DISNEY ONLINE AND MICROSOFT
ACTIVE DESKTOP AGREEMENT
SUMMARY OF TERMS*

Microsoft and Disney Online ("Disney") are entering into a marketing and distribution agreement whereby the parties will promote and assist each other's efforts in developing the "push" content business on Microsoft platform technology, and whereby Disney will develop customized client software based on Internet Explorer. Disney is willing to market, distribute and promote Microsoft's Internet Explorer as its primary browser platform for its business, and Microsoft is willing to include Disney as a first tier independent content provider on Active Desktop and provide broad distribution of Disney's icons associated with relevant content.

DISNEY OBLIGATIONS

Distribution of Disney Content. Disney will distribute Disney Content via the Disney Channel on Active Desktop and Internet Explorer during the License Period.

- The Disney Content will:
  - Be targeted at kids and parents and provide an experience similar to the current Disney Web Sites;
  - Be customized to take advantage of the Active Platform technologies and capabilities
  - Be updated by Disney at least five (5) times per week; and
  - Be free to Active Desktop users for the Term and free for the entire License Period to Active Desktop users who are accessing the Disney Channel as of the end of Term.
- Disney shall begin operating the Disney Channel by no later than the second beta of Active Desktop (approximately June 30).
- Disney will bear all costs associated with the creation and updating of the Disney Channel and will control in its sole discretion all Disney Content distributed in connection with the Disney Channel.

Distribution of Internet Explorer; Use of Microsoft Technology. Disney will distribute Active Desktop together with Internet Explorer as follows:

- During the Term, Disney will distribute Disney Online Service client software that incorporates a customized version of IE, provided that such obligation will apply only to the Win32, Windows 3.x, and Macintosh Operating System and any additional Platforms for which a version of IE exists.
- Disney will promote and encourage downloads of IE from Disney Web Sites and DisneyCast.
- Disney will make commercially reasonable efforts to create an "Active Platform Experience Area" accessible via a link on the home page of each Disney Web Site.
- Disney will make commercially reasonable efforts to provide First Tier Active Platform Support on the Disney Channel, the appropriate areas of Disney Web Sites and Other Walt Disney Company Web Sites, and the Active Platform Experience Areas as further described in Exhibit A.

Promotion of Active Desktop and Internet Explorer. Disney will promote Disney's use of Active Platform and Internet Explorer as follows:

- Disney will engage in joint marketing with Microsoft for Active Desktop and IE as follows:
  - Disney will announce its support with a joint press release, at an event hosted by Jake Winebaum and Brad Chase on a mutually agreed date, and with a public case study;

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* *NOTE: Capitalized terms are defined in Exhibit D*

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GOVERNMENT EXHIBIT
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- Disney will promote Active Desktop and IE in the launch of the Disney Online Service;

- At Disney's discretion, Disney will give Active Desktop users free unique previews of DisneyCast and the Disney Online Service;

- Disney will promote downloading of IE to Non-IE users of Disney Web Sites and to Non-IE potential subscribers to DisneyCast via a two (2)- to four (4)-week online promotion within six (6) weeks of Effective Date and every six (6) months during the Term, up to a maximum of such five (5) promotions.

- Disney will include an IE logo such as "Including Microsoft Internet Explorer" on all Disney Online Service packaging over which Disney exerts financial and editorial control and in a start up screen of the Disney Online Service. Disney will also display such an IE logo on appropriate print marketing, consumer brochures, and print advertisements for the Disney Online Service.

- Disney will promote IE (and no Other Browser) as the client browser software of choice for users of Disney Content by:

  - Designing the Disney Online Service so that it requires the use of Disney's client (including a customized version of IE), provided that such obligation will apply only to the Win32, Windows 3.x, and MacOS and any additional Platforms for which a version of IE exists.

  - Displaying an IE logo as further described in Exhibit C.

  - Making commercially reasonable efforts to display an IE logo on the home pages of Other Walt Disney Company Web Sites and to include Other Walt Disney Company Web Sites when selecting the fifteen (15) most frequently visited pages on which to place the IE Logo as described in Exhibit C.

Exclusive Obligations Regarding Disney Content and Logos.

- Disney will not market, promote, or license for distribution (other than through paid advertising) any Disney Content or Disney logo in connection with promotion of Other Browsers.

