

3 April, 2000

Steve Terry Production Arts 630 9th Ave., Suite 1412 New York, NY 10036

Dear Steve:

I am pleased to say that we are now in a position to apply to join the Control Protocols Working Group, in particular the Advanced Control Network Task Group.

Vari-Lite will be willing to license any manufacturer for a reasonable royalty under claims of Vari-Lite patents required to implement the ACN standard as finally adopted by ESTA. This license will be offered under nondiscriminatory, reasonable terms and conditions.

I do not expect Vari-Lite's original patent, US Patent No. 4,392,187, to be relevant to the ACN standard, since that patent will expire on 2 March 2001.

Our representative to the Working Group will not be knowledgeable about the Vari-Lite portfolio of patents and will not be authorized to speak for Vari-Lite on the subjects of patents and licenses. Please address any such questions about the developing standard to me.

We look forward to working with ESTA and the members of the Task Group on the development of this control network standard.

Best regards,

Brooks Taylor

Intellectual Property Manager

Brooks Jaylor

Enclosure

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