



Cooperative Market Development and Support Agreement for
Microsoft® Windows® Desktop Operating System Products
Document # 5123340009

SIGNED
ORIGINAL

This Cooperative Market Development and Support Agreement ("Agreement") is made and entered into as of the first day of January, 2000 ("Effective Date") by and between MICROSOFT LICENSING, INC., a Nevada, U.S.A. corporation ("MS"), and GATEWAY, INC., a Delaware corporation ("COMPANY") and its Subsidiaries.

Definitions

For purposes of this Agreement:

"Windows Products" shall mean the products licensed as part of the "Windows Desktop Family" exhibits in COMPANY's OEM Agreement with MS.

"OEM Agreement" shall mean the then current OEM license agreement signed by and between MS and COMPANY for Windows Products. (The OEM Agreement may also include other Microsoft products.)

"Customer Systems" shall mean personal computers distributed with Windows Products licensed under the OEM Agreement.

"MSCORP" shall mean Microsoft Corporation, a Washington, U.S.A. corporation.

Overview

This Agreement defines a cooperative framework between MS and COMPANY to expand the market for COMPANY's Customer Systems and to mutually enhance the potential for increased market share through investments in Windows-related platform development, promotions and improved customer support.

With respect to COMPANY's Customer Systems, it is MS' and COMPANY's mutual intent to:

- Expand the existing market,
- Broaden the market for new opportunities,
- Encourage repeat and replacement sales,
- Improve respective competitiveness, and
- Improve the end user experience,

by working cooperatively to:

- Advance the Windows PC platform,
- Improve product quality, and
- Endorse or promote promising technologies.

The following are milestone activities (the "Milestone Activities") designed to achieve the objectives listed above. In consideration of COMPANY's successful accomplishment of the Milestone Activities, as agreed upon by MS, MS shall provide COMPANY incentive discounts in the amounts stated below against royalties for Windows 2000 Professional and the Windows Product currently named "Windows, Millennium Edition" in accordance with the general terms and conditions (the "General Terms and Conditions") set forth in this Agreement.

Milestone ActivitiesIncentive Discount:

1. The Designed for Windows logo requirements were created by MSCORP in close collaboration with industry participants for the purpose of establishing guidelines to develop and test quality, innovative products designed for the Windows PC platform. Customer satisfaction is increased and support costs are reduced through these improvements in hardware quality, compatibility and stability. The logo assures users that Customer Systems acquired from COMPANY will meet these standards. \$5.00
 - All new COMPANY Customer System models that ship with Windows Products shall meet the then current respective "Designed for Windows" logo requirements (currently outlined in MSCORP's PC9x Hardware Design Guide). Such Customer Systems (as configured for sale to end-users) shall pass logo certification at MSCORP's Windows Hardware Quality Labs within 30 days of release (first distribution). Further, such Customer Systems (as configured for sale to end-users) shall be substantially similar to units of such Customer Systems as configured for advertisements and for review by trade publications.
 - In addition, COMPANY shall license (pursuant to a separate Windows logo license agreement between COMPANY and MSCORP) and display on all COMPANY's Customer Systems licensed for Windows Products the appropriate "Designed For Microsoft Windows" logo or successor logos. Such logo shall be in color and based upon a metallic design specified by MSCORP.

2. End users find setting up, powering on and configuring a new personal computer can be lengthy, challenging and even intimidating. This process affects both COMPANY's corporate image and the image of Windows Products. Improving the end customer's experience has widespread impact ranging from reductions in support calls and Customer System returns, to increased interest and repeat purchase of Customer Systems by first time users. Consequently, MS encourages COMPANY to simplify and streamline this experience. \$2.00
 - All COMPANY's Customer Systems released on or after August 1, 2000, and all Windows Millennium based Customer Systems, irrespective of release date, that ship with Windows Products can be completely assembled (i.e., all hardware components but excluding peripherals not necessary for the operation of the Customer System (e.g. external speaker(s), printers, scanners, cameras, gaming devices, etc.) provided with the Customer System connected and ready for the first power on by the end user), powered on, and complete the initial boot to the Windows Desktop within no more than ten (10) minutes. For purposes of measuring initial boot time, assume that the end user accepts all default choices presented by any dialog boxes presented during boot up. Windows 95 systems are exempt from this requirement.
 - COMPANY's Customer Systems released (first distributed) on or after August 1, 2000 will complete its Power On Self Test process in ten (10) seconds or less from the initial power-on of the Customer System. In addition, the ready state for any IDE hard drive will be achieved within ten (10) seconds or less from the initial power on of the Customer System. COMPANY's E-5200, E-5250 and E-5400 product line is exempt from this requirement. Customer Systems with 7200 RPM or higher hard drives will complete POST in fifteen (15) seconds or less. Customer Systems shipped as default with ECC memory are exempt from this requirement. Windows 95 systems are exempt from this requirement.
 - COMPANY'S Customer Systems released on or after August 1, 2000 and shipping with Windows 98, Windows 98 Second Edition or Windows Millennium Edition shall have a total system resource value of eighty five percent (85%) free or higher at first boot and all subsequent boots (unless the end user subsequently elects to cause programs to auto-run that cause total system resource values to fall below 85%). This number shall be eighty percent (80%) for Customer Systems preinstalled with IME (Input Method Editor).
 - Details on testing may be found in the "MDA 2000 Milestone 2 Testing Guidelines" document.

