

INDEPENDENT SOFTWARE VENDOR INFORMATION

Commercial Distribution of PL/I-80 Composite Programs

This note describes the licensing arrangements which allow you to make Commercial Distribution of programs you have written using the PL/I-80 programming system. The licensing described here applies only if you are interested in selling or transferring programs for a consideration when portions of the PL/I-80 Run-time Library are incorporated into these programs. If you are using PL/I-80 for your own purposes only, or within a company or organization where sale or transfer for a consideration is not involved, then the Non-Commercial Single Processor Software License which you have already executed is sufficient for your purposes.

You may wonder why a separate license for Commercial Distribution is necessary. To answer this, one must consider that the Run-time Library is a very large portion of the PL/I programming system. In order to keep the costs down on an individual basis, we must carefully divide the users into various categories according to their requirements, and charge accordingly. The alternative is to charge exorbitant prices to everyone, as is done in the minicomputer industry, and hope that the total income produces an average which is sufficient to support and enhance our product. It's interesting to note, for example, that a major minicomputer manufacturer recently announced a PL/I Subset G compiler listing for \$12,000 for a single-use license. This price includes no Commercial Distribution rights whatsoever!

Before going into the licensing arrangements, it's necessary to review the fundamental definitions. Referring to the Non-Commercial license, recall that a "Developed Program" is produced directly from the PL/I-80 compiler, and is the product of your own programming efforts. A Developed Program specifically does not include any portions of the Run-time Library. A "Composite Program," however, results when you use the linkage editor to include the necessary subroutines from the PL/I-80 Run-time Library. Thus, a Composite Program consists of two principal components: the set of Developed Programs which you have written, and the set of subroutines included from the PL/I-80 Run-time Library. When you sell Composite Programs you are selling your own product combined with runtime subroutines developed, maintained, and supported by Digital Research. For this reason, Commercial Distribution of Composite Programs requires separate licensing so that Digital Research programs are properly protected. Further, Commercial Distribution involves fees which enable Digital Research to provide the necessary support and enhancement of the runtime library.

There are essentially four ways in which you can sell or transfer programs which you have developed in PL/I. The first method has been used throughout the industry for some time, and is the most common in the microcomputer industry. In this first case, you write

your programs using the PL/I-80 compiler and produce Developed Programs which do not contain portions of the Run-time Library. You may sell these Developed Programs to anyone you wish, without any additional payment to Digital Research, whatsoever. Your customer must, of course, own a copy of the Run-time Library in order to link your developed programs to the proper subroutines for execution. In effect, your customer has taken your Developed Programs and produced his own Composite Programs. If your customer does not own a copy of the Run-time Library, you can act as an intermediate dealer, and purchase the LINK-80 and PLILIB subroutine library from Digital Research, at dealer discounts up to 50%, depending upon your volume. The list price for this package is \$100 in unit quantity. This first method of distribution directly parallels the use of interpreter-based language processors, such as Basic, where your customer must own the interpreter in order to execute your application programs. The principal advantage of this form of distribution is that your customer need only purchase the LINK-80 and PLILIB package from Digital Research, and no additional licensing is required.

All other forms of transfer or sale involve Commercial Distribution of Composite Programs, and thus require additional licensing through Digital Research. We have set-up these licensing arrangements so that they are easy to execute. Further, the reporting arrangements are simplified so that your business operation is minimally affected. The three forms of Commercial Distribution are (1) Simple Royalty, (2) Yearly Subscription, and (3) Unlimited Distribution for a one-time charge.

The Simple Royalty is set-up for low volume operations and is the simplest to execute, but results in the highest unit cost. In this case, each Composite Program you sell requires a payment of \$15 to Digital Research to be paid on a monthly basis. Note that if you are using overlays, each overlay also requires a payment of \$15. The Simple Royalty plan can be executed at any time: see the PL/I-80 Simple Royalty Addendum for exact licensing and payment details. When your sales volume goes up, you will most likely change over to the Yearly Subscription license.

