ORIGINAL

OL ACCESS SOFTWARE ADVERTISING AND PROMOTION AGREEMENT

THIS AOL ACCESS SOFTWARE ADVERTISING AND PROMOTION AGREEMENT (this "Agreement") is made and entered into as of October 28, 1996 (the "Effective Date"), by and between: MICROSOFT CORPORATION, a Washington corporation, with principal offices at One Microsoft Way, Redmond, Washington 98052 ("Microsoft") and AMERICA ONLINE, INC., a Delaware corporation, with principal offices at 22000 AOL Way, Dulles, Virginia 20166 ("AOL").

RECITALS

A. Microsoft and AOL entered into a License and Marketing Agreement effective March 12, 1996 (as amended to the date of this Agreement, the "MS/AOL Agreement") pursuant to which, among other things, Microsoft granted AOL a license to reproduce and distribute versions of Microsoft's Internet Explorer software as an integrated part of AOL's access software for all Platforms.

B. Without in any way amending or modifying the MS/AOL Agreement, the parties wish to undertake certain additional advertising and promotional activities to encourage Subscribers to the AOL Flagship Service to upgrade promptly to AOL Access Software incorporating Microsoft's Internet Explorer ("AOL Access Software").

AGREEMENT

NOW THEREFORE, the parties hereto do hereby agree as follows:

1. DEFINITIONS

1.1. Unless otherwise expressly set forth herein, capitalized terms used herein shall have the meaning given to such terms under the MS/AOL Agreement.

1.2. Subject to the provisions of Section 3.1, "Upgrade Period" means the period commencing on the Effective Date and ending on April 5, 1997.

2. ADVERTISING AND PROMOTIONAL OBLIGATIONS OF AOL

2.1. Promotion of AOL Access Software. AOL shall undertake or, as of the Effective Date, have undertaken, the following advertising and promotional activities to encourage its Subscribers to upgrade to AOL Access Software:

A. In the October 28, 1996 Community Update to Subscribers from Steve Case, AOL shall have promoted the availability and features of the AOL Access Software, including the fact that such Access Software includes an integrated version of Internet Explorer 3.0.

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B. Participation in Sitebuilders Conference. AOL shall have participated in the Microsoft Sitebuilders Conference, scheduled for October 28, 1996. Such participation shall have included a joint announcement regarding the shipment of AOL Access Software, an executive level handshake and photograph and press statement opportunities.

C. AOL will promote Internet Explorer using marketing activities determined in its own discretion and/or jointly with Microsoft. Such activities may include:

(i) E-mail from AOL executives to their user base;

(ii) Prominent Internet Explorer download area on the AOL service;

(iii) Prominent Internet Explorer Download area on the AOL Web site;

(iv) Links to the Microsoft Web-site;

(v) Script for AOL support personnel that emphasize Internet Explorer support;

(vi) Internet Explorer to be mentioned as part of the AOL advertising campaign;

(vii) Internet Explorer to be bundled in disks mailed out to existing and new users; and

(viii) Mention of Internet Explorer in AOL Video to user base.

2.2. Additional AOL Advertising and Promotional Obligations.

A. ActiveX Support. AOL shall ensure that, by January 1, 1997, the principal Internet website operated by AOL (i.e., www.aol.com) shall support Internet Explorer with ActiveX technology in accordance with, and in partial satisfaction of, the provisions of Section 10.2 of the MS/AOL Agreement. Support of ActiveX technology pursuant hereto shall constitute support by AOL of one of the features AOL is required to support under Section 10.2 of the MS/AOL Agreement.

B. AOL/Windows 95 Upgrade. The parties agree to cooperate in connection with AOL's marketing, promotion and distribution of a Windows 95 upgrade product which will bundle system memory and a high speed modem with the Windows 95 operating system software. AOL's cooperation shall include, but not be limited to, providing screen space on the AOL Flagship Service for the promotion. Microsoft shall work with AOL to assure that AOL and its Subscribers receive preferred pricing with respect to such upgrade product.

C. Web Cache Traffic Reporting. On or before December 31, 1996, Microsoft shall provide AOL with a list of the 25 Internet webpages for which Microsoft wishes AOL to provide traffic reporting data pursuant to this Section 3.5 (the "Target Sites"). Within ten (10) days after each of January 1, 1997, March 1, 1997, May 1, 1997 and July 1, 1997, AOL shall provide Microsoft with a report of the total number of times, during the two months preceding such dates, that Subscribers to the AOL Flagship Service accessed the Target Sites via the webpage cache created and operated by the AOL Flagship Service.