3. MS encourages COMPANY to engage in the following support readiness milestones to assist COMPANY's customers in appropriately deploying Windows -based Customer Systems, and to help Microsoft in gathering feedback on the OEM-specific issues of its Windows Products. \$1.50
 - Of the full-time and contracted staff providing end customer Windows support, at least fifty percent (50%) of such staff or ninety percent (90%) of Level II support shall pass the Microsoft Certified Professional program's "Installing, Configuring, and Administering Microsoft® Windows® 2000 Professional" or "Microsoft® Windows® 2000 Accelerated Exam for MCPs Certified on Microsoft® Windows NT® 4.0." on or before December 1, 2000.
 - COMPANY shall, by June 1, 2000, prominently display regional support contact information on the media or manual for Windows Products, or include a card detailing such information in the Associated Product Materials (as defined in the OEM Agreement) in the event no media or manual is available.
 - COMPANY shall measure end user support call satisfaction via a survey methodology as provided by MSCORP and shall share results of such surveys with MSCORP. This will consist of, on a quarterly basis beginning July 1, 2000 for six (6) consecutive quarters, the results of responses to four (4) to six (6) standard questions, asked of a statistically representative sample (error range of ~ 7%; confidence factor of 90%) of Windows support customers. This typically consists of no more than two hundred fifty (250) completed response surveys per product (Windows 2000, Windows NT Workstation, Windows 98 SE and Windows Millennium Edition) per quarter.

- COMPANY shall provide a representative random sample from eight (8) calendar quarters of support incidents for English Windows Products (e.g. Windows 2000, Windows NT Workstation, Windows 98 SE or Windows Millennium Edition) as identified by MS that are coded and reviewed using an MSCORP-supplied incident tracking tool and classification tree. The size of the random sample shall be a minimum submission of 3,000 incidents per quarter per product category (Windows 2000 Professional or Windows NT Workstation, Windows 98 Second Edition or Windows Millennium Edition). MSCORP will supply the incident tracking tool, classification tree, incident tracking requirements and definitions, reviewing methodology and process, and quality assurance guidelines.

4. End users of COMPANY's installed base of Customer Systems may wish to update their Windows Products with updates and/or enhancements that MSCORP releases through Service Packs and/or Service Pack components as a means of continually improving the quality of Windows Products. MSCORP may make these Service Packs and their associated components available to end users at no charge for such purposes. In this event, MS encourages COMPANY to provide end users with support options from COMPANY. \$1.00
- COMPANY shall provide end user support for Service Packs and/or Service Pack components for Windows Products obtained by end users of COMPANY's installed base of Customer Systems within 30 days of general availability. COMPANY shall note this offering through its internet, print, and software-based end customer support facilities and materials.
5. End users expect to resolve support issues in a consistent, easy-to-use manner through a common support mechanism. Enabling end customers to resolve these potential support problems by themselves and through consistent interfaces and "self-healing" technologies will result in fewer support calls for both COMPANY and MS. MS encourages COMPANY to make the following improvements in its Windows-based Customer Systems. \$.50
- All COMPANY's Windows Millennium Edition-based Customer Systems shall integrate all COMPANY's text-based help and technical support content residing locally on the Customer System for display inside the Help & Support Center program using the SDK as provided by MSCORP, within sixty (60) days of release of Windows Millennium Edition. Other Customer System help and technical support content (such as video tutorials, links to web-based support centers that reside outside the Customer System) may be made available through the Help & Support Center program via links to the outside content.
6. As a means to furthering end user awareness and appreciation for COMPANY's Windows Products-based Customer Systems:
- COMPANY will issue a series of at least five (5) Windows 2000 Professional related press releases on either 1) PR Newswire and European/Japanese wire services or 2) BusinessWire and post all such releases on COMPANY's PR web site as follows: One (1) PR release in the six (6) week period following April 1, 2000, and one (1) PR release in each of the four (4) consecutive six (6) week periods thereafter. Two (2) PR releases shall be based outside the country of COMPANY's headquarters and in Japan, China, or the member states of the European Union. Each press release to be jointly approved by MS and COMPANY, and shall: \$1.00
 - Feature Windows 2000 Professional in the headline.
 - Highlight Windows 2000 Professional momentum/growth on COMPANY's business PCs, new COMPANY products or services, COMPANY investments, quantified business customer benefits, customer success stories, or other as approved by MS, in a prominent manner.
 - COMPANY will include one of the following taglines at least once per product category (consumer and/or business) in each execution of Customer System related sales, marketing, and promotional efforts conducted by or for COMPANY as outlined below: \$5.00

