



November 14, 1984

Miss Jo Anne Breitmeyer
BRITEDAY, INC.
970 Terra Bella Avenue, Suite #3
Mountain View, CA 94043

Mr. Robert Fabris
ARCADIAN COMPANY
3626 Morrie Drive
San Jose, CA 95127

Dear Miss Breitmeyer and Mr. Fabris:

As you are probably aware, NITRON is without funds to pursue the mailing which was intended for the Christmas holiday in order to liquidate the ASTROCADE systems and cartridges that NITRON has in inventory before they become valueless. Except for officers and one or two other personnel, NITRON has furloughed all employees as of November 9th until further notice. By the end of the week, it is quite probable that the company will be without telephone service, water, and power for utilities.

It is fairly obvious that if the mailing for the ASTROCADE which we have prepared does not go out within the next week or so, we will have completely missed the Christmas market which obviously is the only real market for these systems and cartridges. Therefore, we have considered your proposal and accept same, which we will define in the balance of this letter, constituting an agreement between the parties.

Rich Forte, Chief Executive Officer of NITRON, has obtained approval from Tony Manlove, a Managing Director of THE CHURCHILL GROUP, to proceed with transferring the finished goods inventory to your possession as collateral for all legitimate expenses incurred.

The parties hereto agree as follows:

1. The balance of finished goods inventory will be transferred to your storage facilities at 970 Terra Bella Avenue, Suite #1, Mountain View, CA 94043 by the end of this week.
2. NITRON will obtain offsite insurance to cover said inventory.
3. NITRON will pay BRITEDAY, INC. \$500 per month for the storage of said inventory for the period November 15, 1984 through January 15, 1985 for a total rental sum of \$1,000. At the end of this period, NITRON will remove said inventory from your premises. If NITRON fails to do so, NITRON will pay BRITEDAY, INC. the sum of \$1,000 per month thereafter.

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Nitron

4. NITRON hereby confirms a Purchase Order in the amount of \$10,000 to BRITEDAY, INC. to cover the artwork, printing, folding, glueing, labeling and general handling of 10,000 formvelopes previously approved by NITRON in connection with the ARCADIAN direct mail campaign.
5. ARCADIAN will subsidize the cost of the postage for the mailing (estimated to cost approximately \$1,800).
6. Upon receipt of orders by ARCADIAN, ARCADIAN will immediately notify BRITEDAY, whereupon BRITEDAY will undertake the responsibility of shipping against the order(s).

ARCADIAN will pay BRITEDAY, in advance of shipment(s), the full amount of each order less sales tax and ARCADIAN commissions. Commissions to ARCADIAN will be based on the net price of the product (i.e., less sales tax, shipping and handling costs). Ten percent (10%) commission will be paid to ARCADIAN (or anyone else who sells the product).

ARCADIAN assumes full responsibility for the payment of sales tax to the State Board of Equalization.

7. The net moneys received from the sale of ASTROCADE systems and cartridges will be used to pay expenses in the following order of priority:
 - a. The first \$3,600 to be split equally between ARCADIAN and BRITEDAY to offset the initial costs of postage by ARCADIAN and printing by BRITEDAY.
 - b. The balance of moneys owed to BRITEDAY for associated costs of printing, mailing, shipping, rent and program administration costs, which will be documented on a weekly basis.
 - c. Additional moneys received (less administrative expenses) shall then be forwarded to NITRON on a bimonthly basis.
 - d. The Chief Financial Officer of NITRON (currently Bill Bredekamp) will be the recipient of disbursements. In his absence, the Chief Executive Officer (currently Rich Forte) or his designee will be recipient of said moneys.
 - e. Special pricing on quantity must be approved by the Vice President, Marketing and Sales (currently Edwin J. Turney).

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- 8. NITRON will permit the use of six (6) complete Astrocade Systems with complete sets of cartridges to be used free of charge for promotional purposes to stimulate local sales.
- 9. BRITEDAY will provide a UCC-1 agreement on the inventory to NITRON.

If this letter of agreement meets the conditions of your joint proposal to NITRON, please acknowledge by offering your signature below.

Also attached for your review, please find copies of the following:

- 1. Finished goods inventory transferred to BRITEDAY, INC.
- 2. A copy of the ASTROCADE mailer.

If you have any questions, please feel free to contact me.

Sincerely,

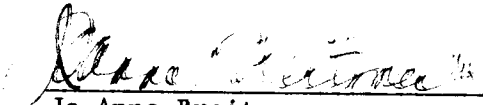


Edwin J. Turney
Vice President, Marketing and Sales

enclosures

/Cjr

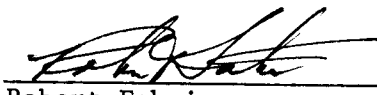
ACKNOWLEDGEMENT:



 Jo Anne Breitmeyer
 President,
 BRITEDAY, INC.

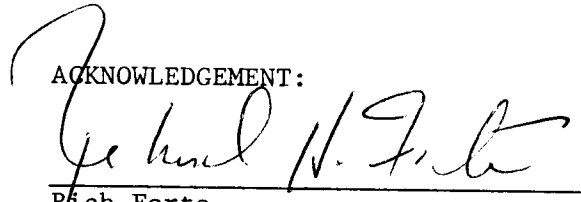
Dated: 11/21/84

ACKNOWLEDGEMENT:



 Robert Fabris
 ARCADIAN COMPANY

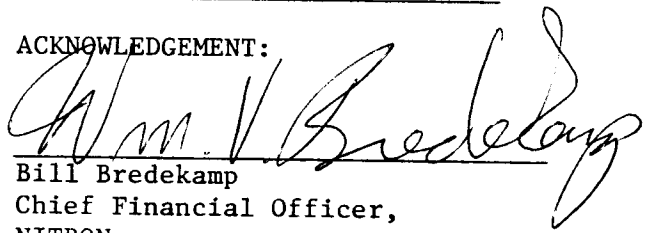
Dated: 19/Nov/1984

ACKNOWLEDGEMENT:


 Rich Forte
 Chief Executive Officer,
 NITRON

Dated: _____

ACKNOWLEDGEMENT:



 Bill Bredekamp
 Chief Financial Officer,
 NITRON

Dated: 11/21/84

cc: Tony Manlove, THE CHURCHILL GROUP