- Disney will not distribute any Content from any Other Walt Disney Company Web Sites via the Disney Channel on the Active Desktop if such Web site promotes Other Browsers.

- If, after the post-beta commercial release of IE, in the event that more than twenty-five percent (25%) of the Other Walt Disney Company Web Sites promote Other Browsers (via a logo, a clickable link or other promotional mention), Microsoft may, as its sole and exclusive remedy, terminate the agreement.

- Disney will make reasonable commercial efforts to encourage its "Disney"-branded Affiliates to not engage in publicity using the "Disney" brand name with producers or vendors of an Other Browser. In the event that a "Disney"-branded Disney Affiliate engage in publicity using the "Disney" brand name with an Other Browser, Microsoft may terminate the agreement.

- With respect to any restrictions regarding Other Browsers:

  - Such restrictions do not apply to Platforms for which a version of IE does not exist. Microsoft shall be deemed to make Active Desktop available for a given Platform if upon written request from Disney, Microsoft notifies Disney that it will deliver a version within three (3) months from the date of request by Disney and then actually does deliver a version within the three (3) months. Disney will make no written requests until seven (7) months after the Effective Date.

  - Such restrictions shall not apply to America Online, WebTV nor to any IAP or content aggregators who may be using or producing but not selling (as a standalone product to End Users) Other Browsers, unless any such company either owns or is itself owned by a company producing and selling an Other Browser.

Other Disney Obligations.

- End Users accessing Disney Content on the Internet will be able to view Disney Content using IE and successors provided that such browsers have features and functionality similar to IE 3.x. For purposes of clarification, the parties acknowledge and agree

that nothing in this Agreement will prohibit Disney from making Disney Content (excluding the Active Platform Experience Area) viewable with a satisfactory experience by Other Browsers.

- Disney will provide Microsoft an opportunity to obtain a presence at the Disney Online Internet Pavilion at Walt Disney World in exchange for participation fees or other consideration to which the parties mutually agree.

- Disney will release the Disney Online Service by January 1, 1998; provided, however, that if Disney, does not release by such date, Microsoft's remedy will be termination of the agreement, provided, however, that Microsoft won't be able to terminate after Disney has delivered to its OEMs a release version of the Disney Online Service client which includes IE 4.0 or higher.

- Microsoft agrees that the date of the post-beta commercial launch of IE 4.0 will be no later than December 31, 1997; provided, however, that if Microsoft, does not release the post-beta commercial launch of IE 4.0 by December 31, 1997, Disney's remedy will be termination, provided, however, that Disney will not be able to terminate after Microsoft has delivered to its OEMs or manufacturing a version of IE 4.0 which includes the Disney Licensed Materials.

MICROSOFT OBLIGATIONS

Inclusion of Disney as ICP. By no later than the second beta release of IE, Microsoft will include Disney Channel Icons in pre-configured ICP positions within Active Desktop as follows:

- Microsoft will provide Disney with a Channel Icon in a pre-configured First Tier ICP position in all North American English Consumer Win32 Versions distributed in the Territories (Microsoft plans to distribute to between 5 million and 20 million users). Pursuant to the foregoing, Microsoft will:

    - Give the Disney Channel Icon comparable placement and no less favorable treatment on applicable versions of Active Desktop to Channel Icons for Microsoft's Channels.

    - Include Disney's Channel Icon in applicable copies of Active Desktop distributed in all media (including Web distribution, OEM, and retail).

    - Provide Disney with a Channel Icon position on the Consumer Win32 Versions that will appear "above the fold."

    - Provide the Disney Channel no less favorable treatment with respect to Content Rotation than it gives to Channels of Microsoft .

    - In the event Microsoft distributes only one version of Active Desktop, such version shall be deemed to be a North American English version for purposes of Microsoft's obligations.

- Microsoft will display the Channel Bar with the Disney Channel Icon so that it is visible as a default setting on Active Desktop to the End User at least upon system setup and/or using Active Desktop for the first time and thereafter such that when an End User subsequently views or runs Active Desktop, the Disney Channel Icon is clearly displayed as a default setting. End Users will be able to reconfigure the Channel Icons of Microsoft Channels with the same amount of difficulty as the Disney Channel Icon.

