



MARTIN^{LLP}

January 15, 2020

VIA E-MAIL (brendan@perchwell.com)

AND FEDERAL EXPRESS

Mr. Brendan Fairbanks
Chief Executive Officer
Perchwell
110 Greene Street, #801
New York, New York 10012

Re: Stratus Data Systems, Inc.

Dear Mr. Fairbanks:

We are writing on behalf of our client, Stratus Data Systems, Inc. (“SDS”), because of our concerns we have arising from public declarations made by The New York Real Estate Board, Inc. (“REBNY”) regarding its planned transition from SDS to Perchwell.

As you know, SDS and REBNY are parties to a Software License Agreement, as amended, that allowed REBNY to access and use what is known as the Listing Transmission System of the SDS Software. That license agreement set precise limitations on the persons who could legally access, and on the uses that could be made of, the proprietary technology that has been the subject of the License Agreement.

As part of the relationship between SDS and REBNY, Amended Data License Agreements have been made between REBNY and various other parties. It is our understanding that Perchwell made an Amended Data License Agreement with REBNY in order to use and access certain real estate listings and media distributed by SDS (“RLS Data”) (“the Data License Agreement”). There are some very important limitations imposed by the Data License Agreement.

With its use of the RLS Data, Perchwell utilized the software REBNY licensed from SDS and for that reason Perchwell executed and became subject to a Vendor/End-User License Agreement by which Perchwell acknowledged “that SDS owns all rights, title and interest, including but not limited to copyright, patent, trade secret, and all other intellectual property rights, in the SDS Software and any changes, modifications, additions, and corrections thereto utilized by the system.” Perchwell’s ability to utilize the SDS Software is subject to the limitations imposed by the license agreement between SDS and Perchwell. In addition, Perchwell agreed as follows:

You [Perchwell] shall not, nor shall You permit any third Person to, disassemble, reverse engineer, decompile, alter or otherwise

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modify the SDS Software. Any derivative works from, or other improvements or enhancements to, the SDS Software and any other Intellectual Property created, acquired or developed by You that is directly or indirectly derived from the SDS Software shall be owned exclusively by SDS and You agree to assign, and hereby do assign, all right, title and interest in the same to SDS.

REBNY representatives have made various statements to SDS and others about the transition from SDS to Perchwell's "Elastic Listing Service" that creates a concern on our part about the infringement of SDS's rights and the violation of the agreements applicable to the SDS Software. We note, in particular, the representations REBNY has made to vendors to the effect that the transition or conversion can be made seamlessly and with nothing more than a modification of the server URL and issuance of new credentials. It is SDS' experience that conversions of the nature here always need a configuration of the user's systems in order to work with the new system. That SDS has not been asked to and has not agreed to provide data in a pre-arranged format leads to the conclusion that Perchwell is using SDS metadata, data dictionary and definitions as a shortcut to build the Elastic Listing Service. Any such use is not permitted, and it makes the Elastic Listing Service a derivative work of the SDS Software.

On behalf of SDS, we demand that Perchwell immediately confirm to us, in writing and by no later than the end of the business day on January 22, 2020, that it will "execute any document or instrument of transfer reasonably required to evidence or effectuate the assignment of all rights related to the Elastic Listing Service to SDS" as mandated by the Vendor/End-User Agreement.

This letter is without prejudice to all SDS's rights, including the right to seek injunctive relief and damages.

Very truly yours,


Mark S. Gregory