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SIGNED ORIGINAL

**Cooperative Market Development and Support Agreement for  
Microsoft® Windows®™ Desktop Operating System Products**

This Market Development and Support Agreement ("Agreement") is made and entered into this 1st day of January, 1996 ("Effective Date") by and between MICROSOFT CORPORATION, a Corporation of Washington, U.S.A. ("Microsoft") and COMPUSA INC. a Corporation of Delaware ("COMPANY").

**Definitions**

For purposes of this Agreement:

"Windows Products" shall mean Windows 3.11, Windows for Workgroups 3.11, Windows 9x, and Windows NT Workstation (x86).

"OEM Agreement" shall mean the then current OEM license agreement between Microsoft and COMPANY for Windows Products and, if applicable, other Microsoft products.

"Customer Systems" shall mean personal computers which are licensed for distribution with Windows Products under the OEM Agreement.

**Overview**

This Agreement defines a cooperative framework between Microsoft 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 support improvements.

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

- Broaden the market
- Increase respective market share
- Improve respective competitiveness
- Build end-user loyalty

by working to cooperatively:

- Leverage new technology (e.g., Internet, Plug-n-Play)
- Increase end user satisfaction levels
- Improve product quality
- Improve the quality of end user support
- Simplify the end user buying process

Following are a set of Milestone Activities designed to achieve the above objectives. In consideration of COMPANY's successful accomplishment of the below described Milestone Activities, Microsoft is willing to offer COMPANY incentive discounts in the amounts stated below against royalties for Windows Products which are licensed under the OEM Agreement as more specifically described under the General Terms and Conditions below.

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**Microsoft License No.**

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**Milestone Activities****Incentive Discounts**

1. To improve COMPANY's competitive advantage by ensuring the highest level of integration possible with Windows Products, COMPANY shall work closely with Microsoft as an active participant in the testing and development of Windows related tools and technologies by: \$ 1.00
  - Attending the annual Windows Hardware Engineering Conference
  - Attending the Microsoft hosted OPK training course for Windows NT Workstation
  - Attending the Microsoft hosted OPK refresher course for Windows 95
  - Providing Microsoft with feedback and test results on Customer Systems no later than 30 days after COMPANY's receipt of the revised Systems Compatibility Test ("SCT") for Windows 95.
  - Testing all of the Windows Products BETA OPKs supplied to COMPANY and providing detailed written feedback to Microsoft thirty (30) days after receipt of such kits.
  
2. To maximize the end user benefits behind COMPANY's Plug-n-Play Compatible Customer Systems, all add-in cards offered by COMPANY in conjunction with any of COMPANY's Windows 95 based Customer Systems shall be Windows 95 Plug-n-Play ("PnP") compliant as determined by WHQL on or before July 1, 1996. \$ 2.00
  
3. As a means of improving customer satisfaction levels by broadening end user support alternatives, COMPANY shall cooperate with Microsoft to develop and publish a COMPANY specific home page on the World Wide Web by July 1, 1996 that integrates seamlessly with Microsoft's web resources and that incorporates the following: \$ 2.00
  - Universal Resource Locator ("URL") to Microsoft's website for support, information, and file download purposes as supplied by Microsoft.
  - URL to Microsoft's Internet Explorer update page as supplied by Microsoft.
  - License and display the "Microsoft Internet Explorer" Logo on COMPANY's main home page (e.g. "[COMPANYname].com").
  - COMPANY's support information as related to Microsoft's Windows Products. Specifically, end user access information (e.g. phone numbers), support policies, and other support related information (e.g., publication of COMPANY's "Top-10" Windows related questions and answers, etc.)
  
4. To aid end users in the identification, selection, and purchase of COMPANY's Windows compatible Customer Systems and components, COMPANY shall use the Windows Products related promotional logos defined by Microsoft in conjunction with such Customer Systems as follows:
  - License (pursuant to a Windows Product Logo license) and display the applicable Windows Product Logo in COMPANY's Customer System print ads, marketing and sales materials \$ 1.00
  - License (pursuant to the Windows 95 Logo license) and display the "Designed For Windows 95" Logo on all COMPANY's Customer Systems licensed for Windows 95 by either: \$ 1.00
    - a) Continuing to attach the Logo in sticker form to the Customer System chassis.
    - b) Engraving or printing the Logo on the Customer System chassis.

