

THE GLEASON PARTNERSHIP

114 COMMONWEALTH AVENUE
BOSTON, MASSACHUSETTS 02116
617-267-6980

February 14, 1989

Dear DataCAD User Group Leader,

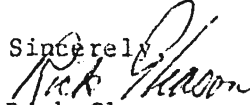
We enclose two petitions to Microtecture:

1. Long version for review and signature by users at a User Group Meeting.
2. Short version for mailing to your members should February 28, 1989 be before your next meeting. I would suggest including a letter of explanation if you mail this to members of your user group.

The Shareholders are voting next month so please send this petition to Microtecture with as many signatures as possible, by the end of this month (Feb 28, 1989).

The long petition is self-explanatory, but if User Group leaders have an ~~essential~~ question, you may call.

Sincerely,


Rick Gleason

Petition to The Board of Directors and Shareholders of Microtecture Corporation
From the Users and User Groups of DataCAD

1. Rumors and some information with regard to an outstanding offer to purchase DataCAD from the shareholders of Microtecture have recently been confirmed with both the offering company (Offeror) and Microtecture. We believe the Offeror, through a third party, has made this information public.
2. We understand that the Board and the Shareholders are in the process of considering this offer, with the Board making recommendations to the shareholders, who will vote sometime next month.
3. Sale to a competitor is not of benefit to the shareholders, the employees, DataCAD program development, or to the current users of DataCAD who have provided assistance in developing a program known for its ease of use and integrated and fully featured environment.

REASONS FOR REJECTING THE OFFER

We wish to influence your decision and to petition you to consider some possible alternatives to this offer because of the reasons stated below.

1. DataCAD has recently received excellent reviews in national Architectural publications:
 - A. ARCHITECTURE February 1989 "The Best of CADD Software" by Oliver Witte with Ed Wenzler and Bruce George reviewing.
 - B. ARCHITECTURAL RECORD January 1989 "DataCAD 3.6e with the DC Modeler" by Steven S. Ross.
2. Other surveys and articles on the CAD market and DOS and OS/2 indicate positive directions for DataCAD:
 - A. ARCHITECTURE & ENGINEERING SYSTEMS February 1989 "89 CAD Survey Results"
 - B. CADENCE January 1989 "The Push for Operating System Standards" by Terry Wohlers.

The above articles place DataCAD at the center of the Architectural CAD market, with an excellent program and a clear upgrade path to OS/2.
3. The offer is low for the value of the company and the loyalty and support of its users and user groups.
4. The offer has been made by a competitor and leaked by the competitor with the advantage of either reducing sales of DataCAD or purchasing an excellent program, doubling market share (see attached chart from A&E Systems) and becoming the second largest Architectural CAD company, all at a very good value.
5. The sooner the company decides to reject the offer and devote resources to sales, and development in the OS/2 environment the better.

The offer has caused considerable concern and discussion in Microtecture, interrupting the normal progress of program development. The reason for this is that the Offeror plans on consolidating the operations at its two present locations, causing staff tension, and possible loss of valuable staff resources.
6. While the Offeror has made no public statement with regard commitment to DataCAD, there are certain facts that are clear.
 - A. The Offeror is in the same business as Microtecture and sells a product that competes in the same market, Computer-aided Design for Architects.
 - B. The Offeror's software is more costly for both software and hardware, making a single workstation considerably more expensive than the DataCAD

alternative.

- C. It is unlikely that the Offerer would implement DataCAD on Unix since they currently have a product using that system.
 - D. We have confirmed that The Offeror is committed to the Unix environment and believes that OS/2 is not a good operating environment. (We believe this statement is a marketing driven statement used to sell the Offeror's competing software.)
2. We believe that the Offeror, being in the same market as DataCAD, will not commit adequate long-term resources to develop this excellent software program to its full potential.