The Yearly Subscription Addendum covers the majority of the Commercial Distribution cases. Reporting is greatly simplified, and the unit cost is reduced significantly. In this case, you pay a single fee of \$1000 which covers sales volume of up to \$100,000 for a one year period. If your gross sales exceed \$100,000, then you must pay a 1% surcharge on the excess sales, due at the end of the year. We'll send you a notice at the end of your one-year period as a reminder both to check for your excess sales and renew for the upcoming year.

The final licensing arrangement applies to large volume users who wish to have "no strings attached" to their Commercial Distribution. As you would expect, this last form is significantly more expensive than the other forms and, in fact, is negotiated separately for each situation.

In the following pages, you'll find the licensing arrangements

for Commercial Distribution according to either the Simple Royalty or Yearly Subscription. The Simple Royalty has two additional pages: the Commercial Distribution Log which you can use to record your sales, and which is not sent to Digital Research. The second page associated with the Simple Royalty is the Monthly Report. This report is sent to Digital Research at the end of each month in which you sell programs under this Addendum.

The Yearly Subscription has one additional page: the Sales Certification Report which is submitted to Digital Research at the end of the one year period in which you perform Commercial Distribution under this Addendum.

Finally, you will probably notice that our licensing agreements are now copyrighted. The reason is that our technical and legal staff members have expended considerable time and effort in developing these agreements, and wish to be properly credited for their work. We give blanket permission, however, to reproduce these agreements in their entirety so long as the copyright notice is retained. Further, if you wish to use basically the same agreements when you license your own software products, you are free to abstract and paraphrase our copyrighted licenses as long as you include a notice of the form:

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DIGITAL RESEARCH PL/I-80 NON-COMMERCIAL SINGLE PROCESSOR SOFTWARE LICENSE

DIGITAL RESEARCH, INC., PO Box 579, Pacific Grove, Ca., 93950 (called "DRI") and the party who executes this License (called "Licensee") agree to the grant and acceptance of this License under the following terms and conditions:

1. DEFINITIONS. The following definitions apply:

"Licensed Programs" means the PL/I-80 Compiler (PLI-COM, PLI0.OVL, PLI1.OVL, PLI2.OVL), the LINK-80 Linkage Editor (LINK.COM), the LIB-80 Librarian (LIB.COM), and the Run-time Library (PLLIB.IRL), or any portion thereof.

"Developed Program" means any compiled or assembled program created by Licensee through the use of the Licensed Programs. A Developed Program is the output from the compiler or assembler, or combination of such output, which does not contain any portion of the Run-time Library.

"Composite Program" means any computer program which includes any portion of the Run-time Library. A Composite Program is formed using LINK-80, or a similar linkage editing process, which combines Developed Programs with portions of the Run-time Library.

"Program Documentation" means any written or printed material provided by or through DRI.

"Licensed Computer" means the computer system, designated by the Licensee as a part of this License, utilizing a single processor. A processor is defined as a Central Processing Unit utilized in such a manner as to be capable of executing the Licensed Programs.

"Commercial Distribution" means the licensing, sale, transfer, distribution, or utilization of one or more Composite Programs for a consideration, or for free where available as a promotional device, or in conjunction with a product or service for which a consideration is paid by the acquiring party.

2. LICENSE. DRI grants a nonexclusive, nontransferable license to Licensee to read the Licensed Programs into the Licensed Computer for execution under CP/M or MP/M. This use does not include the right to disassemble the Licensed Programs or any portion thereof. Licensee may use the Licensed Programs to construct Developed Programs or Composite Programs. However, this License does not grant Licensee any right to Commercial Distribution. Title to the Licensed Programs and those portions of the Run-time Library included in Composite Programs remain with DRI. Neither this License, nor the Licensed Programs may be sold, leased, assigned, sublicensed, or otherwise transferred by Licensee, except as provided herein.