- Microsoft will configure Internet Explorer installed without shell integration such that an End User can access the Disney Channel Icon through one or more of the following, the choice of which is at Microsoft's discretion: (i) click on the Channel Bar icon in the Active Desktop task bar; (ii) click on the Start-Channels command in Start menu; (iii) click on Favorites-Channels command in the Internet Explorer command menu; or (iv) launch the Channel Bar applet.

- Microsoft will provide Disney with a Channel Icon in a pre-configured Second Tier ICP position in all Non-consumer Versions (if such exist).

- Microsoft will include up to 1MB of Licensed Materials designed to interest users in the Disney Channel on Microsoft's retail CD-ROM and OEM distributions.

- Microsoft agrees that (i) during the Term, no Third Party Other Kids and Family Media Properties will be provided with a pre-configured First Tier ICP position; (ii) during the first twelve (12) months after initial post-beta commercial release of Internet Explorer, no Other Kids and Family Media Properties, including properties developed by or on behalf of Microsoft, will be provided with a pre-configured First Tier ICP position; and (iii) the Channel Icons on Active Desktop represent gateways through

which Content is accessed and that during the Term, the Disney Channel Icon will be the only Channel Icon offering a gateway to kids and family-oriented Content.

- Microsoft agrees that there will be no more than ten (10) Third Party ICPs and no more than fifteen (15) total ICPs classified as First Tier ICPs during the first twelve (12) months after initial post-beta commercial release of Internet Explorer version 4.0.

- In the event that, after expiration of the initial twelve (12) month period, Microsoft (a) includes Other Kids and Family Media Properties from Microsoft and/or a Microsoft Affiliate as a First Tier ICP, or (b) includes more than thirty (30) total ICPs classified as First Tier ICPs, Disney will be released from its exclusivity obligations with regard to Other Browsers.

- During the Term, Microsoft agrees that other than the Active Desktop Channels, the Other Online Services folder, the MSN desktop icon and the ICW for IAPs, there will be no other icons or links for the promotion or distribution of Internet Content Partners' Content or services on the Active Desktop, Internet Explorer or other Microsoft operating system software.

- For purposes of clarification, Disney and Microsoft acknowledge and agree that:

    - Channel Icons for Other Kids and Family Media Properties may be included in pre-configured Second Tier ICP positions, and Other Kids and Family Media Properties may be included as sub-Channels to Channels of First Tier ICPs, provided however that each other such First Tier ICP shall at all times limit the sub-Channels dedicated to Other Kids and Family Media Properties within each First Tier Channel to no more than forty-nine percent (49%) of such Channel's sub-Channels.

    - Microsoft plans to include a similar feature to Active Desktop, with no less favorable treatment for First Tier ICPs including Disney, in versions of Internet Explorer developed for the Macintosh and Windows 3.1x Platforms.

    - Microsoft may, (i) authorize OEM distributors of Active Desktop to include, as an addition to existing Channel Icons, their own pre-configured Channel Icons in copies of Active Desktop which they distribute, and to place their Channel Icons in any position within Active Desktop, including a position that would be at least equivalent to being a First Tier ICP; and (ii) authorize IAPs and IEAK licensees to distribute copies of Active Desktop from which such IAPs or IEAK licensees have deleted the pre-configured Channel Icons of some or all ICPs, including any which are First Tier ICPs.

    - Microsoft will exercise commercially reasonable efforts to require its OEM licensees, IAPs and IEAK licensees to include the Disney Channel Icon in applicable versions of Active Desktop which they distribute, and in no event shall Microsoft authorize an OEM licensee to delete the Disney Channel Icon but not any Microsoft Channel Icons from Active Desktop. Where despite such efforts, it is determined that either computer systems comprising twenty five percent (25%) or greater of the US Consumer PC market (as defined by IDC's Quarterly PC Tracker Survey) fails to include the Disney Channel Icon in the Consumer Version on the OEM licenses of Windows 95, then Disney may terminate this agreement.

    - Microsoft will exercise commercially reasonable efforts to encourage IAPs to include the Disney Channel Icon in the version of Active Desktop which they distribute. If, by an End User Survey, it is determined that 49% or greater of End Users surveyed do not have access to the Disney Channel Icon and can't recall deleting it, then Disney may terminate as provided in Section 11.2. DOL may conduct such surveys every 3 months commencing three months from the post beta launch of IE.