Taglines

- For Customer System models licensed with Windows 9x and configured for sale as a home PC
- *"Includes Windows 98 Second Edition - the home version of the world's favorite software."*
- Or
- *"Includes Windows Millennium Edition - the home version of the world's favorite software."*
- For all other Customer Systems:
- *"[Customer System line or model] runs best with Windows 2000 Professional."*
- Or
- *"[COMPANY] recommends Windows 2000 Professional for business."*

MS shall defend COMPANY and COMPANY Subsidiaries against, and pay the amount of any adverse final judgement (or settlement to which MS consents) resulting from third party claim(s) that the taglines above are false or misleading provided, however, such liability shall not exceed five (5) million dollars in the aggregate.

Sales, Marketing, and Promotional Efforts

- Print and Web Materials: COMPANY shall use a text font size 50% larger than the font used for the body copy. COMPANY may provide examples of print and web advertising for clarification purposes.
 - o Print Advertising & POP Materials: By June 1, 2000, in ad copy or as standalone snipe (POP materials that include specific Customer System(s) features and/or configurations).

- o WEB Pages: By May 1, 2000, on each product Customer System special information page and point-of-purchase page/configuration screen.
- o WEB Banners: By May 1, 2000, on the page referenced by the banner's hyperlink.
- o Catalogs: By June 1, 2000, on each page (or 2 page spread) that promotes a Customer System.
- o Direct Mail: By June 1, 2000, on each page (or 2 page spread) that promotes a Customer System.
- Radio: By June 1, 2000, message included in a pace and tone consistent with the primary message of the advertising, that is when the primary focus of the radio ad is promoting a Customer System(s), and not in a rapid pace as is commonly used with legal copy/disclaimers

General Terms and Conditions

1. Confidentiality

COMPANY and MS shall keep confidential all terms and conditions of this Agreement and all communications between COMPANY and MS regarding the terms and conditions of this Agreement, including communications made to or by MSCORP in its capacity as the OEM sales and marketing representative of MS. However, COMPANY or MS may disclose the terms and conditions of this Agreement in confidence to its immediate legal and financial consultants as required in the ordinary course of COMPANY's or MS's business. To the extent of any inconsistency between this Section and any other non-disclosure agreements that apply to disclosures and communications made between MS and COMPANY, this Section shall control with respect to the terms and conditions of this Agreement and all communications between COMPANY and MS regarding the terms and conditions of this Agreement.

2. Pre-requisites for Milestone Activities

COMPANY agrees to complete the following MDA pre-requisites.