3. TERM OF LICENSE. So long, and only during such period, as Licensee complies with the terms and conditions setforth herein, the term of this License shall begin on the date of execution of it by DRI, and shall run until Licensee discontinues use of all Licensed Programs. This License is subject to cancellation for cause by DRI, for failure of Licensee to comply with the terms and conditions hereof. Within five (5) days of such cancellation, Licensee shall destroy the Licensed Programs and all reproductions, in whole or in part, and all parts thereof included in Composite Programs, in Licensee's possession.

4. REPRODUCTION. The reproduction of up to three (3) copies of the Licensed Programs in machine readable form is authorized. Licensee agrees to label media containing each copy with the notice:

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and to label media containing Composite Programs with: Portions (c) Copyright 1980 Digital Research, Inc. Pacific Grove, California

5. LIMITED ASSIGNMENT. The Licensed Computer may be changed by Licensee upon written notice to DRI, stating the PL/I-80 serial number and Licensed Computer information for the substituted computer, as shown at the bottom of this License. Transfer of the License from party to party, however, requires relicensing and prior written approval from DRI, and is subject to the then current transfer fee.

6. LIMITED WARRANTY. DRI agrees to provide notices of updates to the Licensed Programs when generally available for a period of one year from date. Except for the foregoing sentence, DRI makes no warranty of any kind, either express or implied, with respect to the use of the Licensed Programs and Program Documentation. Since DRI has no control over the use of its Licensed Programs, DRI expressly disclaims all implied warranties of merchantability and fitness for a particular purpose. DRI shall under no circumstances be liable for consequential damages or related expenses, even if DRI has been notified of the possibility of such damages. This product is not intended as "Consumer Goods" under California law.

7. MISCELLANEOUS. This is the entire agreement, which supercedes oral or advertising representations. This License may not be modified except in a writing signed by an officer of DRI. California law shall apply to this License. The prevailing party in any legal action brought to enforce this License shall be entitled to legal fees and costs. Either party may bring suit under this License in Monterey County, California. The signing of this License constitutes acceptance of the terms of this License. No provision in correspondence or purchase orders shall in any way modify this License.

SIGNED _____
NAME _____
DATE ___/___/___
COMPANY _____
ADDRESS _____
CITY _____ ST _____ ZIP _____

DESCRIPTION OF LICENSED COMPUTER:

MAKE _____ MODEL _____
SERIAL# OR ID _____

PLEASE LEAVE THE FOLLOWING BLANK
A SIGNED COPY WILL BE RETURNED TO YOU

BY DRI _____
DATE ___/___/___ PL/I-80 # _____

PL/I-80™ SIMPLE ROYALTY COMMERCIAL DISTRIBUTION ADDENDUM

This is an Addendum to the Digital Research PL/I-80 Non-commercial Single Processor Software License (hereafter called the "Basic Agreement"). The two documents shall be read as one, and in the case of conflict, this Addendum shall prevail. The intent of this Addendum is to provide a simple royalty plan for the Commercial Distribution of "Application Programs." In addition to the definitions of the Basic Agreement, the following definition applies:

"Application Program," for the purpose of this Addendum, is a Composite Program whose content or value is primarily derived from the Developed Program and not from the utilization of subroutines extracted from the PL/I-80 Runtime Library. Programming language translators or interpreters, and general purpose mathematical or I/O packages are not authorized Application Programs within the definition of this Addendum. Other licensing arrangements may be available for these purposes.

1. License. Upon receipt by DRI of a copy of this Addendum signed and dated by Licensee, DRI authorizes Licensee to make Commercial Distribution of Application Programs. Receipt by DRI is evidenced by (1) posting of such copy by Registered Mail to DRI, or (2) notification of receipt by DRI by return mail. This License does not include any right to distribution of other Licensed Programs such as the PL/I-80 Compiler, LINK-80 Linkage Editor, or LIB-80 Librarian.