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5. To improve COMPANY's competitive advantage against OEMs that ship pirated operating system product and to promote COMPANY's legitimate operating system offerings through end user awareness programs, COMPANY shall commence the following on or before July 1, 1996:

\$ 3.00

- Utilize Microsoft's Genuine Product logo (artwork provided by Microsoft) in Customer System advertising, collateral, and other promotional materials.
- Ensure that all of COMPANY's advertised computer systems include an operating system as a standard component.
- Ensure that all of COMPANY's computer systems ship with an operating system when shipped to any of the following countries: India, Indonesia, Peoples' Republic of China, Russia and former Soviet Socialist Republics.
- Incorporate a URL on COMPANY's Home page to the Business Software Alliance (BSA) Home Page.

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Page 3

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## General Terms and Conditions

### 1. Confidentiality

COMPANY shall keep confidential all terms and conditions of this Agreement and all communications between COMPANY and Microsoft regarding the terms and conditions of this Agreement. However, COMPANY 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 business. In the event of any breach of confidentiality by COMPANY, Microsoft may immediately terminate this Agreement in which case COMPANY shall not be entitled to any 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.

### 2. Applicability of Incentive Discounts for Milestone Activities

- a) Any incentive discounts earned under this Agreement shall apply to Microsoft's Windows Products which are licensed under the OEM Agreement on the Exhibit C entitled "Windows Desktop Family" and shipped between January 1, 1997 and December 31, 1997.
- 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.
- c) In the event of any COMPANY default(s) under the OEM Agreement, MS may terminate this Agreement immediately upon written notice to COMPANY, whether or not COMPANY cures such default within the applicable cure period for such default, if any, and whether or not MS elects to terminate the OEM Agreement. In the event that MS elects to terminate this Agreement, COMPANY shall not be entitled to any 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.

### 3. Monitoring of Milestone Activities

COMPANY shall cooperate with Microsoft OEM Sales to monitor status of Milestone Activities. This cooperation will include providing Microsoft with status reports and supporting information as may be requested by Microsoft from time to time. COMPANY agrees to make a written progress report to Microsoft on November 30, 1996 stating the Milestone Activities accomplished and including supporting materials. Microsoft shall determine whether COMPANY has satisfactorily completed each Milestone Activity. In the event that Microsoft 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, Microsoft 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.

### 4. 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, 1997 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.

### 5. 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 Microsoft and COMPANY enter into a license agreement for Windows Products which includes an Exhibit C entitled "Windows Desktop Family". Such incentive discounts shall not be applied to any other products currently licensed or which may be licensed in the future from Microsoft, nor shall COMPANY be entitled to any other

compensation or other consideration in exchange for its participation in the above described Milestone Activities.

6. 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 Microsoft 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.

7. Notices

All notices, authorizations, and requests in connection with this Agreement shall be deemed given on the time and in the manner specified in the OEM Agreement.

8. Miscellaneous

- a) Upon request by MS, COMPANY agrees to provide MS with up to two Customer Systems per year which MS shall use for testing and evaluation purposes. MS shall return the Customer Systems to COMPANY within thirty (30) days of completion of testing and evaluation.
- b) 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.
- c) This Agreement does not constitute an offer by Microsoft 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 Microsoft by their respective duly authorized representatives.
- d) 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.
- e) 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.

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 CORPORATION

Teresa Ducharme

By (Signature)

Teresa Ducharme

Name (Print)

Director

Title

7/16/96

Date

COMPUSA INC.

Paul F. Ewert

By (Signature)

PAUL F. EWERT

Name (Print)

VP Merchandising

Title

3-16-96

Date

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Page 5

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