

LICENSE AGREEMENT

8K 6800 BASIC

This License Agreement is made and entered into this _____ day of _____, 19____, by and between MICROSOFT, a general partnership, with its place of business at Bellevue, Washington (hereinafter sometimes called "MS"), and Hallikainen & Friends _____, a corporation of the State of California (hereinafter sometimes called "COMPANY").

WHEREAS, COMPANY desires to obtain non-exclusive rights to the hereinbelow defined product for marketing under COMPANY-owned trademarks, and

WHEREAS, MS desires to supply COMPANY with such product upon the terms and conditions hereinafter set forth,

NOW, THEREFORE, for and in consideration of the mutual promises and premises IT IS AGREED as follows:

1. PRODUCT: MS grants to COMPANY a non-exclusive, world-wide license, during the term of this agreement and all renewals and extensions thereof, to use, modify and sublicense, subject to the provisions of Paragraphs 6 and 7, under COMPANY's trademarks the following:

- (a) Object code;
- (b) Reference manual;
- (c) Source code on 9 track tape
- (d) Source listing

referred to herein as "product", with the features and specifications described in the Reference Manual which is described on Exhibit "A" hereto. COMPANY's license shall extend also and the term "product" shall be deemed to include any improvements, changes, alterations or amendments to the product as are supplied by MS and accepted by COMPANY.

2. PRICE AND PAYMENT: COMPANY agrees to pay MS the amount stated within the times detailed on the attached Exhibit "B". The prices stated therein are exclusive of any federal, state, municipal or other governmental taxes, duties, licenses, fees, excises or tariffs now or hereinafter imposed on the production, storage, licensing, sale, transportation, import, export or use of the product or any improvements, changes, alterations, or amendments to the product provided, however, MS shall be responsible for all taxes based upon its net income. Such charges shall be paid by COMPANY, or in lieu thereof, COMPANY shall provide an exemption certificate acceptable to MS and the applicable authority.

3. ACCEPTANCE:

(a) COMPANY shall evaluate the product and shall submit a written acceptance (or rejection) to MS within thirty (30) days after the receipt by COMPANY of the product. Conformance to specifications as provided in the Reference Manual described in Exhibit "A" shall solely determine acceptability of the product. If no written rejection is received by MS within thirty (30) days from date of receipt of the product by COMPANY, the product shall be deemed accepted. If COMPANY ships the product to a customer, COMPANY shall be deemed to have accepted the product for all purposes of this License Agreement.

(b) If the COMPANY pursuant to this paragraph rejects the product, the COMPANY shall, upon delivery of and compliance with its written statement to MS that all copies of the product have been returned to MS or have been destroyed and that it has not retained any such copies, be entitled to return of One Hundred percent (100 %) of the downpayment.

4. WARRANTY:

(a) MS represents that the product is free from program error and meets the specifications, including performance specifications, contained in the Reference Manual described in Exhibit "A". If program errors are discovered by COMPANY before acceptance, MS agrees to use due diligence to correct such errors within sixty (60) days following receipt of notice from COMPANY of such defects. COMPANY shall be relieved of its thirty (30) day acceptance obligation as set forth in Paragraph 3(a) during the correction period. If MS subsequently ships a corrected product to COMPANY, COMPANY shall have an additional thirty (30) days to re-evaluate the product as provided in Paragraph 3.

(b) If the program errors discovered before acceptance cannot be eliminated in the sixty (60) day correction period, then as COMPANY's sole remedy, (1) the product may be retained at an equitable adjustment in price as may be agreed by the parties, (2) the correction period may be extended as may be agreed by the parties, or (3) failing any agreement, COMPANY shall be entitled to return of One Hundred percent (100 %) of the downpayment upon COMPANY's return to MS of all copies of the product (including copies COMPANY may have made) and upon COMPANY's delivery to MS of written certification signed by one of its officers that COMPANY has not retained any copies of the product.

(c) If any program errors are discovered by COMPANY within the one year period following acceptance of the product, MS agrees to use due diligence to attempt to eliminate such errors. COMPANY may by payment of the additional sum specified in Exhibit "B" on or before the first, second or third anniversary of acceptance extend MS' obligation so to attempt to eliminate program errors. The timely payment specified shall obligate MS to use its due diligence to attempt to eliminate qualifying program errors discovered during the one year period for which the payment is being made. COMPANY agrees to give MS prompt notice of any program errors it discovers.

(d) The rights and remedies granted to COMPANY under this Paragraph 4 constitute COMPANY's sole and exclusive remedy against MS, its officers, partners, agents and employees for negligence, inexcusable delay, breach of warranty, express or implied, or for any default whatsoever relating to the condition of the product or MS' duties to eliminate any program errors.