3. OBLIGATIONS OF MICROSOFT

3.1. Promotional Fee. Microsoft shall pay AOL a promotional fee related to the effectiveness of the advertising and promotional activities undertaken by AOL, as follows:

A. Nonrecoupable Promotional Fee. In addition to any other amounts due hereunder, within ten (10) days after execution of this Agreement, as a nonrecoupable fee for the promotional obligations of AOL described herein, Microsoft shall pay AOL Five Hundred Thousand Dollars ($500,000).

B. Subscriber Upgrade. To further assist AOL in upgrading its current Subscribers to AOL Access Software, Microsoft shall pay AOL twenty-five cents ($0.25) for each Subscriber to the AOL Flagship Service that (i) is an existing Subscriber of the AOL Flagship Service as of the Effective Date, and (ii) is "upgraded" (as defined in Section 3.2) by AOL to AOL Access Software within the Upgrade Period, up to an aggregate maximum of One Million Dollars ($1,000,000). If, by the end of the Upgrade Period, AOL has "upgraded" (as defined in Section 3.2) at least 5.25 million Subscribers of the AOL Flagship Service to AOL Access Software, Microsoft shall make an additional payment to AOL of Six Hundred Thousand Dollars ($600,000). For purposes of this Section 3.1, upgraded Subscribers shall include (i) all existing Subscribers upgraded as provided for in the first sentence of this Section 3.1B, plus (ii) any Subscribers newly acquired by AOL during the Upgrade Period, which Subscribers are not using Internet Explorer as part of their AOL access software who are also upgraded to AOL Access Software during the Upgrade Period.

3.2. Definition of Upgrade. A Subscriber to the AOL Flagship Service shall be deemed "upgraded " to AOL Access Software if, after the Effective Date, such Subscriber accesses the AOL Flagship Service using access software that does not include an integrated version of Internet Explorer, and subsequently accesses the AOL Flagship Service using AOL Access Software, which does include an integrated version of Internet Explorer. Upgrading shall be deemed to occur on the date the Subscriber first accesses the AOL Flagship Service using AOL Access Software .

For purposes of counting upgraded Subscribers, Microsoft acknowledges that all current Subscribers of the AOL Flagship Service (as of the Effective Date) use access software that does not include an integrated version of Internet Explorer. Without limiting the generality of the foregoing provisions of this Section 3.2, upgraded Subscribers will include those existing Subscribers to the AOL Flagship Service (as of the Effective Date) who upgrade to and use the AOL Access Software which integrates Internet Explorer. Subscribers who initially subscribe to the AOL Flagship Service using Access Software, which already includes an integrated version of Internet Explorer, will not be deemed upgraded.

3.3. Reports and Payments. AOL shall provide Microsoft with a written report reflecting amounts due and payable under Section 3.1 on December 15, 1996, January 15, 1997, February 15, 1997, March 15, 1997 and April 5, 1997. Within thirty (30) days following the receipt of such a report, Microsoft shall make payment to AOL of all amounts reflected on such report. Microsoft shall be entitled to conduct audits pursuant to the provisions of Section 20.1 of the MS/AOL Agreement to ensure that AOL is accurately complying with its reporting obligations hereunder.

4. EFFECT ON MS/AOL AGREEMENT

Nothing contained in this Agreement is intended in any way to modify or amend the rms or provisions of the MS/AOL Agreement, all of which remain in full force and effect.

5. MISCELLANEOUS

Nothing contained herein will constitute a partnership between or joint venture by the parties or constitute any party the agent of the other. No waiver by any party hereto of any breach of this Agreement will be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof. No remedy or election hereunder will be deemed exclusive but will, wherever possible, be cumulative with all other remedies at law or in equity. If any provision hereof is deemed to be unenforceable as written it will be modified so as to make it in its general interest, enforceable and as so modified will form part of this Agreement. Nothing contained herein will be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any material statute, law or ordinance the latter will prevail, but in such event the provision of this Agreement affected will be curtailed and limited only to the extent necessary to bring it within the legal requirements. This Agreement shall be interpreted and construed in accordance with the laws of the State of California. This Agreement constitutes the entire agreement and supersedes and cancels all prior negotiations, undertakings and agreements, both oral and written, between the parties with respect to e specific subject matter hereof (other than the Microsoft/AOL Agreement), and will be binding only when executed by both parties. No officer, employee or representative

either party has any authority to make any representation or promise not contained in this Agreement and neither party has executed this Agreement in reliance on any such representation or promise. No waiver, modification or cancellation of any term or condition of this Agreement will be effective unless executed in writing by an authorized representative of the party charged therewith. If this Agreement is executed in counterparts, such counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties to this Agreement by their duly authorized representatives have signed their names below on the date indicated.

MICROSOFT CORPORATION

By: Brad Chase
Name: Brad Chase
Title: Vice-President
Date: 12-19-96

AMERICA ONLINE, INC.

