

To: Diane Yoder
From: Amy Worth
CC: Kirk Selby, Paul Balle
Re: Pricing for Bank Of America's Desktop Office Applications Standard
Date: 12/9/94

Below is pricing for Microsoft Office based on your requirement of a single desktop productivity standard for the entire Bank. Given that you already have a large installed base of our products, we are providing pricing not only for a new license of Office, but also for offerings which take advantage of your large installed base. These are:

- upgrade to Office from a previous version of a Microsoft desktop application or from a competitive product
- Office Round Off. Office Round Off provides you the lowest possible pricing and is based on meeting two criteria (user owns two of the applications included in Office and is enrolled in Microsoft Enterprise License Pak (MELP) Maintenance for Office - a likely scenario for a single desktop standard environment.) We believe that a sizable segment of your end user population owns at least two of the applications included in Office (Word, Excel, Powerpoint, Mail client) and thus can take advantage of this pricing.

All of the above MELP pricing for Office is identical for the Windows and Mac platforms, so you can meet the needs of your Mac constituencies, such as Seafirst.

Given the large number of PCs which qualify for your desktop standard (we are assuming between 70,000-85,000), we are not only making every effort to provide the best possible price, but are also making an exception to the provisions within the MELP program which normally require a company outfit those qualifying PCs which do not have Office by the end of the sixth month of the agreement. We realize that migration to a single standard will be an enormous undertaking for you and have thus extended this deadline to one year after you enroll in MELP. Moreover, we can take advantage of the flexibility inherent in MELP and add discrete organizations or divisions within the Bank over time, as opposed to from the date we join into an agreement.

In addition, should you choose Office as the Bank's desktop standard, we are eager to invest significant resources in order to ensure a successful migration. You may be aware of the recent Gartner Group study which highlights that acquisition cost of PC software is a relatively small per cent (less than 5%) of the five year lifecycle cost, with upgrade fees, administration, distribution/installation and support comprising the remainder. Microsoft has a proven track record of helping companies make migration to our products as low cost and "painless" as possible. Below are some of the free services from Microsoft as well as fee-based offerings from our worldwide Solution Provider network:

- Enrollment in the MELP Maintenance program to receive all minor and major upgrades
- Free desktop applications phone support for end users
- Migration support, including on-site conversion seminars and our Office Conversion Support Program (expires 6/30/95), led by our Product Support Services organization
- Coordination of on-site support through Microsoft Solution Providers
- Macro and file conversion assistance from our worldwide pool of Excel and Word consultants
- Backup support to your internal end-user training organization by our Authorized Training Centers
- Self-paced exercises from Microsoft Education Services
- Step By Step Series and other books from Microsoft Press
- TechNet subscription CD-ROM service
- Beta CD-ROM program

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Below prices are estimated retail; actual cost to the Bank will be lower and can be obtained from your Large Account Reseller. We have also included current street price and MVLP-C level pricing (your current agreement) as a basis for comparison.

	New license, MELP-C	Office Upgrade, MELP-C	Office Round Off, MELP - C	New license, Average Street Price	New license, MVLP-C
Microsoft Office 4.2c for Windows or Microsoft Office for the Macintosh	\$225	\$179	\$45	\$490	\$293

Notes:

1. The Select program volume pricing above is delivered via CD-ROM discs which the Bank can then distribute electronically. The Bank is implementing this approach, as you are currently participating at the Microsoft Variable License Pak Level C for systems and applications pools.
2. MELP is a two year agreement which provides the right to run a specific set of Microsoft products on all desktops within Bank Of America, or within a discrete part of the Bank. The MELP commitment level is the sum of the Bank's hardware installed base inventory added to your computer acquisition forecast. The quarterly fee for MELP relates only the the installed base of hardware; therefore, there is no requirement to account for specific software installations or usage (thereby greatly streamlining reporting.)
3. Not all desktops at the Bank need to be included in the MELP installed base number. "Qualifying computer" for Office family products under MELP is defined as an Intel 386 DX or above (or compatible CPU) personal computer or workstation with at least 8 MB of system memory. (An Intel or Intel compatible CPU based machine that is designated as file server and not used as a personal computer, or any system dedicated to run only line-of-business, proprietary and non office automation functions (such as your COIN system) is excluded from the term "qualifying computer.")
4. A license for Microsoft Office for Windows Upgrade is available for a workstation on which at least one qualified word processor, spreadsheet, presentation graphics, database license OR Microsoft FoxPro, Works or Project is installed at the time the upgrade license is acquired.
5. A license for Office for the Mac version upgrade is available for a Mac on which at least one Microsoft word processor or spreadsheet is installed at the time the upgrade license is required.

Finally, please note that the information above is valid for 30 days and subject to change without notice.

We are excited about becoming your desktop standard and are eager to work together to meet your needs and respond to any questions you may have. Please call me at 415 573 5030 if you have any questions.

Best regards,

Amy Worth

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