    - Active Desktop users and IEAK users will be able to re-configure Channels for End Users; such users will be able to reconfigure the Channel Icons of Microsoft in substantially the same manner and with exactly the same amount of difficulty as the Disney Channel Icon.

<u>Promotion of Disney Content and Services</u>. Microsoft will promote Disney's Internet and online activities as follows:

- Microsoft will feature Disney, at least as favorably as any other Third Party First Tier ICP, in all launch marketing and promotion that includes Third Party First Tier ICPs (including launch events, trade show activities, PR activities, and advertising campaigns, provided, however, that such activities shall be subject to Disney's approval.

- Microsoft will include promotion, at Disney's discretion and subject to Disney's approval, of the Disney Web Sites, DisneyCast and Disney Online Services in all appropriate marketing and promotional activities (including Disney logo box, advertising campaigns for First Tier ICPs, etc.

- Microsoft will provide Disney with opportunities for marketing and promotion at least as favorable as those provided to any Third Party First Tier ICP with regard to the activities described above.

Support for Disney Implementation of Active Platform. Microsoft will support Disney's use of Active Platform as follows:

- During the Term, Microsoft will work closely with Disney to enable Disney to fully exploit the Active Platform, including but not limited to, providing at Microsoft's expense a reasonable number of copies of all client-side developer tools needed and reasonable direct engineering support.

- Microsoft will authorize Disney to customize Active Desktop and IE in order to create versions that: (a) Disney distributes as an integral part of Disney Online Service client software; and (b) Disney may distribute separately. Microsoft and Disney agree to enter into the royalty free license with respect to customization and distribution by Disney of Internet Explorer.

Limitation on Microsoft Obligations. Microsoft's obligations under this agreement do not apply to Microsoft's Interactive Media Group (IMG).

JOINT OBLIGATIONS

- The parties will work together in good faith to make the Disney Web Sites, Disney Cast and the Disney Online Service demonstrably superior examples of Microsoft Active Platform, provided that implementation of the applicable features and functions shall be subject to Disney's sole control.

- Any promotional activities related to this Agreement which use a party's name, logo or Content must have the approval of the party supplying such name, logo or Content.

- Microsoft and Disney will consider efforts to expand the Agreement beyond the Territories to other areas where Disney provides localized Content, subject to agreement by Microsoft subsidiaries and mutual agreement between the parties with respect to the specific terms of any such expansion.

- Microsoft and Disney will begin discussions by June 30, 1998 on a second period of Active Desktop participation in which Microsoft may provide favorable pricing and placement to Disney Channel and in which Disney may provide favorable promotion and favorable pricing for such promotion of Microsoft technologies. Microsoft further agrees that before finalizing any agreement under which Microsoft would grant to any Third Party Other Kids and Family Media Property exclusive First Tier ICP status following the Term, Microsoft shall negotiate in good faith with Disney for thirty (30) days following such notice concerning the possible extension or renewal of Disney's exclusive right to serve as such a First Tier ICP. At the conclusion of this period, if Microsoft and Disney have not reached a final agreement, Microsoft may elect to enter into an agreement granting a Third Party Other Kids and Family Media Property exclusive First Tier ICP status.

- Disney and Microsoft will work together to make DisneyCast viewable on IE for the Mac by January 1, 1998.

- The parties agree to extend the Term for an additional six months at Disney's option provided Disney give Microsoft 180 days notice regarding it intent to extend.

EXHIBIT A

FIRST TIER ACTIVE PLATFORM SUPPORT

Disney will make commercially reasonable efforts to incorporate the following technical requirements in the Disney Channel, the Active Platform Experience Area, and the home pages of Disney Web Sites and at least 15 other most visited Disney Web Site pages, each as further described below.