- a) COMPANY shall attend the annual Windows Hardware Engineering Conference, and MSCORP-hosted OEM Preinstallation Kit training courses (if such course is available).
- b) COMPANY shall provide MS and MSCORP with detailed written feedback and system compatibility test results on Customer Systems and Windows Products, including beta versions of Windows Products and corresponding OEM Preinstallation Kit, no later than 30 days after MS' release of the same.
- c) COMPANY shall license localized Windows Products (if available) on all Customer Systems that are shipped to China (excluding Hong Kong and Macao which does not require that COMPANY ship the Chinese localized language), Israel, Greece, Turkey, Thailand, Eastern Europe, and the Middle East (see Attachment 1 for a list of Eastern European and Middle Eastern countries). COMPANY shall preinstall on and distribute the applicable localized version as the default Windows Product language version with all such Customer Systems that are distributed with Windows Products no later than ninety (90) days after MS' shipment of such applicable localized version OEM Preinstallation Kit to COMPANY. As an alternative to preinstallation of the localized version by COMPANY, COMPANY may at its option, require any Distributor to install the localized operating system on all COMPANY Customer Systems that such Distributor purchases from COMPANY prior to shipment to any end user that is located in the above described geographies of this Pre-requisite. COMPANY shall contractually bind such 3rd party installer to the terms and conditions set forth in COMPANY's OEM Agreement for such installation services.

Notwithstanding the foregoing, COMPANY may ship only the English language to end users making a request for English language install and COMPANY's resellers may ship only the English language to end users making a written request for English language install; provided COMPANY notifies MS in its normal MDA status and final reports (June 30, 2000 and December 1, 2000) the following information regarding such installation of English language Customer Systems:

- (i) number of Customer Systems distributed with English language operating system;
 - (ii) the type of MS operating system product; and
 - (iii) the country destination for which the Customer System was shipped.
- d) In order to combat software piracy, COMPANY shall ensure that all of COMPANY's computer systems (as configured for sale to end users) ship with licensed operating system software or a license for use of operating system software, (whether or not such software or license is from MS).
 - e) Should COMPANY choose to implement BIOS-lock mechanisms on all Customer Systems' external media, COMPANY shall do so according to the "Microsoft Windows Operating System and OEM Custom Recovery Resource Guide" and as set forth in COMPANY's OEM License Agreement.
- ### 3. Applicability of Incentive Discounts for Milestone Activities
- a) Any incentive discounts earned under this Agreement shall apply only to 1) Windows 2000 Professional and Windows Millennium Edition, licensed under the OEM Agreement and shipped between January 1, 2001 and December 31, 2001, and 2) Windows 98 Second Edition licensed under the OEM Agreement and shipped between January 1, 2001 and June 30, 2001. Incentive discounts shall not be applied to any other products currently licensed or which may be licensed in the future from MS.

- b) Except for the incentive discounts set forth in this Agreement, COMPANY shall not be entitled to any discounts or other consideration in exchange for its participation in the above Milestone Activities.

4. Monitoring of Milestone Activities

COMPANY shall cooperate with MS to monitor the status of Milestone Activities. This cooperation will include providing MS with status reports using the templates as supplied by MS, and supporting information as may be requested by MS from time to time. This includes no fewer than two written progress reports to MS to be received on June 30 and December 1, 2000, stating the Milestone Activities accomplished and including supporting materials. MS shall determine whether COMPANY has satisfactorily completed each Milestone Activity after the December 1 report. MS shall send a letter or email notification to COMPANY of the discount earned by COMPANY after such determination has been made. In the event that MS and COMPANY disagree as to whether COMPANY has satisfactorily completed any Milestone Activity, the parties shall each appoint a senior level executive to meet and attempt to resolve any such disagreement. Failing mutual resolution, MS shall make a final binding determination as to whether COMPANY has satisfactorily completed any Milestone Activity. COMPANY agrees to keep records relating to completion of each Milestone Activity and will make such records available to MS upon request.

Upon request by MS, COMPANY agrees to provide MSCORP with up to two Customer Systems per year configured as shipped to end users, which MSCORP shall use for testing and evaluation purposes. MSCORP shall return the Customer Systems to COMPANY within thirty (30) days of completion of testing and evaluation.

In order to verify statements issued by COMPANY and COMPANY's compliance with the terms of this Agreement, MS may cause an audit to be made of COMPANY's and/or COMPANY's subsidiaries' facilities and procedures relating to this Agreement. Any audit and/or inspection shall be conducted during regular business hours at COMPANY's and/or COMPANY's subsidiaries' facilities, with a minimum of 10 days prior written notice. COMPANY agrees to provide MS' designated audit or inspection team access to the relevant COMPANY's and/or COMPANY's subsidiaries' records and facilities.

5. Continuation of Milestone Activities

Except in those cases where the applicable Milestone Activity set forth above specifically requires the accomplishment of a single event (e.g. attending an event), all Milestone Activities are ongoing, and continuous performance until December 31, 2001, is required for successful accomplishment of all Milestone Activities. If COMPANY discontinues performance on any individual Milestone Activity the associated incentive discounts will be discontinued effective as of the date that performance has been discontinued.