RENEWED CORPORATE PROGRAM

1. CHANGE THE NAME OF THE CORPORATION from Microtecture Corporation to "DataCAD Corporation" for greater market recognition and less confusion.
2. REJECT the offer to purchase DataCAD and maintain an independent and responsive software development company located in Charlottesville.
3. RENEWED CORPORATE PROGRAM which provides:
 - A. Commitment to service of new and current customers, support of staff, a balanced philosophy and plan for:
 - 1) Software Development responsive to current users needs.
 - 2) Extensive Marketing Plan committed to broadening the user base and increasing name recognition with special emphasis on ease of learning, value, features, and future OS/2.
 - B. Supportive Management creating a productive environment for the marketing and programming staff.
 - C. Sound Financial base from renewed commitment by the shareholders not to "sell out" at a reduced value, from new investment capital and from user support.
 - D. Continued staff commitment and recognition that the success of the company is dependent on every member. The staff has a right to expect proper support and environment from management for this to occur.
 - E. Development of Marketing and Sales to its fullest potential. We believe that DataCAD has not been marketed as effectively as it can be. A new commitment to a full and effective marketing program is necessary.
 - F. Continued support of an excellent programming staff, with the understanding that programming choices should be market driven, based upon user input.
 - G. Involvement of the Users and User Groups in joint and "cooperative" partnership to support and advise an independent company with an aggressive sales and programing staff.

THE UNDERSIGNED USERS HAVE VOTED, IT IS NOW THE SHAREHOLDER'S TURN

The plan outlined above is one way the shareholders will eventually recognize the real value of their investment. We believe that with patience, a sound marketing strategy and implementation, linked with new program features running in the OS/2 environment, supported by DataCAD users and advocates across the country, several years time will show DataCAD to be a very sound investment, and a leader in the field of Architectural and Engineering CAD programs.

The undersigned agree with the statement above and request that the Board of Directors consider carefully their recommendation to the Shareholders. The undersigned pledge their support for an independent company, provided that the appropriate measures taken to ensure the continued and long term commitment of the management, the staff and the company to its users and Computer-Aided Design in general.

Should the Shareholders vote to sell, and in the absence of any positive statement of policy by the offering company with regard to development of an OS/2 version and continued DOS development of the program, we will regard the Shareholders vote as a vote of "no confidence", and many of the undersigned may choose to terminate their update policies next year, thereby making the program worth less to the purchaser.

NOTE:

Please mail to Microtecture, 1224 West Main Street, Charlottesville, Va 22903, Attn Lou Bodnar, by February 28, 1989.

Valentines Day February 14, 1989

DATE	NAME	ADDRESS	Yrs of Use
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Petition
to
The Board of Directors and Shareholders
of
Microtecture Corporation
Architects of DataCAD
from
From the Users and User Groups of DataCAD

1. Rumors and some information with regard to an outstanding offer to purchase DataCAD from the shareholders of Microtecture have recently been confirmed with both the offering company (Offeror) and Microtecture. We believe the Offeror, through a third party, has made this information public.
2. We understand that the Board and the Shareholders are in the process of considering this offer, with the Board making recommendations to the shareholders, who will vote sometime next month.
3. Sale to a competitor is not of benefit to the shareholders, the employees, DataCAD program development, or to the current users of DataCAD who have provided assistance in developing a program known for its ease of use and integrated and fully featured environment.

REASONS FOR REJECTING THE OFFER

We wish to influence your decision and to petition you to consider some possible alternatives to this offer because of the reasons stated below.

1. DataCAD has recently received excellent reviews in national Architectural publications:
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 - B. ARCHITECTURAL RECORD January 1989 "DataCAD 3.6e with the DC Modeler" by Steven S. Ross.
2. Other surveys and articles on the CAD market and DOS and OS/2 indicate positive directions for DataCAD:
 - A. ARCHITECTURE & ENGINEERING SYSTEMS February 1989 "89 CAD Survey Results" indicates that DataCAD is a viable contender in terms of user response, with a response rate that is very respectable even considering that percentage does not include the portion of respondents that marked "other" because of confusion between the software DataCAD and the company Microtecture.
 - B. CADENCE January 1989 "The Push for Operating System Standards" by Terry Wohlers states that:

" Microsoft's DOS is the most used operating system among users. (90% run under DOS) "...DOS will most likely remain the most popular

companion OS for personal computer applications...for years to come. I forecast that the percentage of theDOS user base will not drop to less than 75% in the next three years."

"Microsoft OS/2 is an operating system that promises to fulfill the needs of DOS users that require capabilities similar to UNIX. Compared to UNIX, it is relatively easy to install and use, especially for the experienced DOS user. But will OS/2 become a de facto standard? In a sense it already has. It's still too early to tell if OS/2 will have a major impact, but the odds tend to be in its favor. For instance if only five percent of the approximately 30 million DOS users embrace MS OS/2, it will stand in front of the rest of the multi-tasking operating systems, including Unix."