Channel Requirements – for Disney Channel

1) Support for IE presentation
   - Logo to fit on Channel bar button
   - Full screen view (theatrical view)
   - Support for screen saver functions
2) Create WebCollections to categorize content for download and offline reading
3) Update WebCollections and support notification for new Content
4) Support Ratings (as defined below)
5) Optimize the Channel for download:
   - Author content to meet reasonable download size guidelines (based on our testing)
   - Go beyond that limit after notifying user
   - Offer personalization to select relevant content
6) Content must be updated at least 5 times per week
7) Support for eight (8) of the following Microsoft technologies (as defined below):
   - Inclusion of COM objects
   - Use of Scripting (VB Script or Jscript)
   - Dynamic HTML Styles
   - Dynamic HTML Positioning
   - Dynamic HTML Content
   - Dynamic HTML Multimedia Animation Effects
   - Dynamic HTML Transition Effects
   - Data Binding / Data Awareness
   - Dynamic HTML Multimedia Filters Effects
   - NetShow

Web Sites Requirements - for Disney Web Sites and, as applicable, Other Walt Disney Company Web Sites

On the home page of Disney Web Sites and at least 15 other most visited Disney Web Site pages: 1) Track browser market share based on appropriate user agent strings and report to Microsoft; 2) Create WebCollections to categorize content for download and offline reading; 3) Update WebCollections and support notification for new Content; 4) Support Ratings (as defined below); and 5) Support five (5) of the following Microsoft technologies (as defined below):

- Inclusion of COM objects
- Use of Scripting (VB Script or Jscript)
- Dynamic HTML Styles
- Dynamic HTML Positioning
- Dynamic HTML Content
- Dynamic HTML Multimedia Animation Effects
- Dynamic HTML Transition Effects
- Data Binding / Data Awareness
- Dynamic HTML Multimedia Filters Effects
- NetShow

EXHIBIT B

INTERNET EXPLORER
SOURCE LICENSE & DISTRIBUTION AGREEMENT
SUMMARY OF TERMS

RIGHTS

Source License Grant. During the Term, Microsoft hereby grants to Disney a royalty-free, non-exclusive, personal, non-transferable, non-assignable, right and license, to Use and make Changes to the source code and object code versions of the Licensed Software solely for purposes of developing and supporting versions of the IE Code for the Disney Product(s).

Distribution of IE Code. During the License Period, Microsoft hereby grants to Disney a royalty-free, non-exclusive, personal, non-transferable, non-assignable, worldwide right and license to reproduce, license, sublicense, publicly display, perform or otherwise distribute, and have reproduced, licensed, sublicensed, publicly displayed, performed or otherwise distributed, to and by third parties, object code versions of the IE Code, and any Changes to the IE Code created by or for Disney, solely as part of or for use with the Disney Product(s).

Ownership.

- *Licensed Software.* Except as expressly licensed to Disney in this Section 2, Microsoft retains all right, title and interest in and to the Licensed Software.

- *Changes.* Disney shall own any Changes to the Licensed Software whether created by or for Disney and Disney hereby grants Microsoft a royalty-free, non-exclusive, personal, non-transferable, non-assignable, right and license, to Use and make Changes to the source code and object code versions of any Changes to the Licensed Software created by or on behalf of Disney ; provided, however, that such license shall not extend to any Changes to the Licensed Software created by or for Disney which includes any Disney trademarks, Disney copyrighted characters and/or any data representing such Disney trademarks or copyrighted characters ("Disney Copyrights"). The parties agree that Disney shall retain all right, title and interest in and to such Disney Copyrights. Nothing herein shall limit Microsoft's right to develop Derivative Technology or Changes to the Licensed Software.

MODIFICATIONS/CHANGES TO SOURCE

Intent; New Versions. It is both parties' intent that Disney's distributed version of the IE Code be fully compatible with the version of the IE Code distributed by Microsoft, while giving Disney the ability to differentiate its version by adding value with respect to the Disney Product(s). Disney and Microsoft wish to ensure that Microsoft's underlying code base in the IE Code remains functionally intact, subject to this Section 3, yet Disney is able to add value. Accordingly, unless otherwise agreed to by the parties, Disney will use all reasonable efforts to integrate new versions of the IE Code supplied by Microsoft as soon as commercially practicable following their delivery by Microsoft to Disney in commercial release form.

Changes by Disney. For any Changes to the IE Code desired by Disney, Disney must comply with the following procedures:

- *Allowed Changes.* Disney may make Changes in the IE Code which constitute: (i) additions or extensions to the IE Code; (ii) modifications, enhancements, or subtractions of code but solely where such modifications, enhancements, or subtractions are for the purpose of modifying any aspect of the IE Code to make the Disney version of the IE Code customized for the Disney Product(s) while still maintaining compatibility as intended by the parties; or (iii) modifications, enhancements or subtractions of code where such Changes are for the purpose of ensuring backward compatibility with prior allowed Disney Changes.