THE ABOVE IS A LIMITED WARRANTY AND THE ONLY WARRANTY MADE BY MS. ANY AND ALL WARRANTIES FOR MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. COMPANY AGREES MS SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES EVEN IF MS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5. TITLE, PATENT AND COPYRIGHT INDEMNIFICATION: Subject to the limitations of this Paragraph 5,

(a) MS represents that it has the sufficient right, title and interest in the product to make this License Agreement. MS agrees to defend at its expense any suit against COMPANY based upon a claim that MS does not have sufficient right, title, and interest in the product as furnished by MS to make this License Agreement, or that the product as furnished by MS under this agreement infringes on a United States patent or United States copyright, and to pay the amount of any settlement or the costs and damages finally awarded after appeal, if any, in any such suit, provided (1) that MS is notified promptly in writing of any notice of claim or of threatened or actual suit and (2) at MS' request and expense MS is given assistance for the defense of the same. COMPANY shall have the right to approve or reject any settlement proposed by MS which would result in a recovery exceeding the limitation of Paragraph 5(e).

(b) Following notice of a claim or of a threatened or actual suit, MS may, without obligation to do so, procure for COMPANY the right to continue to use the product as furnished or, without obligation to do so, may replace or modify the same to make it non-infringing. If MS elects to replace or modify the product, such replacement shall substantially meet the performance specifications of the Reference Manual identified in Exhibit "A".

(c) MS shall have no liability for any claim of MS' lack of right, title, and interest to the product or any claim of copyright or patent infringement based on COMPANY's (1) use of other than the latest release of the product received from MS if such claim would have been avoided by the exclusive use of a MS product. For all claims and/or suits arising under this subparagraph, COMPANY will indemnify MS for all of its costs, damages, expenses and attorney's fees. Any such costs, damages, expenses and attorney's fees shall not be payable until and unless there has been a final judgment adverse to COMPANY.

(d) MS shall have no obligation to the COMPANY for any claims made against it which arise from the use, sale, license or other disposition of the product outside the geographical boundaries of the United States and the COMPANY hereby releases and discharges MS from any and all claims resulting from such use.

(e) MS' liability to the COMPANY under any provision of this License Agreement, including this Paragraph 5, or any transaction contemplated by this License Agreement shall be limited to the amount actually paid by the COMPANY to MS under Paragraph 2. MS' limitation of liability is cumulative with all MS' expenditures being aggregated to determine satisfaction of the limit. The existence of more than one claim or suit will not enlarge or extend the limit. COMPANY releases MS from all obligation (including those of Paragraph 5), liability, claims or demand in excess of the limitation. The parties acknowledge the other parts of the License Agreement rely upon the inclusion of this Paragraph 5(e) herein.

6. MARKETING AND NON-DISCLOSURE AGREEMENT:

(a) Notwithstanding anything to the contrary contained herein, COMPANY shall have the right to market the product in object form only to purchasers of COMPANY's computer system products. COMPANY shall not reproduce, duplicate, copy or otherwise disclose, distribute or disseminate the product in source form (code or listing) in any media except for COMPANY's own internal use.

(b) COMPANY expressly undertakes to retain in confidence, and to require its marketing customers to retain in confidence, all information and know-how transmitted to it by MS, and will make no use of such information and know-how except under the terms and during the existence of this agreement. COMPANY agrees to obtain the written agreement of each of its marketing customers to the Non-Disclosure Agreement attached as Exhibit "C".

(c) The COMPANY's obligation under this Paragraph 6 shall survive any termination or expiration of the License Agreement and shall extend to the earlier of such time as the information protected hereby is in the public domain or ten (10) years following termination or expiration of the License Agreement.

7. LICENSE AND PROTECTION OF COPYRIGHT AND PATENTS:

(a) The COMPANY will cause to appear on the product container or labels the notice "COPYRIGHT (C) by Microsoft, 19 80, all rights reserved".

(b) Provided MS' copyright notice is affixed thereto, MS grants COMPANY the rights to reproduce, publish and sell copies of part or all of the manuals and documentation furnished COMPANY pursuant to this License Agreement, subject at all times to the limitations of Paragraph 6.

8. PROHIBITION AGAINST ASSIGNMENT & SUBLICENSE: This License Agreement shall not be assigned by COMPANY without the written approval of MS; provided, COMPANY may assign this License Agreement to any purchaser of substantially all the assets of COMPANY's computer system products business. The COMPANY shall not sublicense its right under this agreement to any other person or entity except as specifically authorized by this agreement.

9. TERM OF AGREEMENT: This License Agreement shall be effective from the date a copy signed on behalf of COMPANY is accepted by MS at its Bellevue, Washington office until its termination in accordance with the terms of this License Agreement or September 18, , 19 90 , whichever is earlier.

10. DEFAULT BY COMPANY: MS may terminate this License Agreement by giving notice to COMPANY: (a) if company fails to perform or comply with this License Agreement or any provision thereof, including failure to promptly pay any amount due under the provisions of Paragraph 2; (b) if COMPANY fails to strictly comply with the provisions of Paragraph 6; (c) if COMPANY becomes insolvent or admits in writing its inability to pay its debts as they mature; or makes an assignment for the benefit of creditors; (d) if a petition under any foreign or United States Bankruptcy Act, as it now exists or is amended, is filed by COMPANY; (e) if such a petition is filed by any third party or an application for a receiver of COMPANY is made by anyone and such petition or application is not resolved favorably to COMPANY within sixty (60) days. Termination under clause (b) shall be effective as of the day notice is given; otherwise termination shall be effective thirty (30) days following MS' giving notice to COMPANY if the occurrence giving rise to the right of termination has not been cured. The rights and remedies of MS provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or this agreement.

