Concurrent with the execution of the Content Participant Agreement dated as of July 10, 2001 (the "CPA") between the Digital Transmission Licensing Administrator LLC and Content Participant, the parties set forth herein their additional understandings and agreed interpretations with respect to the CPA:

1. DTLA has represented to Content Participant that the current export license, issued by the United States Bureau of Export Administration to DTLA with respect to the DTCP technology, limits the type of content that can be protected using DTCP to audiovisual material delivered using a conditional access method.

Upon the execution of a Content Participant Agreement by both Sony Pictures Entertainment and Warner Bros., DTLA will undertake to remove this restriction upon the DTLA export license, so that DTCP also may be applied to content that is delivered to the home by means other than conditional access. DTLA and Content Participant agree to cooperate in good faith to identify and agree upon the specific tags or marks that will be used to trigger DTCP protection for such content. Content Participant shall cooperate in good faith with DTLA to assist DTLA in connection with the foregoing undertaking.

- 2. Nothing in the Content Participant Agreement (including, but not limited to, the definition of "Commercial Entertainment Content" and the Encoding Rules) should be interpreted so as to prevent the use of DTCP as a technological measure to protect the transmission via an approved digital output of an audiovisual work as an instructional work for the purposes of distance learning as contemplated by and in conformance with any statutes similar to S. 487, the Technology, Education and Copyright Harmonization Act of 2001, as passed by the United States Senate on June 7, 2001.
- 3. DTLA will include in any criteria for approval of any digital output or recording technology or method to be identified or approved (as referenced in Sections 2.2.1.1, 2.2.1.3, and 4.4.4 of Exhibit B, Part 1 of the Form Adopter Agreement) that (a) the license agreement therefor imposes compliance rules and a standard of robustness on adopters thereof that is no less stringent than the compliance rules and standard of robustness that the Compliance Rules (including, for avoidance of doubt, the Robustness Rules) imposes with respect to DTCP itself; (b) the licensor thereof will implement, or be subject to, appropriate enforcement mechanisms, including by Content Participant, to ensure that adopters thereof will comply with the license agreement for such technology or method with respect to the output, recording and storage of DT Data (as defined in the Compliance Rules) and (c) that the licensor thereof imposes obligations comparable to those set forth in this paragraph 3 on any licensor of any digital recording or output technology or method to which it hands off DT Data.
- 4. Nothing in paragraph 4.1 of Exhibit C to the CPA shall be interpreted so as to preclude testing for purposes of ascertaining the compliance of a Licensed Product with the Compliance Rules and Specification applicable to the Adopter that manufactured such product.

- 5. DTLA commits that it will make available to Content Participant, quarterly and on an anonymous basis, Content Participant Agreements and side letters executed during such quarter by any Major AV Content Participant. Content Participant shall have the opportunity to elect within 60 days of receiving notice of the opportunity to review such agreement(s) and side letters whether to replace its Content Participant Agreement and side letter with a Content Participant Agreement and side letter executed within that quarter by any Major AV Content Participant. If Content Participant elects to replace the terms and conditions of the CPA with the terms and conditions of such third-party Content Participant Agreement, such election shall apply prospectively from the date of such election or the date on which such terms and conditions become effective in such other Content Participant Agreement, whichever is later.
- 6. The dates referred to in Sections 4.3.3 and 4.4.2 of Exhibit B, Part 1 of the Compliance Rules are based on the expectation that the following two conditions will be satisfied on or prior to December 31, 2001:
- (a) DTLA approves HDCP-protected DVI as an output for any Decrypted DT Data as anticipated by Section 4.4.4 of Exhibit B, Part 1. Upon such approval, DTLA shall amend the Compliance Rules to require that Sink Devices perform the HDCP revocation procedures on such HDCP-protected outputs.
- (b) "Evangelization," whereby Content Participant shall issue a press release announcing their support for DTCP and HDCP, and meet with leading PC industry companies, including Compaq, HP, Gateway, Dell, and Microsoft, to explain the availability of high definition movie content and the suitability of DTCP and HDCP for its protection.

In the event these two conditions are not completed by December 31, 2001 the dates in Sections 4.3.3 and 4.4.2 of the Compliance Rules shall be automatically extended, and the DTLA shall notify Adopters, reasonably promptly after the completion of these two conditions, that the dates in Sections 4.4.3 and 4.4.2 of the Compliance Rules are extended by an amount of time equal to the time beyond December 31, 2001 required to complete these two conditions, and such extension shall not be subject to the provisions of Section 3.7 of the CPA.

Furthermore, upon notification to DTLA by the Digital Content Protection, LLC (licensor of HDCP) and Content Participant that they have agreed to an enforcement mechanism to prohibit DVI implementers (whether DVI licensees or not) from incorporating DVI in products in a manner that permits the use of content over DVI for any purpose other than to display such content or to output such content via a DVI repeater, the December 31, 2005 date set out in Section 4.4.2 of the Compliance Rules that is a sunset for output of Decrypted DT Data as a constrained image shall be extended indefinitely. Content Participant shall work with the Digital Content Protection, LLC to develop such an enforcement mechanism.