By: [signature]
Name: DAVID A. GANG
Title: SR. VICE PRESIDENT
Date: DECEMBER 19, 1996

Attachment E

Active Platform Support

AOL will follow the guidelines below, although specific design and content issues are at the discretion of AOL. In addition, in no event shall AOL be obligated to comply with any requirement hereunder to the extent that Microsoft does not impose such requirement on every other First Tier ICP, including MSN, and AOL shall have no less favorable rights as to each requirement among all First Tier ICPs (including MSN).

Channel Requirements

1) Support for IE presentation
    - AOL Logo to fit on Channel bar button
    - Full screen view (theatrical view)
2) Support for screen saver functions
3) Create a CDF (Channel Definition Format file) to categorize content for download and offline reading. The CDF can have no more than 8 first level items, when the user first connects to the channel.
4) Update CDF and support notification for new Content
5) Optimize the Channel for download:
    - Author content to meet reasonable download size guidelines
    - Go beyond that limit only after notifying user
    - Offer personalization to select relevant content within a reasonable period of time after launch
6) Content must be updated 5 times a week
7) A Channel must support at least 3 of the following 5 capabilities supported by Dynamic HTML on the top page of the channel, and at least 1 of the 5 following capabilities on at least 50% of the remaining pages in the channel; provided that nothing herein shall require AOL to provide any capabilities that may in its reasonable judgment make it uncompetitive at dial-up:
    - Dynamic Content

      Ability to change elements on HTML page on the fly based on user interaction, without round trip to the server. This allows for better user interactivity, with faster performance.
    - 2D Positioning

      This capability allows site authors to easily and accurately position elements on a page without being forced to resort to ActiveX controls, Java applets, or games with tables. Dynamic HTML supports X,Y and Z plane positioning. Combined with multimedia/animation effects, this capability can dramatically improve the look of your site.
    - Multimedia Effects – Filters, Transitions, Animations, Alpha Channel, etc.

      Dynamic HTML also includes a set of high performance multimedia effects that interact with the HTML page.
    - Data Awareness

      The ability to link data from a database and dynamically update your HTML page based on changes in the database automatically. Also, this capability allows for the user to interact with the data without roundtrips to the server.
    - Dynamic HTML Object Model

      This is not a new tag, but a way to control existing HTML tags. For example, existing elements such as <img> tag, will receive a click event if the user clicks on the picture.

Support for the following 3 technologies within the Channel within a reasonable time period after launch:

- HTML Mail
  Specify a page for email notification in the CDF
- "Desktop Components"
  Create at least 1 "Desktop Component" that will be updated at least 5 times per week
- Ratings -- Ratings are a mechanism to inform users of the appropriateness of web site content. Support for ratings is a simple process of going to the official ratings site (www.reac.org) and registering the web site.

8) Deliver Streamlining Multimedia content, if any, in the ASF (Netshow) format or in AOL's Johnson-Grace ART technology as contained in IE4.

9) AOL shall not include any technology in the Licensed Materials which would bypass or disable the capabilities for centralized Channel administration offered by the IEAK. The intent is to provide effective central administration such that MIS departments not disable Channel by default with the IEAK. *See note below regarding this requirement.*

10) Introductory Content must (and downloaded content should) optimize for performant operation in standard system configurations as follows:

- Use standard system services wherever possible (channel installation, cache management, data transfer, web event logging, channel selection, screen saver). Any duplication must be noted and approved in advance of submission of Introductory Content to Microsoft.

- Do not instantiate any processes that increase the static working set (e.g. static memory requirements) or that run when AOL's Channel is not visible on screen via the Browser or the Active Desktop screen saver.
- *See note below regarding this requirement.*

Note regarding requirements 9 and 10 above

Content will automatically meet these provisions if it is "pushed" via standard IE4 system services and does not require installation of custom Active X controls and/or add-on client software. If content does require separate software to be used or displayed, it must be verified to meet requirements 9 and 10.

Existing Web Site Requirements

On the home page of the AOL Web Site and on at least 15 mutually agreed upon (such agreement to be based upon whether the page(s) are among AOL's most trafficked pages) AOL Web Site pages, AOL shall support the following:

1) Logo as "Best viewed with IE 4" or other equivalent as may be agreed by the parties (such logo button being the equivalent of the download button in Section 8.5 of the OLS Agreement)
2) Create a CDF to categorize content for download and offline reading
3) Update CDF and support notification for new Content

The AOL Channel shall include Content which (i) is generally relevant and/or interesting to Internet End Users (who may or may not be subscribers to an AOL Service), (ii) shall have the primary purpose of conveying timely information to End Users, (iii) shall not have the primary purpose of promoting the availability of subscription AOL Content to End Users, and (iv) shall be similar to the following:

The AOL Preview Channel will be programmed on a daily basis with Content drawn from several AOL sources. The channel will provide users with a source of exclusive AOL features, top news, and special programming.

