

MAGNAVOX V. ACTIVISION

RESOLUTION OF REMAINING DIFFERENCES

March 14, 1985

1. Issue - Does the right to terminate remain in the license agreement?

Resolution - Yes. Preamble to the agreement will recite that both parties shall act in good faith.

2. Issue - Will the condition subsequent for payments remain applicable to the release of Activision in the Settlement Agreement?

Resolution - No -- Magnavox must sue on the notes.

3. Issue - What triggers payment for the home computer license and when payable?

Resolution - For \$200,000 issue of any of claims 1, 13, 40, 50 or 55 in '480 or 1, 3, 9, 26, or 30 in '095. For \$100,000 payable in 1988.

4. Issue: Venue and Law Resolution - Venue and Law on venue California. All other law, New York.

5. Issue: non-assertion by Magnavox

Resolution: Magnavox will not assert any patents in Exhibit A against any Activision games disclosed to Magnavox and made prior to January 1, 1985 except the Rusch patent with respect to 13 games or the two Baer reissues.

6. Issue: Right to manufacture abroad.

Resolution: Manufacture in any country where there is a patent will bear the 1% royalty above the domestic royalty schedule (premium). There are no such patents in Taiwan, South Korea, the Phillipines or Mainland China.

7. Issue: How is the Consumer Price Index applied?
Resolution: As set forth in the original draft agreements and no other.

8. Issue: What triggers favored motion clause.
Resolution: Only a lower subsequent running royalty for future sales.

9. Issue: What if customers don't pay.
Resolution: Activision will receive a credit only if (a) customer goes into bankruptcy or (2) Activision sues to collect.

10. Issue: Who pays for audit?
Resolution: The party who orders it.

The foregoing represents the understanding of the parties on the above key points, but does not constitute a binding agreement as this agreement once fully written must be Presented to principals.

The Magnavox Co.

Sanders Associates

Activision Inc.