- *Restrictions.* Except as expressly provided herein, Disney shall not make any Changes in the IE Code which would subtract or modify the IE Code base and/or unduly hinder or eliminate compatibility with the Microsoft-distributed version of the IE Code.

- *Requested Changes.* Whether permitted to be made by Disney or not, Disney may submit, in writing or by e-mail, any reasonable Changes to Microsoft for implementation by Microsoft. Microsoft may decide to implement such Changes within a reasonable time period on behalf of Disney and Microsoft's other licensees. If Microsoft reasonably refuses to implement such requested Changes, Disney may implement such Changes only as otherwise permitted.

Changes by Microsoft.

- Microsoft shall, as soon as reasonably known but at least on a quarterly or other periodic basis as mutually agreed to by the parties, share with Disney future plans for Internet Explorer.

- Microsoft shall provide Disney, on an on-going basis during the development process, code drops of pre-release versions of the IE Code, provided that Microsoft's obligation to deliver such code shall not be deemed to require Microsoft to in any way alter or disrupt its ongoing development activities as carried out in the ordinary course of its business.

FURTHER OBLIGATIONS

Branding. The license grant is expressly conditioned upon Disney's compliance with the requirements of the Active Desktop Agreement with respect to the Disney Online Service client software.

Deliverables. Microsoft shall deliver the Deliverables to Disney as set forth in Attachment A.

Nonexclusive. Nothing in this Source Agreement will be construed as restricting Microsoft's ability to license, develop, sub-license, manufacture or distribute the Licensed Software, for itself or for any third party, nor as restricting Disney's ability to license, develop, sublicense, manufacture or distribute any software other than the Licensed Software for itself or any third party.

Termination By Either Party For Cause. Either party may suspend performance and/or terminate this Source Agreement immediately upon written notice at any time if:

- The other party is in material breach of any material warranty, term, condition or covenant of this agreement, other than those contained in the Active Desktop Agreement with respect to the Licensed Software, and fails to cure that breach within thirty (30) days after written notice thereof; or

- The other party is in material breach of the Active Desktop Agreement with respect to the Licensed Software.

Additional Termination Rights. In addition to its other termination rights, Microsoft may suspend performance and/or terminate this agreement immediately upon written notice at any time if:

- The Active Desktop Agreement is terminated for any reason; or

- Disney does not release the Disney Online Service by January 1, 1998.

Effect of Termination.

- Should this agreement be terminated by Microsoft for any reason, Disney's license grant shall survive the effective date of such termination for the License Period.

- Any licenses or sublicenses to the IE Code already validly granted by Disney under this agreement shall not be affected by any termination of this agreement and shall remain in full force and effect. Disney may retain one (1) copy of the IE Code which it may use solely for purposes of supporting existing licensees.

EXHIBIT C

ACTIVE DESKTOP MARKETING & DISTRIBUTION AGREEMENT

Display of IE Logo by Disney

Disney's display of an IE Logo such as "Best Viewed by IE" in compliance with Sections 2.3(d) and 6.1 will be dependent on the positioning of the Channel Bar containing the Disney Channel Icon on Active Desktop. In all cases, if the IE Logo is "below the fold," it will include the recommended text in the IE Logo requirements referenced in Section 6.1, such as "This site is best experienced with." If the IE Logo is "above the fold," it will comply with the IE Logo requirements referenced in Section 6.1, but may not include the recommended text.

Disney will display an IE Logo such as "Best Viewed by IE" (i) in the lower portion of the Disney.com home page (www.disney.com) and the lower portion of the Navigation Bar of Disney Web Sites; (ii) on the lower portion of the Navigation Bar of Family.com; (iii) on the lower portion of the Navigation Bar of DisneyCast and "above the fold" on the "Welcome" screen of DisneyCast; (iv) within the "Set-Up" pages of the DisneyCast preview site; (v) within the Active Platform Experience Area; and (vi) as appropriate, on the Disney Online Service. Disney also agrees to explore placing the IE logo "above the fold" on the home pages of Disney.com and Family.com at its sole discretion. In addition, Disney will make commercially reasonable efforts to display the IE Logo on another fifteen (15) of the most frequently visited pages of the Disney Web Sites. Disney will be entitled to choose the pages on which the IE logo will be displayed, provided that Disney shall use good faith efforts to maintain the IE logo on the most frequently visited Disney Web Site pages subject to a reasonable schedule consistent with Disney's normal page update schedule.

