

Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399

Tel 206 882 8080
Telex 160520
Fax 206 883 8101

Microsoft®

March 13, 1992

Greg Herrick
Chairman & Chief Executive Officer
ZEOS International, Ltd.
530 5th Avenue, N.W.
St. Paul, MN 55112

Dear Mr. Herrick:

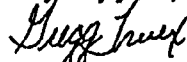
This letter responds to your letter dated March 4, 1992.

First, Microsoft does not "force" ZEOS (or any other OEM customer) to pay Microsoft a software license fee for every computer system sold. Rather, Microsoft is able to offer its best pricing to those customers who elect to report and pay Microsoft a software royalty for each system sold. This type of pricing has the additional advantage of minimizing the cost of accounting, auditing, etc. since only systems need be counted for royalty calculation purposes.

As we discussed, the open-ended exclusion proposed in your letter would result in ZEOS getting Microsoft's best pricing with no accompanying assurance as to volume. Accordingly, I have proposed a five percent exclusion for systems sold to the Federal Government and this proposal appears to be acceptable to you. Microsoft understands that a company's business direction may change over time, and we want to work with you to accommodate those changes.

Enclosed is an Amendment No. 3 which incorporates this exclusion. If this is acceptable, please execute both originals and return them to me for signature.

Very truly yours,



Gregg Truex
Account Manager, OEM Sales



MS 0040155
CONFIDENTIAL