6. Term and Termination

This Agreement shall commence on the Effective Date and shall continue until the earlier of: (A) December 31, 2001; (B) termination of this Agreement in accordance with its terms; or (C) termination or expiration of the OEM Agreement.

In the event of any COMPANY or MS default(s) under the General Terms and Conditions of this Agreement or the terms and conditions of any OEM Agreement in effect during the term of this Agreement, the non-defaulting party may terminate this Agreement immediately upon written notice to the other party, if such default is not cured within the applicable cure period for such default, if any, and whether or not the non-defaulting party elects to terminate the OEM Agreement. In the event that MS elects to terminate this Agreement due to the default which has not been cured, COMPANY shall not be entitled to any further discounts or other consideration in exchange for its participation in the above described Milestone Activities, whether or not such Milestone Activities have been completed at the time of such termination. In the event COMPANY elects to terminate this Agreement due to a default which has not been cured, COMPANY shall be entitled to all incentive discounts earned, as agreed upon by MS in accordance with the terms of this Agreement, up to the date of termination.

7. No License Agreement Implied or Created

This Agreement does not create and is not intended to create a license for any Microsoft products. Further, the incentive discounts described above shall be applicable only in the event MS and COMPANY enter into a license agreement for Windows 2000 Professional and/or Windows Millennium Edition.

8. Controlling Law and Attorneys' Fees

a) This Agreement and all matters relating to this Agreement shall be construed and controlled by the laws as specified in the OEM Agreement, and COMPANY consents to jurisdiction and venue in the state and federal courts as specified in the OEM Agreement. Process may be served on either party in the manner set forth in the OEM Agreement.

b) If either MS or COMPANY employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees, costs and other expenses, to the extent provided, if any, in the OEM Agreement.

9. Notices

All notices, authorizations, and requests in connection with this Agreement shall be deemed given at the time and in the manner specified in the OEM Agreement and addressed as indicated below:

COMPANY:

Gateway, Inc.
610 Gateway Drive
P.O. Box 2000
Mail Stop Y-09
North Sioux City, SD 57049-2000
Attn.: Senior Business Manager, Software, Supply
Management
Telephone: (605) 232.2107
Fax: (605) 232.1122

With copies to:

Gateway, Inc.
610 Gateway Drive
P.O. Box 2000
Mail Stop Y-04
North Sioux City, SD 57049-2000
Attn.: Law Department

Gateway, Inc.
610 Gateway Drive
P.O. Box 2000
Mail Stop Y-09
North Sioux City, SD 57049-2000
Attn.: Director, Supply Management

MS:

MICROSOFT LICENSING, INC.
6100 Neil Road
Reno, NV 89511-1132 U.S.A.

Attn.: General Manager

With copies to:

MICROSOFT CORPORATION
One Microsoft Way
Redmond, WA 98052-6399 USA
Attn.: Law & Corporate Affairs
Re: Microsoft Licensing, Inc. OEM Sales & Marketing
Fax: +1-425-936-7329

MICROSOFT CORPORATION
One Microsoft Way
Redmond, WA 98052-6399 USA
Attn: Vice President, OEM Sales & Marketing
Re: Microsoft Licensing, Inc. OEM Sales & Marketing

10. Miscellaneous

- a) This Agreement, and any rights or obligations hereunder, shall not be assigned by COMPANY except to the extent, if any, assignment of the OEM Agreement is permitted under the terms of the OEM Agreement.
- b) This Agreement does not constitute an offer by MS and it shall not be effective until signed by both parties. Upon execution by both parties, this Agreement shall constitute the entire agreement between the parties with respect to the subject matter hereof and merges all prior and contemporaneous communications. It shall not be modified except by a written agreement signed on behalf of COMPANY and MS by their respective duly authorized representatives.
- c) If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions shall remain in full force and effect.
- d) No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.
- e) NEITHER MS NOR MSCORP MAKE ANY REPRESENTATION OR WARRANTY REGARDING SPECIFICATIONS IDENTIFIED IN THIS AGREEMENT OR ANY DOCUMENT REFERENCED HEREIN (INCLUDING THE MSCORP PC9X HARDWARE DESIGN GUIDE) OR REGARDING ANY PRODUCT OR ITEM DEVELOPED BASED ON THE SPECIFICATIONS. MS AND MSCORP DISCLAIM ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND FREEDOM FROM INFRINGEMENT. Without limiting the generality of the foregoing, MS and MSCORP do not make any warranty of any kind that any item developed based on these specifications, or any portion of a specification, will not infringe any copyright, patent, trade secret or other intellectual property right of any person or entity in any country. COMPANY acknowledges that COMPANY is responsible for seeking and obtaining licenses for such intellectual property rights where appropriate. Neither MS nor MSCORP shall be liable for any damages arising out of or in connection with the use of the specifications, including liability for lost profit, business interruption, or any other damages whatsoever. Nothing contained in this subsection is intended to override or take precedence over the general terms and conditions set forth in the Business Terms Document executed by MS and COMPANY on November 1, 1997.
- f) Neither this Agreement nor any terms and conditions contained herein shall be construed as creating a partnership, joint venture or agency relationship or as granting a franchise.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above. All signed copies of this Agreement shall be deemed originals.

