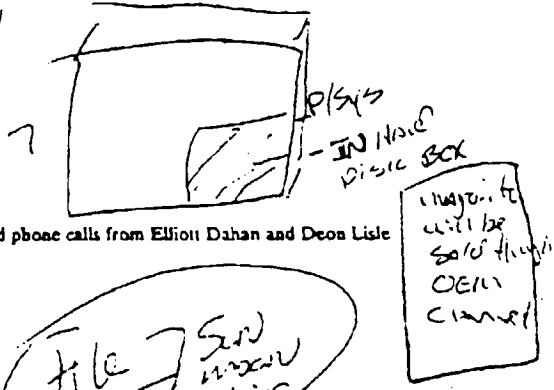


Questions: - OEM Business
 - Direct Deals - Channel

Sun Moon Star
 7-24-90
 Richard Fade



Points of interest
 Ed Oppenheimer, no longer with company. Received phone calls from Elliott Dahan and Deon Lisle telling me Ed's contract expired with no renewal.

Current License
 Effective Date: January 1, 1990
 Expiration Date: December 31, 1991
 Minimums: \$825K/annually
 Per Processor all systems

Proposed:

Processor	Royalties:
386/486	\$33.00 (existing)
286/386sx	\$22.00 (proposed)
DOS/Win promo \$X	\$50.00 (proposed) 6 months to 1 year
Keyboard	\$10.00 (existing)
HD	\$10.00 (proposed by Donald for all drives distributed)

Handwritten notes: "File 7 SW", "MS proposal \$17.145.", "Rom on Disk".

1. Worldwide license Per Processor DOS
2. DOS/Win promo on 286 or 386sx
3. Phase out of DRI internationally by January 1, 1990
4. Windows per system (US only) for 386/486 class at \$25.00

HIGHLY CONFIDENTIAL

Current situation:
 HD royalty acceptance by MS. Donald indicated he would phase out DRI from SMS system-1, 1990 if MS would forward a royalty of \$10.00. The royalty would be for 100% penetration of HDs.

The Minimum Commitment has not been finalized. Donald of course does not want to commit to anything else, I have indicated that the minimum commit could double.

- SMS has agreed to the following:
1. No DRI distribution in US immediately (already implemented)
 2. Worldwide per processor DOS agreement
 3. DOS/Win on US distribution of 386/486 systems ⁴⁵⁰
 4. Phase out of DRI internationally by Jan 1, 1990 if HD royalty is \$10.00
 5. Fixed royalties
 6. Promotion 286/386sx system for Win3.0
 7. Commitment for a 3 to 4 year term.

Handwritten notes: "MS-DOS", "WW 100% product by JAN!", "250".

Break out of Project Units: (3 months from now) FYI

Processor	Product	Unit Projections Per Month
386/486	DOS/Win	200 to 400
286/386sx	DOS	12K
HD	DOS	5K
MB	DOS	(3K)

PLAINTIFF'S EXHIBIT
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