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Memorandum

TO: John Bloomer
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CC: Bill Collins

FROM: David Berberian
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Meeting Follow-up

We enjoyed the meeting last week in New York. We thought it would be useful to summarize in this memo the key points which we discussed and the major follow-on activities which we identified during the meeting.

NBC Desktop Video Interests/Needs

It is our understanding that NBC is interested in additional services to provide with your current suite of NBC Desktop Video offerings and that you are also interested in technologies that improve the infrastructure upon which you are constructing your services. Among the particular capabilities in which you expressed an interest are the following:

1. A computer-based "hoot and holler" application (this has been requested by NBC customers)
2. Audio broadcast services which would allow users to select from multiple audio channels from their desktops
3. In-band audio that can replace customer direct ring-down circuits
4. An "alert" system that can be manually initiated or automatically triggered by predefined events or data properties

5. A store-and-forward/playback system for recording, editing, and managing queued audio messages
6. Efficient multi-casting capabilities over WANs
7. Better digital video and audio that works with a range of platforms and multi-media cards

InterAgent Capabilities

Modulus Technologies' core software product is the InterAgent™ Toolkit and Router software. The InterAgent software simplifies the development of network-based cooperative applications. It uses a patent-pending architecture of intelligent "agents" which handle the routing of message objects (video, audio, or data) throughout heterogeneous network environments. Modulus has developed multimedia libraries which work with the InterAgent Toolkit and Router software.

The AudioNet™ application which we demonstrated for you last week is an example of a specific application which was built using the InterAgent Toolkit and multi-media libraries. It is a computer-based multi-point audio application which allows networked users to participate in group or individual conversations using a convenient "point-and-click" interface. It also supports multiple audio broadcast channels. The AudioNet software operates on Windows-based PCs and a variety of UNIX workstations and is currently being ported to the Macintosh environment. The AudioNet application can support a number of different input and output devices and therefore is easily configured to satisfy a number of hoot and holler configurations.

The AudioNet application currently supports a number of audio cards (primarily lower end cards which have been requested by Modulus customers). Because the audio card driver is a module within the AudioNet application, we have been able to quickly develop drivers for new cards as requirements arise. In addition, Modulus has begun the process of adding store-and-forward capabilities to the AudioNet application.

Based on our understanding of your needs, it appears that the current version of the AudioNet software satisfies most of the audio requirements which you mentioned in our meeting last week (points 1 to 5 in the previous section) and that the InterAgent software and multi-media libraries also meet other key NBC needs (points 6 and 7 above). In addition, the InterAgent Toolkit offers a powerful development environment for creating new capabilities to add to your NBC Desktop Video offerings.

Potential Next Steps

We suggest as a next step a meeting for the following purposes:

- * Additional discussion of the Modulus software products
- * Additional discussion of NBC's goals with the NBC Desktop Video offerings so that we can better determine how the Modulus software can best contribute to the NBC direction
- * Discussion of key business relationship topics

As we recall, you expressed some concern near the end of our meeting last week about the possible shape of a business relationship around the AudioNet software which incorporates the interests of NBC, Modulus, and MFS Datanet. As we mentioned in the meeting, Modulus is in the early stages of marketing the multi-media capabilities of our InterAgent software to the financial industry, and we are therefore flexible about how we work with NBC on bringing these capabilities to your Desktop Video offerings. We suggest that we cover this topic in more detail at our next meeting.

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I hope you find these notes useful. Let us know if this summary matches your thoughts on last week's discussion and if our proposed next steps match your needs. We appreciate the opportunity to work with NBC and look forward to further discussions.