MICROSOFT LICENSING, INC.

Chad Hankins
By (Signature)
CHAD HANKINS
Name (Print)
CEM ACCOUNTING MANAGER
Title
5-1-00
Date

GATEWAY, INC.

Dave Russell
By (Signature)
DAVE RUSSELL
Name (Print)
VP
Title
4/17/00
Date

**ATTACHMENT 1 to
Cooperative Market Development and Support Agreement for
Microsoft® Windows® Desktop Operating System Products**

Eastern Europe & Middle East Defined

For the purposes of the MDA, following are definitions of Eastern Europe and the Middle East. Note that some countries may be subject to U.S. export control restrictions, and COMPANY will need to comply with the export control provisions of their OEM Agreement license.

Eastern Europe

COUNTRIES

- | | | |
|--------------|------------------------------|---|
| • Armenia | • Turkmenistan | • Poland |
| • Azerbaijan | • Ukraine | • Romania |
| • Belarus | • Bosnia-Herzegovina | • Uzbekistan |
| • Georgia | • Croatia | • Estonia |
| • Kazakhstan | • Slovenia Bulgaria | • Federal Republic of Yugoslavia |
| • Kyrgyzstan | • Czech Republic | • Latvia |
| • Moldova | • Slovakia (Slovak Republic) | • Lithuania |
| • Russia | • Hungary | • Albania |
| • Tajikistan | • Serbia | • Former Yugoslav Republic of Macedonia |
| • Montenegro | | |

Middle East

COUNTRIES

- | | | |
|---------------|----------------|------------------------|
| • Afghanistan | • Kuwait | • Syria |
| • Algeria | • Lebanon | • Tunisia |
| • Bahrain | • Libya | • Turkey |
| • Cyprus | • Morocco | • United Arab Emirates |
| • Egypt | • Oman | • Yemen |
| • Iran | • Pakistan | |
| • Iraq | • Qatar | |
| • Israel | • Saudi Arabia | |
| • Jordan | • Sudan | |



Document Summary.
Mega Marketing Development Agreement

Microsoft Licensing, Inc.

STANDARD DOCUMENT? NonStandard Legal	DOCUMENT #5123340009	AMENDMENT #
COMPLETE COMPANY NAME GATEWAY INC		CUSTOMER # 0000004976
SOLD TO ADDRESS Mr.Dave Russell GATEWAY INC 610 Gateway Drive North Sioux City, SD 57049 USA Telephone: 605-232-2000 Fax: 605-232-2145 E-mail:		
EFFECTIVE DATE: January 1, 2000	AGREEMENT TERM: two (2) years	
Account Manager: swannep robjo	Subsidiary: United States	Subsidiary GM (If Applicable):

DRAFT

RECEIVED

MAY - 5 2000

OEMDocRoute

STANDARD OPTIONAL TERMS SELECTED

NON-STANDARD OPTIONS SELECTED

ENABLE LOADING OF MANUALLY-CREATED MDA AGREEMENT

NON-STANDARD CONDITIONS

- Notice Contact Business Name different than Customer Name
Gateway, Inc. GATEWAY INC
- Non-Standard Agreement Type
- Inserted Non-Standard Document Section
ENABLE LOADING OF MANUALLY-CREATED MDA AGREEMENT
- Source Code Subsidiaries - Standard
- Edited: Inserted Document Section
INSERT AGREEMENT TEXT HERE - ACTION REQUIRED
- Edited: Deleted Document Section
EXPAND THIS & INSERT TEXT IN NODE BELOW
INSERT AGREEMENT TEXT HERE
- Edited Text
INSERT AGREEMENT TEXT HERE - ACTION REQUIRED
- Changed Company Name
GATEWAY 2000 INC GATEWAY INC
- Agreement effective date more than 90 days in the past
1/22/00 1/1/00