2. Identification and Record Keeping. In order to properly identify Application Programs shipped or transferred, Licensee shall uniquely label the media containing such programs with an identification code which minimally includes in its first positions a "Product Code," followed by a sequentially generated serial number, starting at 1. The Product Code, designated by the Licensee, shall be unique for every sequence of serial numbers. Licensee shall maintain a log of shipped or transferred Application Programs under each Product Code, where each entry is indexed by the serial number. Each entry shall include the quantity shipped, the date of transfer, and the dealer or customer name and address. A sample Commercial Distribution Log, which may be reproduced and used by the Licensee, is included with this Addendum. Licensee shall permanently retain such records, which DRI shall have the right to audit at any time during business hours. The cost of the audit shall be borne by Licensee if an understatement of royalties is revealed.

3. Simple Royalty Payment. Not later than the tenth day of each calendar month following the month of shipment or transfer of media containing Application Programs, Licensee shall forward to DRI a Monthly Report of the number of such programs shipped or transferred in the preceding month. The Monthly Report shall follow the form included with this Addendum, which Licensee may reproduce, and be accompanied by payment to DRI at the currently established royalty rate of \$15 for each Application Program Commercially Distributed in absolute, page relocatable, or overlay form. DRI reserves the right to change the established royalty rate upon ninety days advance written notice. Any report or payment

overdue by twenty days shall be cause for immediate termination of this Addendum by DRI. Overdue royalty payments shall be subject to a service charge of 2% per month after the due date.

4. Payments and Reports. Payments and reports to DRI for Commercial Distribution shall be made by mail to P.O. Box 579, Pacific Grove, CA 93950. All payment amounts are in U.S. Dollars, and foreign Licensees must include a 10% surcharge with each payment.

5. Copyright Notification. The storage media containing Application Programs which are Commercially Distributed under the terms of this Addendum shall have prominently marked on the label:

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Digital Research, Inc.
Pacific Grove, California

6. Failure to Comply; Assignment; Bankruptcy. Any failure by Licensee to comply strictly with the terms of this Addendum, after written notice from DRI and a reasonable time to correct such default, shall be cause for immediate termination of the rights granted by this Addendum and injunctive relief preventing any further Commercial Distribution. This Addendum may not be assigned voluntarily or by operation of law, under any circumstances except in a writing signed by an officer of DRI. In the event of Licensee becoming the subject of any bankruptcy or reorganization proceedings, the Receiver may not assign or sell the rights hereunder without prior notice to DRI, and without providing DRI reasonable evidence that its proprietary rights under this Addendum will be protected by the assignee.

7. Term. This Addendum shall be in effect until Licensee chooses to cancel it by written notice to DRI. DRI reserves the right to discontinue distribution of the PL/I-80 Runtime Library by means of this Addendum upon six months advance written notice. Upon termination, licensee shall fully comply with reporting and payment requirements, and either retain the Commercial Distribution Log, or forward such to DRI.

SIGNED _____

NAME _____
(Print or Type)

DATE _____

PL/I-80 SERIAL# _____

COMPANY _____

ADDRESS _____

CITY _____

PLEASE LEAVE THE FOLLOWING BLANK, A
SIGNED COPY WILL BE RETURNED TO YOU

BY _____
DIGITAL RESEARCH, INC.

PL/I-80[™] YEARLY SUBSCRIPTION COMMERCIAL DISTRIBUTION ADDENDUM

This is an Addendum to the Digital Research PL/I-80 Non-commercial Single Processor Software License (hereafter called the "Basic Agreement"). The two documents shall be read as one, and in the case of conflict, this Addendum shall prevail. The intent of this Addendum is to provide a simple and inexpensive means for Commercial Distribution of "Application Programs." In addition to the definitions in the Basic Agreement, the following definition applies:

"Application Program," for the purpose of this Addendum, is a Composite Program whose content or value is primarily derived from the Developed Program and not from the utilization of subroutines extracted from the PL/I-80 Runtime Library. Programming language translators or interpreters, and general purpose mathematical or I/O packages are not authorized Application Programs within this definition. Other licensing arrangements may be available for these purposes.