Sources of Content for the AOL Preview Channel include:

* Scheduled live events and special coverage. Examples include hosted celebrity chats, live radio events, special areas (*e.g.*, the Diana funeral), *etc.*
* Top headline news and sports coverage from AOL partners.
* Promotion for special deals on merchandise through AOL commerce partners.
* Regular features from AOL-exclusive providers.

Attachment F

Renewal and Termination Provisions

Microsoft may modify certain obligations if AOL does not meet following performance goals:

	% of AOL IE3 users upgraded to IE4	IE Share of Active AOL Users	HTML Mail Client
A. April 30, 1998	(Note 1)	70% (Note 4)	Available – view only (Note 2)
B. June 30, 1998	Note 1	80% (Note 4)	Available – view/compose (Note 3) Two million users shall be using AOL Client software that provides at least view-only (as defined in Note 2) HTML mail capabilities

Target A missed: The Term of Agreement may not be extended by AOL for the six (6) month option period described below. Microsoft may either, at AOL's option, (i) remove three (3) AOL gold channels from Channel Guide, or (ii) require AOL to implement a mutually agreeable promotion program to drive faster upgrades of IE4.

Target B missed: The Term of this Agreement may not be extended by AOL for the six (6) month option period described below. Microsoft removes all AOL Gold Channels from US Channel Guide Server.

If targets A & B are met: AOL may, at its option, extend the Term of this Agreement for an additional six (6) months

Target dates shall be pushed out one day for each day that Microsoft delays Win32 IE4 RTA beyond 9/30/97 and Mac/Win31 IE4 beyond 1/31/98. The rights set forth above shall be Microsoft's sole and exclusive remedies for AOL's failure to meet the specific performance requirements set forth above, although not with respect to any other breach of AOL's obligations under this Agreement which occurs either before or after AOL fails to meet such a specific performance requirement, regardless of any relationship between such a breach and the performance failure hereunder. Neither AOL nor Microsoft will have any liability arising solely as a result of or in connection with Microsoft's exercise of any remedy pursuant to this paragraph.

Note 1: AOL shall attain IE3 to IE4 upgrades in an amount equal to the lesser of (i) 75% of AOL "Qualified Users" (Win32 Internet users who are consumers and who have previously installed IE3, excluding those with 8MB 486, or less powerful systems), and (ii) no less than 3% less than the upgrade percentage of IE3 to IE4 upgrades among AOL's "Qualified Users" as Microsoft attains with among Microsoft Internet Explorer Qualified Users (excluding AOL customers). For purposes of this Attachment F, such upgrade percentage shall be based upon Microsoft's periodic Web end-user survey solely as applicable to Qualified Users, which shall (a) include a statistically significant number of Qualified Users, and (b) be made available in un-tabulated form to AOL upon request.

Note 2: **1. DHTML Read Capability.** Subject to Microsoft complying with its obligations under Attachment A, by April 30, 1998, AOL will modify its client and server software, and use Microsoft's underlying DHTML viewing components contained in IE4 and the OE component DLLs, to enable AOL users to view, (within a separate window from the AOL email client which may be IE4) any DHTML email authored and sent by Internet users (non-AOL members) using OE or other DHTML authoring tools. AOL shall make such capability available to its end users via download commencing on or before May 1, 1998, and AOL shall slipstream code implementing such capability into its standard CD-ROMs as soon as is practical.

2. DHTML *Read/Compose* Capability. Subject to Microsoft complying with its obligations under Attachment A, by April 30, 1998, AOL will modify its client and server software to enable AOL users to read and compose email in the standalone version of OE and to send such email with all of the features as if such user were using the standalone version of OE outside of AOL, this would include the ability to send and receive multiple attachments to the email. The API enabling the standalone version of OE to operate with the AOL Client Software shall not be published or made available to third parties for the Term of this Agreement.

Note 3: Subject to Microsoft complying with its obligations under Attachment A, AOL shall fully implement and integrate read/compose features for DHTML mail using OE components as described in Attachment A, plus all necessary server-side modifications (completed by AOL) such that AOL members and Internet users can send and receive DHTML mail among themselves. AOL shall make such capability available to users via download commencing on or before June 30, 1998, and AOL shall slipstream code implementing such capability into its standard CD-ROMs as soon as is practical, but in any event no later than July 31, 1998.

Note 4: AOL shall demonstrate that the specified percent of AOL's active users (users with computer systems capable of operating IE3 or IE4 on the Windows Platform or IE2, IE3 or IE4 for the Macintosh) who have connected to AOL in the previous 30 days) are using AOL Client software on any Platform (as defined in the OLS Agreement) which includes Internet Explorer of any version.