ACCOUNT MANAGER COMMENTS REGARDING THIS DOCUMENT (Account Manager, please provide details of transaction, reasons for non-standard changes to Agreement, etc. If lengthy, attach separate memo.)
Cooperative MDA

Agreement includes Gateway's Subsidiaries

Milestone 2 - All dates move from June 1 to July 1

MS-PCA 1715817

MICROSOFT CONFIDENTIAL - INTERNAL USE ONLY

TemplateRev: 5 5123340009-9

**HIGHLY
CONFIDENTIAL**

First bullet; As w/ MDA 99, added clarifying language wrt peripheral devices

Second bullet; Excluded GW's workstation line, increased to 15 sec. for > 7200 RPM drives, and exempted ECC memory

Third bullet; Reduced to 85% system resources, 80% IME.

Fourth bullet; Added ref. to Testing Guidelines doc.

Milestone 3

First bullet; Added "or ninety percent (90%) of Level II support"

Third & Fourth bullets; Clarified the OS's this milestone applies to.

Milestone 6

Second bullet; Added clarification lang. "at least once per product category (consumer and/or business)". Also worked w/ Allenwi to develop indemnification language for the taglines at GW legal's request, limiting damage to \$5M in the aggregate.

Sales, Marketing, and Promotional Efforts

First bullet; Replaced text w/ "50% larger than the font used for bhte body copy"; Also changed Web ad execution dates to May 1 from April 1.

Second bullet; Added clarification lang. "that is when the primary focus of the radio ad is promoting a Customer System(s),"

General Terms and Conditions (all changes worked w/ Allenwi)

1. Made confidentiality language bilateral for both companies
2. Specify "MDA" milestones in first sentence.
 - b) included "MS and"
 - c) As per MDA 99, excluded Macao and HK from Chinese lang. req. and defined areas of Eastern Europe and Middle Eastern countries w/ an Attachment 1

Also provided for exceptions when customers in those countries order Eng. lang. by written request, which GW must report by quantity and license at the MDA reporting periods.

- d) To better define, agreed to drop the "personal" from the "computer systems" definition
- e) Added clarification language to ensure GW they still had the option to choose HDD or no media options as we've outlined previously.
4. Paragraph 3; Agreed to "10 days written notice" as per MDA 99 vs. "48 hours notice"
6. Agreed to make this bilateral as per exact wording from MDA 99.
10. e) Added clarification as per MDA 99 that nothing is intended to override or precede the BTD

LEGAL DEPARTMENT COMMENTS REGARDING THIS DOCUMENT (If Non-Standard):

SIGNATURES (Provide any comments in Comments section on page 1 of Agreement Summary or on reverse side):

ACCOUNT MANAGER (Verify that Summary is complete and correct and that all pages of Document have been proofread).	ADMINISTRATIVE ASSISTANT (If Applicable)
SIGN AND SEND ENCLOSED THANK YOU LETTER?	YES NO

MS-PCA 1715818

Suzanne Pettit
From: Rob Young (OEM)
Sent: Monday, April 24, 2000 8:29 AM
To: OEM Document Routing Admin
Subject: RE: Gateway - MDA

Thanks. Info. in line.

-----Original Message-----
From: OEM Document Routing Admin
Sent: Friday, April 21, 2000 6:28 PM
To: Rob Young (OEM)
Subject: Gateway - MDA
Importance: High

OEMDoc has received the unapproved customer signed originals of this doc. I have inserted an image of it into License Wizard and routed it for approvals. The license or amend has been assigned document tracking number 5123340009-8.

If the document receives a final green light, it will then be sent to MSLI for signature. Also, the document is currently assigned to me in License Wizard and will be reassigned to you upon completion of routing. In the meantime, please provide the following information so I can add it to License Wizard.