- 7. It is the intention and understanding of DTLA and Content Participant that the license granted to Content Participant in Section 2.1 ("License to Use DTCP") of the CPA extends to third parties, but only to those third parties that are directly involved in the distribution and transmission of Content Participant's Commercial Audiovisual Content for the sole purpose of using or causing DTCP to be used for the sole benefit of Content Participant. This intention and understanding does not extend to any other aspect of the CPA or other Operative Protection Agreement.
- 8. It is the intention and understanding of DTLA and Content Participant that the DTLA IP Statement is a statement of DTLA policy and is not a binding promise by DTLA to any Fellow Content Participant or any other entity. However, DTLA recognizes the value of providing incentives for using, and causing the use of, DTCP by a wide variety of content owners, including those who are not Fellow Content Participants, and therefore agrees to consult with Content Participant before making any material change to the DTLA IP Statement.
- 9. DTLA agrees to follow the work plan entitled "Work Plan for Protecting Uncompressed, Decrypted DT Data over User Accessible Bus as referred to in Section 2.2 of the Robustness Rules," attached hereto as Schedule 1.
- 10. Capitalized terms used in this letter agreement and not otherwise defined herein shall have the meaning given in the CPA.
- 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and together shall constitute one instrument. The parties hereto acknowledge and agree that such counterparts may be executed by signatures sent by facsimile transmissions.

Digital Transmission Licensing Administrator, LLC:	Content Participant:
By:	By:
Name:	Name:
Title:	Title:

AGREED this 10th day of July 2001:

Schedule 1

Work Plan for Protecting Uncompressed, Decrypted DT Data over User Accessible Bus as referred to in Section 2.2 of the Robustness Rules

The purpose of this work plan is to address and determine (a) the technical and commercial feasibility of protecting uncompressed, Decrypted DT Data over User Accessible Buses and (b) an appropriate implementation timetable. This work plan may be initiated up to a total of four times. Each time the work plan is initiated, one of the two levels of robustness described in Section 2.2 of the Robustness Rules can be considered. It is important to note that various factors may affect successful completion of each step in the overall process in the contemplated time frames. DTLA will consult with Content Participant at any point it appears that a particular time frame will not be achievable and, in that event, DTLA and Content Participant agree to work in good faith to establish a revised timeframe.

<u>Step 1:</u>

<u>Timeframe</u>: Step 1 shall be completed within 26 weeks of each of 2S executing a Content Participant Agreement or such other time frame as the parties may agree.

Objective: DTLA, in consultation with 2S, will evaluate the technical feasibility of protecting uncompressed, Decrypted DT Data over a User Accessible Bus at one of the two levels of robustness described in Section 2.2 of the Robustness Rules in light of generally available technologies known at the time of evaluation.

<u>Process</u>: 2S shall designate which level of robustness described in Section 2.2 of the Robustness Rules shall be evaluated in this cycle of this work plan. The evaluation may involve consultation with other CE and IT companies depending on DTLA's assessment of the value of such consultation. If DTLA concludes that it is not then currently technically feasible to protect uncompressed Decrypted DT Data over a User Accessible Bus at the designated level of robustness in light of generally available technologies known at the time of evaluation, DTLA will, in consultation with 2S, set a timetable to revisit this Step 1 as part of a subsequent cycle of this work plan.

When DTLA determines that it is technically feasible to protect uncompressed, Decrypted DT Data over a User Accessible Bus at the designated level of robustness in light of generally available technologies at the time of evaluation, DTLA will give 2S written notice of such determination. Thereafter, DTLA and 2S will proceed with Step 2.

Step 2:

<u>Timeframe</u>: Step 2 shall be completed within 26 weeks of successful completion of Step 1, or such other time frame as the parties may agree, subsequent to the completion of Step 1.

Objective: DTLA, in consultation with 2S and based on its findings in Step 1, will evaluate the commercial reasonableness of requiring that Licensed Products be designed such

that when uncompressed Decrypted DT Data are transmitted over a User Accessible Bus, such Decrypted DT Data are made reasonably protected from unauthorized interception as set forth in the designated level of robustness described in Section 2.2 of the Robustness Rules.

<u>Process</u>: DTLA will consider in its analysis the cost, effectiveness, availability of alternative solutions, and likely ability of Adopters to satisfy the Robustness Rules. This analysis may involve consultation with other CE and IT companies depending on DTLA's assessment of the value of such consultation.

If DTLA concludes that it is not then commercially reasonable to require that Licensed Products be designed such that when uncompressed Decrypted DT Data are transmitted over a User Accessible Bus such Decrypted DT Data are made reasonably protected from unauthorized interception as set forth in the designated level of robustness described in Section 2.2 of the Robustness Rules, DTLA will, in consultation with 2S, set a timetable to revisit this Step 2.

When DTLA determines that it is commercially reasonable to require Licensed Products to be designed such that when uncompressed, Decrypted DT Data are transmitted over a User Accessible Bus such Decrypted DT Data are made reasonably protected from unauthorized interception as set forth in the designated level of robustness described in Section 2.2 of the Robustness Rules, DTLA will provide 2S written notice of such determination.

Furthermore, DTLA, in consultation with 2S, will, prior to the successful completion of Step 2, amend the Robustness Rules consistent with the terms and conditions of the Content Participant Agreement and Adopter Agreement.