

From: Doug Glen
To: 'Chuck Cortright'
Cc: John Lukrich
Subject: RE: Burst & MS

Chuck,

I concur entirely with your proposed course of action with MS. If you can, please nudge them toward a follow-up meeting next week, preferably early in the week. The purpose of this meeting would be to (i) give them a report on the assets of Burst - people, technology, IP; (ii) begin discussions on valuation; (iii) agree on process. If they are super-enthusiastic and want to move quickly within the 7 - 10 day window, I could meet with them this week.

As for your deal...

- * 100,000 market-priced options for embedding Burstware in factory-release WMP.
- * Additional 100,000 for an investment or sale at less than \$5.00/share.
- * Additional 100,000 for a sale @ \$5.00/share or more.
- * Additional 100,000 for a sale at \$10/share or more.

I've copied John Lukrich, our CFO on this note. He will be heavily involved the rest of the way.

Warmest regards,

Doug

-----Original Message-----

From: Chuck Cortright [mailto:Chuck@Cortright.com]
Sent: Saturday, November 18, 2000 9:41 PM
To: Douglas.Glen@burst.com
Subject: Burst & MS

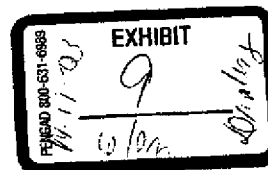
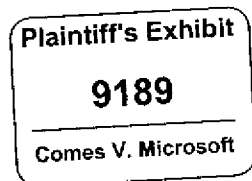
Doug:

I feel our first meeting with MS could not have gone better. You communicated perfectly what needed to be communicated and we certainly have their attention. Having met with Mike Beckerman numerous times and closed an "investment" and "technology" deal with him and MS in the past 6 months I know him well. I sincerely feel that if they confirm the results of the Approach report they will want to move forward with serious discussions. I feel the results will be hard for them to dispute given that the report is excellently produced and presented, and is authored by someone they trust and use themselves.

I will send Mike and Tony an email tomorrow thanking them for their time and attention, followed by a phone call on Monday. In the email and phone call, I will try to get their current feelings on the potential of a deal since they have had time to digest the meeting and since they will be communicating with me alone.

I will carefully insinuate that you could easily offer this deal to Apple and Real and that Real could eventually be forced into acquiring you so as to settle a patent infringement lawsuit. I will remind them that if Real acquired you as a result of either "opportunity" or "settlement" it would not be good for MS.

I will also tell them that I have asked you not to present a similar offer to any other company until they have responded in a reasonable amount of time (7 to 10 days). At the same time, I will remind them that I really feel that they should seriously consider this opportunity for all of the reasons detailed in the Approach report - not to mention the other reasons, including but not limited to, the patent infringement issues.



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Once we obtain a "positive" response from them, I will then asked them for LOI. Then we can present the 3rd party fairness opinion request, which I feel they will accept.

Doug, please confirm that you concur with the above proposed communication. Also, I would appreciate it if you could summarize our arrangement in writing via email at your earliest convenience.

Let's make it happen !!!!

Sincerely,

Chuck

ps - please use chuck@corright.com to communicate with me on his subject.

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