Where the customer signed original should be sent after MSLI signature:

Contact Name: [Rob Young (OEM)] Penny Nash
Contact Title: [Rob Young (OEM)] Sr. Business Mgr.
Address: [Rob Young (OEM)] 610 Gateway Drive MD Y-09
City: [Rob Young (OEM)] North Sioux City
State: [Rob Young (OEM)] SD
Country: [Rob Young (OEM)] USA
Zip: [Rob Young (OEM)] 57049
Phone #: [Rob Young (OEM)] 605.232.2588

Do you know if the Wizard will be able to port this data going forward? I type this same info. in for GW each time.

Thank you,
Suzanne Pettit

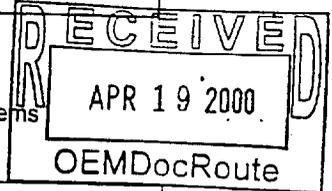
MS-PCA 1715819

HIGHLY
CONFIDENTIAL

DOCUMENT SUMMARY SHEET
**Cooperative Market Development and Support Agreement for Microsoft Windows Desktop
 Operating System Products**

DATE:	April 17, 2000
ACCOUNT MANAGER:	Rob Young
CUSTOMER NAME:	Gateway, Inc.

EFFECTIVE START DATE (AMENDMENT):	January 1, 2000
EXPIRATION DATE (AGREEMENT):	December 31, 2000
PRODUCTS & VERSIONS:	Windows Desktop Operating Systems



MARKETING DEVELOPMENT AGREEMENT SUMMARY:

Section	Change
Overview	Agreement includes Gateway's Subsidiaries
Milestone 2	All dates move from June 1 to August 1, exempted Windows 95 systems from the milestone First bullet; As w/ MDA 99, added clarifying language wrt peripheral devices Second bullet; Excluded GW's workstation line, increased to 15 sec. for > 7200 RPM drives, and exempted ECC memory Third bullet; Reduced to 85% system resources, 80% IME. Fourth bullet; Added ref. to Testing Guidelines doc.
Milestone 3	First bullet; Added "or ninety percent (90%) of Level II support" Third & Fourth bullets; Clarified the OS's this milestone applies to.
Milestone 6	Second bullet; Added clarification lang. "at least once per product category (consumer and/or business)". Also worked w/ Allenwi to develop indemnification language for the taglines at GW legal's request, limiting damage to \$5M in the aggregate. Sales, Marketing, and Promotional Efforts First bullet; Replaced text w/ "50% larger than the font used for bhte body copy"; Also changed Web ad execution dates to May 1 from April 1. Second bullet; Added clarification lang. ",that is when the primary focus of the radio ad is promoting a Customer System(s),"
General Terms and Conditions	
Section 1	Made confidentiality language bilateral
Section 2	Specify "MDA" milestones in first sentence. b) included "MS and" c) As per MDA 99, excluded Macao and HK from Chinese lang. req. and defined areas of Eastern Europe and Middle Eastern countries w/ an Attachment 1 Also provided for exceptions when customers in those countries order Eng. lang. by written request, which GW must report by quantity and license at the MDA reporting

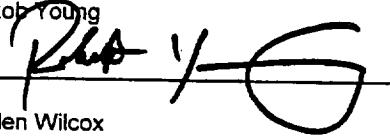
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	periods. d) To better define, agreed to drop the "personal" from the "computer systems" definition e) Added clarification language to ensure GW they still had the option to choose HDD or no media options as we've outlined previously.
Section 3	Added the incentive discount applies to Windows 98 SE from 1/1/01 to 6/30/01
Section 4	Paragraph 3; Agreed to "10 days written notice" as per MDA 99 vs. "48 hours notice"
Section 6	Agreed to make this bilateral as per exact wording from MDA 99.
Section 10	e) Added clarification as per MDA 99 that nothing is intended to override or precede the BTB

1) Rob Young

X



2) Allen Wilcox

X

3) Candace Grisdale

X

4) Richard Fade

X

5) Bill Chapman

X

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Microsoft

May 17, 2000

GATEWAY INC
Penny Nash – Senior Business Manager
610 Gateway Drive MD Y-09
North Sioux City, SD 57049
605-232-2566

RE: Microsoft Document Number: 5123340009

Dear Ms. Nash:

Enclosed is your company's fully executed original or copy of the document referenced above. If you have questions concerning the enclosed document, please contact your Account Manager.

Sincerely,

Microsoft OEM License Administration Team

Cc: Rob Young, Microsoft OEM Sales
Microsoft Corporation Law and Corporate Affairs
Microsoft Corporation License Administration

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