The above articles place DataCAD at the center of the Architectural CAD market, with an excellent program and a clear upgrade path to OS/2.

3. The offer is low for the value of the company and the loyalty and support of its users and user groups. We do not have any figures, but if the offer were reasonable there would not be the intense discussion and indecision, affecting staff and officers alike.
4. The offer has been made by a competitor and leaked by the competitor with the advantage of either reducing sales of DataCAD or purchasing an excellent program, doubling market share (see attached chart from A&E Systems) and becoming the second largest Architectural CAD company, all at a very good value.
5. The sooner the company decides to reject the offer and devote resources to sales, and development in the OS/2 environment the better. The offer has caused considerable concern and discussion in Microtecture, interrupting the normal progress of program development. The reason for this is that the Offeror plans on consolidating the operations at its two present locations, causing staff tension, and possible loss of valuable staff resources.
6. While the Offeror has made no public statement with regard commitment to DataCAD, there are certain facts that are clear.
 - A. The Offeror is in the same business as Microtecture and sells a product that competes in the same market, Computer-aided Design for Architects.
 - B. The Offeror's software is more costly for both software and hardware, making a single workstation considerably more expensive than the DataCAD alternative.
 - C. The Offeror's software has some mainframe features which are more powerful than DataCAD, but the program requires extensive training, unlike DataCAD which can be learned through use and occasional reference to the manual.
 - D. The Offeror is considering porting DataCAD to the Mackintosh, although no decision has been made.
 - E. It is unlikely that the Offeror would implement DataCAD on Unix since they currently have a product using that system.
 - F. We have confirmed that The Offeror is committed to the Unix environment and believes that OS/2 is not a good operating environment. (We believe this statement is a marketing driven statement used to sell the Offeror's competing software.)

2. We believe that the Offeror, being in the same market as DataCAD, will not commit adequate long-term resources to develop this excellent software program to its full potential.
 - A. More specifically, we do not believe DataCAD will be programmed for OS/2 if the shareholders of Microecture choose to sell to the Offeror.
 - B. Program development will probably be slowed, because DataCAD is considered "mature" for the current DOS environment and because the Offeror already markets a program that runs under the more powerful multitasking and networking Unix system. DataCAD would become the entry level "easy to use" DOS alternative and the Offer's program the esoteric "high powered system".
 - C. While we support the idea that DataCAD be ported to the MAC environment, given unlimited programming resources, because of the synergistic sales effect on both DOS and MAC versions of DataCAD, we believe that this late move into MAC environment would detract from other programming priorities such as OS/2.

RENEWED CORPORATE PROGRAM

We urge the shareholders to support the following program:

1. CHANGE THE NAME OF THE CORPORATION from Microecture Corporation to "DataCAD Corporation" for greater market recognition and less confusion.
2. REJECT the offer to purchase DataCAD and maintain an independent and responsive software development company located in Charlottesville.
3. RENEWED CORPORATE PROGRAM which provides:
 - A. Commitment to service of new and current customers, support of staff, a balanced philosophy and plan for:
 - 1) Software Development responsive to current users needs.
 - 2) Extensive Marketing Plan committed to broadening the user base and increasing name recognition with special emphasis on ease of learning, value, features, and future OS/2.
 - B. Supportive Management creating a productive environment for the marketing and programming staff.
 - C. Sound Financial base from renewed commitment by the shareholders not to "sell out" at a reduced value, from new investment capital and from user support.
 - D. Continued staff commitment and recognition that the success of the company is dependent on every member. The staff has a right to expect proper support and environment from management for this to occur.
 - E. Development of Marketing and Sales to its fullest potential. We believe that DataCAD has not been marketed as effectively as it can be. A new commitment to a full and effective marketing program is necessary. The recent articles and publicity are a good start, however continued efforts are needed to broaden the base of users. Ultimately software sales depends on overall philosophy and belief in the company and the product.

New marketing ideas, responsive to the market, are often generated from the enthusiasm and commitment of the staff and users.