1. License. By this Addendum, DRI authorizes Licensee to make Commercial Distribution of Application Programs developed by Licensee. This License does not, however, provide any right to distribution of other Licensed Programs such as the PL/I-80 Compiler, Link-80 Linkage Editor, or LIB-80 Librarian.

2. Term. The Effective Date of this Addendum is specified by Licensee in Paragraph 7. This signed Addendum together with the Initial Subscription Payment must be received by DRI fifteen days prior to the Effective Date. The Expiration Date of this Addendum is one calendar year from the Effective Date. Licensee is authorized to make Commercial Distribution on or after the Effective Date, so long as Licensee has received an approved copy of this Addendum from DRI. Shipment or transfer of Application Programs may not be made after the Expiration Date, regardless of the date of generation of such programs.

3. Subscription Payment. The Initial Subscription Payment required to execute the terms of this Addendum shall be \$1000. Within thirty days after the Expiration Date of this Addendum, Licensee shall submit to DRI a Sales Certification Report, as attached, and a supplemental subscription payment at a rate of 1% for those sales of Application Programs during the term of this License which exceed \$100,000. Payments and reports shall be made by mail to P.O. Box 579, Pacific Grove, CA 93950. All payment amounts are in U.S. Dollars, and foreign Licensees must include a 10% surcharge with each payment.

4. Copyright Notification. The storage media containing Application Programs which are Commercially Distributed under the terms of this Addendum shall have prominently marked on

the label:

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5. Failure to Comply; Assignment; Bankruptcy. Any failure by Licensee to comply strictly with the terms of this Addendum after written notice from DRI and a reasonable time to correct such default, shall be cause for immediate termination of the rights granted by this Addendum and injunctive relief preventing any further Commercial Distribution. This Addendum may not be assigned voluntarily or by operation of law, under any circumstances except in a writing signed by an officer of DRI. In the event of Licensee becoming the subject of any bankruptcy or reorganization proceedings, the Receiver may not assign or sell the rights hereunder without prior notice to DRI, and without providing DRI reasonable evidence that its proprietary rights under this Addendum will be protected by the assignee.

6. Cancellation and Renewal. This Addendum may be cancelled by Licensee upon thirty days advance written notice to DRI. The subscription payment is non-refundable. Right of renewal, terms of renewal, and subscription payment may be revised by DRI from time to time.

7. Effective Date. The date given below by Licensee shall be the Effective Date of this Addendum.

EFFECTIVE DATE _____/_____/_____

SIGNED _____

NAME _____
(Print or Type)

DATE _____

PL/I-80 SERIAL# _____

COMPANY _____

ADDRESS _____

CITY _____

PLEASE LEAVE THE FOLLOWING BLANK, A
SIGNED COPY WILL BE RETURNED TO YOU

BY _____
DIGITAL RESEARCH, INC.

PL/I-80 COMMERCIAL DISTRIBUTION SALES CERTIFICATION REPORT

I hereby certify, under penalty of perjury, that the gross software sales volume of PL/I-80 Application Programs distributed under the terms of the Yearly Subscription Addendum during the period

from ____/____/____ to ____/____/____

did not exceed \$ _____ (U.S.) on an accrual basis. I am aware that a supplemental subscription payment is due when the amount stated above exceeds \$100,000 (U.S.), as specified in the PL/I-80 Yearly Subscription Commercial Distribution Addendum. I am the Chief Financial Officer of:

Company _____

Address _____

City _____

State _____ Zip _____

Signed _____

Name _____
(please print or type)

Date ____/____/____