11. OBLIGATIONS UPON TERMINATION: If the License Agreement is terminated, COMPANY shall return all full or partial copies of the product in COMPANY's possession or under its control to MS within ten (10) days following the termination date, including any in-house copies COMPANY may have produced.

At the termination of this License Agreement COMPANY will be deemed to have assigned, transferred and conveyed back to MS all rights, equities, goodwill, titles or other rights in and to the product, as it was delivered by MS to COMPANY. Termination under this provision shall not relieve COMPANY of the obligations it has under this License Agreement, including, without limitation, its obligations regarding the confidentiality of the product. From and after termination COMPANY will not use internally nor employ the product as it was delivered to COMPANY as part or portion of any product which COMPANY may use, sell, assign, lease, license, or transfer to any third parties.

Termination of this License Agreement as a result of COMPANY's default shall result in acceleration of COMPANY's obligation to pay all sums COMPANY contracted to pay under this License Agreement except for unearned per copy royalties.

12. NOTICES AND REQUESTS: All notices and requests in connection with this License Agreement shall be deemed given as of the day they are deposited in the U.S. mails, postage prepaid, certified or registered, return receipt requested, and addressed as follows:

COMPANY Hallikainen & Friends
101 Suburban Rd.
San Luis Obispo, CA 93401

Attention: Mr. Harold Hallikainen

MS: MICROSOFT
10800 N.E. 8th
Bellevue, Washington 98004

Attention: William Gates, Partner

or to such other address as the party to receive the notice or request so designates by written notice to the other.

13. CONTROLLING LAW: This License Agreement shall be construed and controlled by the laws of the State of Washington and COMPANY further consents to jurisdiction by the state and federal courts sitting in the State of Washington. Process may be served on COMPANY by U.S. Mail, postage prepaid, certified or registered, return receipt requested, or by such other method as is authorized by the Washington Long Arm Statute.

14. MODIFICATION: This License Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and merges all prior and contemporaneous communications. It shall not be modified except by a written agreement dated even herewith or subsequent hereto signed on behalf of COMPANY and MS by their respective duly authorized representatives.

15. ATTORNEY FEES: If MS employs attorneys to enforce any rights arising out of or related to this License Agreement, and if MS prevails, MS shall be entitled to recover reasonable attorneys' fees.

16. BINDING EFFECT: Subject to the limitations hereinbefore expressed, this License Agreement will inure to the benefit of and be binding upon the parties, their successors, administrators, heirs and assigns.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 10th day of December, 1980. All signed copies of this License Agreement shall be deemed originals.

MICROSOFT

By William H. Gates

Its partner

(NAME OF COMPANY) HALLIKAINEN & FRIENDS

By [Signature]

Its HAROLD HALLIKAINEN
PRESIDENT

EXHIBIT "A"

The product will perform and have features as specified in MICROSOFT's
8K BASIC manual document number -----.

Source code to be in Motorola Standard Assembly Language
(as per Motorola M68PRM(D) Reference Manual, 1976) and
not utilize macro-instructions.

EXHIBIT "B"

PRICE AND PAYMENT

COMPANY will pay MS Three Thousand DOLLARS (\$ 3,000) at the time of signing of this License Agreement by COMPANY which payment will be known as the "downpayment". In addition, COMPANY will pay MS for each full or partial copy of the products sold or otherwise disposed of by COMPANY the sum of Fifty DOLLARS (\$ 50). Payment under this provision will be known as "royalty payment". COMPANY will make royalty payment on or before the 15th day of each month for each sale or other disposal of the product made during the previous month to COMPANY's customers.

COMPANY shall keep accurate books and records which contain all information necessary for an exact determination of all royalties due for all periods at its offices noted in Paragraph 12 of the License Agreement, which shall be available for copying, audit and examination by any representative or auditor during the term of this License Agreement and for a period of one year after termination. Any audit by MS shall be for purposes of checking COMPANY's calculation of the royalties due under this License Agreement and COMPANY's compliance with the terms of this License Agreement.

The fee for continuing MS' maintenance obligation as described in Paragraph 4(c) is Three Thousand DOLLARS (\$ 3,000) per year.

EXHIBIT "C"

NON-DISCLOSURE AGREEMENT

The party below agrees that it is receiving a copy of (COMPANY's trade name for licensed software) for use on a single computer only, as designated on its registration card. The party agrees to fill out and mail in the registration card before making use of (COMPANY's trade name for licensed software). The party agrees that all copies will be strictly safeguarded against disclosure to or use by persons not authorized by (COMPANY) to use (COMPANY's trade name for licensed software), and that the location of all copies will be reported to (COMPANY) at (COMPANY's) request. The party agrees that copying or unauthorized disclosure will cause great damage to (COMPANY) and this damage is far greater than the value of the copies involved. The party agrees that this agreement shall inure to the benefit of any third party holding any right, title or interest in the (COMPANY's trade name for licensed software) or any software from which it was derived.

("Party")