- F. Continued support of an excellent programming staff, with the understanding that programming choices should be market driven, based upon user input. Users are still getting familiar with the drawing environment. We users need programming help with the basic database that is already fully integrated within DataCAD. The possibilities for automatic specification generation, quantity takeoffs and bid proposals contained in DataMerge are very sophisticated and something for the future. See item 6.D below.
- G. Involvement of the Users and User Groups in joint and "cooperative" partnership to support and advise an independent company with an aggressive sales and programming staff.

4. FINANCING

- A. Renewed Commitment by the Shareholders.
- B. - Additional funding from investment and venture capitalists.
- C. As detailed under the Marketing Plan, increase user update fees.
- D. Aggressively market to broaden the user base thus increasing the portion of the budget provided by updates, and to establish a stronger advocacy by a coalition of users.

5. MARKETING

- A. New Marketing Manager
 - 1. Seasoned professional, enthusiastic about the challenge, ready to establish a national marketing program, with the knowledge and skills necessary, and a previous record of success in increasing sales in companies with an excellent product that has not been marketed aggressively, and a leader able to gain staff and company support. Some understanding of the CAD or software market or Architecture would be useful but not necessary.
 - 2. Provide suitable staff and an ample budget.
 - 3. Develop an incentive plan for shares in the company based on increase in sales for the manager and certain key members of his staff.
- B. Marketing Plan Implementation
After approval of the Marketing Manager's plan by the Board and Shareholders, give the manager broad control over implementing the Marketing Program with the incentive plan being the motivator.
- C. DataCAD's Target Market
The AIA reports that among its national membership there are 16,137 member-owned firms, of these
 - 178 have more than 20 architects (licensed practitioners)
 - 373 have 10-20 architects
 - 1018 have 5-9 architects
 - 4170 have 2-4 architects
 - 10,398 have one architect

Considering the fact that these numbers are for AIA Members who are licensed, do not include Interior Designers, Engineers, or FM, the field is quite large.

DataCAD is uniquely positioned to serve the majority of these individuals and firms with an easy to learn, cost effective, fully featured program, provided the right marketing strategy is developed. DataCAD's target market is clearly the small to mid-sized firm.

D. Suggested Marketing Emphasis

1. **Ease of Learning.** Learning costs are frequently overlooked. If the program is hard to learn it is often put on a forgotten shelf, or startup costs go over budget, then continued turnover of trained personnel, and inability to join schematics, design development and working drawings into a single-pass operation because of inability to use the program by infrequent users such as design staff and principals becomes a hurdle. With an easy to learn program like DataCAD it is possible to have a fully decentralized environment with all members of the firm using areas of the program that they need in a productive fashion.
2. **Value.** Small and medium sized firms stretch to get CAD so cost is important.
3. **Features.** CAD programs are exercised rigorously and experienced users find programs without a full set of features very limiting.
4. **Commitment to future OS/2** providing a clear upgrade path.

E. Broaden Base of DataCAD Users

Reduce the initial cost of the DataCAD base program by \$300 to \$500 dollars to clearly establish "value" in relation to the rest of the market.

F. Increase the Annual Update Fees

The justification for an increase in User Update Fees is the real value of continued program development to current users. While not all DataCAD users can justify yearly updates, a majority of users find the Updates a valuable tool for increased productivity. Most Architects are not willing to program because it is not their business. It is far more cost effective pay for experts to program. An increase of \$150 to \$200 in the base Update, with an increase of less for additional workstations should provide 1/3 to 1/2 of the money needed to continue Microtecture as an independent company, ensure the continuity of staff, program development, and enlightened self-interest.

6. SOFTWARE DEVELOPMENT

A. Main Program

The main program is excellent except as always there are areas where improvements can be made. Extended File management features could be added. Layer management with a point and shoot text screen for changing notes, settings, a second level sort, sorting, adding, moving and deleting could be added. Keyboard macros should be programmable from

macros should permit user prompts for path and filenames. Some added text features are needed and there is a need for cleanup of some commands.

B. New Graphic Help Library

While the current prompts and onscreen messages are excellent for new users, a new graphic "Help" with a special interrupt "Help Key" similar to the "View Layers" feature which illustrates all commands with graphics and text would improve ease of learning for new users. This could be similar to IBM's new CAD program help feature.

