having either to double the amount of equipment or to abandon one or the other operating system? Will each support person and developer need 2 PC's, one for DOS one for OS/2 ?
5. Is it acceptable to suspend development effort on DOS for an extended period of time in order to bring out an OS/2 version?

The list of questions goes on. My only point was to suggest that the successful implementation of a second generation product requires that these issues be thought through carefully at the front end, before you set sail on a major development program. I don't mean to suggest that these problems are more complex than those associated with any other major development program, only that they need to be addresses before it is possible to say with any degree of confidence what will be available and when.

I hope that this information is of help to you. I appreciate your concerns, and look forward to meeting with you soon.

Sincerely yours,



Kenneth S. Ledeen

PS: Since this letter was written, we have signed a letter of intent with Microlectra.

We still need approval from the respective Boards and Shareholders - so we have a long way to go

