

## PrairieTek

June 20, 1991

I. Dal Allan ENDL 14426 Black Walnut Court, Saratogo, CA 95070

## Dear Dal:

I received your letter pertaining to the ATA standards/patent issue. I would like to let you know PrairieTek's current situation and plans thereon.

As you probably have read from the various press articles, we ran into a problem closing our last round of financing, and are actively engaged in arranging for an alternative source of funding. It is likely that new source will be confirmed in the near future, but the discussions are not complete at this time. Such new funding will likely involve some changes to our Board of Directors, and therefore, possibly some changes in our patent strategy.

Given the possibility of those changes in the very near term, I cannot give you a letter at this time with the statements you desire. I hope that once the current deliberations are completed, we will be able to provide you with such a letter.

There is one issue that we need to resolve with our patent attorneys on that subject, and that is the fact that the patent(s) in question cover items other than the areas of interest to the ANSI standard, and there may be some need to license portions of the patents. It is not clear to me how that is done. Also, I am not sure what "reasonable cost" means; some would argue that what Rodime has done is not reasonable, and I do not what to make any commitments that are subject to debate.

I will respond back to you in the next month and inform you as to our strategy in this matter. Sorry for the delay.

Sincerely,

Kenneth J. Jochim VP Engineering

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