C. DCAL Development

Improve some areas of DCAL to allow access to more of the program. Develop commonly used or needed procedures for such things as database input and output. Generally improve the language to facilitate third party access to the main program. Find a way of keying some macros directly into blank spaces in the existing menu system so that additional keystrokes going through the Macro selection are reduced. Allow full development and support of third party DCAL software and utilities without restriction as a way of stretching programming resources. Later if a DCAL program has universal application then purchase the code and include it in the basic DATACAD modules. Programming resources should be directed towards several specific goals outlined below.

D. Database

Expand the utility of the current database/template/symbol system and the attributes system with a module which improves data entry and reporting. The module should be similar to a spreadsheet screen and permit four direction cursor movement across a cellular text screen and data entry at the location of the cursor. The user should be able to sort, add, delete move and select fields. There should be a dynamic in/out SQL interface providing links to outside SQL databases eventually and there should be a more user friendly way of developing and printing reports to screen and printer. There are some macros the staff has developed for some of this and they show great promise, it should become a fully developed module.

E. DC Modeler

This module has shown excellent progress but advanced features would be useful, tuned specifically to Architectural modeling. Continue developing the 3D features of DC Modeler into all planes with access to all 2D commands from the 3D menu. Develop additional parametrics and routines which ease the construction of common architectural 3D elements such as a series of windows (multiple voids in slabs), and doors, similar to the AEC Module. Possibly develop a feature which permits copying a void in plan to a new location in the same slab. The geometries of roofs are difficult to new users and some standard roof blocking parametrics are needed, hatching in 3D would be very useful, etc.

G. DXF Import and Export

Development and improved DXF capabilities and import/export support. The importance of this feature cannot be emphasized enough. Additionally, we suggest IGES import/export be considered when it is reliable and established enough as a fully developed standard.

F. Implementation of OS/2

Certain aspects of the current program require a carefully planned and

orderly move into OS/2 which should be a top priority in 1989:

1. Increased speed required by large scale hidden line removal.
2. Solids Modeling with more complex objects.
3. Additional program features which will require greater speed than the current operating environment offers. Currently the program enables the user to speed up certain operations by changing database search patterns in the Object Snap menu.
4. Upward compatibility with the new Intel based machines, EISA, MCA and the 80486 CPU.
5. For those firms who have many workstations, the opportunities for a full Network and Multitasking version of DataCAD is very exciting and will gradually become a necessity for larger firms.
6. Implementation on OS/2 is necessary to continue to be competitive in the CAD market. Without this move, other programs will take over DataCAD's healthy market share.
7. It would be an excellent marketing advantage if Microtecture could offer one of the first OS/2 based CAD programs.
8. Use of Presentation Manager would make the operating system interface as easy to use and learn as DataCAD. It is the "ease of use" and graphic interface of the operating system that has attracted Architects to the MAC environment, not the MAC CAD programs that are new and not fully developed.
9. When DataCAD becomes available on OS/2, the reasons for newcomers to CAD to consider MAC for CAD will disappear.
10. There are also many more current DOS users who would prefer to upgrade via a known DOS to OS/2 path, with the advantage of being able to use much of their existing hardware .

THE UNDERSIGNED USERS HAVE VOTED, IT IS NOW THE SHAREHOLDER'S TURN

The plan outlined above is one way the shareholders will eventually recognize the real value of their investment. We believe that with patience, a sound marketing strategy and implementation, linked with new program features running in the OS/2 environment, supported by DataCAD users and advocates across the country, several years time will show DataCAD to be a very sound investment, and a leader in the field of Architectural and Engineering CAD programs.

The undersigned generally agree with the statement above (as noted) and request that the Board of Directors consider carefully their recommendation to the Shareholders. The undersigned pledge their support for an independent company, and will support an increase in user update fees stated above, provided that the above statements are considered carefully and appropriate measures taken to ensure the continued and long term commitment of the management, the staff and the company to its users and Computer-Aided Design in general.

Should the Shareholders vote to sell, and in the absence of any positive statement of policy by the offering company with regard to development of an OS/2 version and continued DOS development of the program, we will regard the Shareholders vote as a vote of "no confidence", and many of the undersigned may choose to terminate their update policies next year, thereby making the program worth less to the purchaser.

Valentines Day February 14, 1989

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DATE NAME ADDRESS Yrs of Use