For purposes of this Exhibit C, "Navigation Bar" means an HTML control displayed to all End Users as such End Users browse pages of a Web site to assist the End Users in navigating the site.

EXHIBIT D

DEFINITIONS

"Active Desktop" means the Channel Client feature of Microsoft's Internet Explorer, which feature provides, among other things, facilities to support, all via the Web, "scheduled pull," "push" or "broadcast" of Channel Content, and Content Rotation.

"Active Platform" means Microsoft's line of client, server and development tools and technologies based on Internet standards, including: Internet Explorer, Dynamic HTML, ActiveX, ActiveX Controls, Visual Basic, Jscript, Active Desktop, Internet Information Server, and Active Server Pages.

"Channel" means an aggregation of one or more genres of Content and advertising (if any) that is displayed and/or played, or available to be selected by a user for display and/or play, by means of a Channel Client, and which may be further divided into sub-Channels. For example, MSN is a Channel that currently contains a sub-Channel entitled "Slate."

"Channel Icon" means an icon or button which has an identifying logo and/or trademark and an associated pointer/URL included in the "Channel Bar" control of Active Desktop's user interface such that a user, upon first starting up or using the Active Desktop, will (if already connected to the Web) be directly linked via a single click to an associated Channel. A Channel Icon will be no smaller than 16 pixels by 16 pixels and will be in a file format reasonably documented and provided by Microsoft.

"Channel Client" means software that enables an End User to select and receive Channels in one or more display and/or audio elements, including software that is: (i) an interactive application (such as a Web browser) that displays and/or plays Content within an application (or similar) window or directly upon an operating system desktop; (ii) an animated and network-interactive screen saver application; and/or (iii) a scrolling ticker application.

"Content Rotation" means the presentation, within a Channel Client, of Content from one or more different Channels within sequential time segments managed by such Channel Client during which the Content and associated advertising (if any) are displayed and/or played on the End User's computer system.

"DisneyCast" means the (i) Disney branded daily Internet service currently known as "Disney's Daily Blast," and successors or replacements thereof, which will be offered to users as a subscription service and through Internet Access Providers; and (ii) the subscription portion of the parent-oriented site currently know as "Family.com." whose current address is: www.family.com and successors or replacements thereof.

"Disney Channel" means Disney Content delivered to users who click on the Disney Channel Icon in Active Desktop, and, solely for purposes of Exhibit A, shall be limited to all Disney Content which is referenced in the Disney Channel site map or similar feature of Active Desktop which describes the Content available through a Channel Icon.

"Disney.com" means the Web site that is Disney's primary marketing Web site and is currently available for free to users of all Web browsers. Its current Internet address is "www.disney.com".

"Disney Content" means any Content incorporated in any of the Disney Web Sites, DisneyCast, the Disney Online Service, or the Disney Channel, but excluding Content from ESPN or ABC other than ESPN or ABC Content specifically targeted at kids and included as part of DisneyCast.

"Disney Online Service" means the Disney-branded premium fee-based subscription Internet service designed for kids, which will be distributed by or for Disney to users, and will include customized client software.

"Disney Web Sites" means (i) the Disney.com home page and the Web pages directly linked to Disney.com over which Disney exerts financial and editorial control (i.e., funding is provided primarily by Disney and creative direction is at Disney's primary discretion) other than "ESPN" or "ABC"-branded Web sites, which sites include as of the Effective Date the Disney.com navigation bar; Star Watch and associated pages featuring various Disney Properties; Directory; Find; Enter to Win; Help; Email; Register; Table of Contents; the Disney Store Online; and certain portions of the free area of Family.com; and (ii) all other Web sites over which Disney exerts financial and editorial control that are branded with any trademark or trade name incorporating a Disney Property or the name "Disney" and are or will be targeted for children and/or parents in their roles as parents. As of the Effective Date, the following sites do not qualify as Disney Web Sites: DisneyCast, Walt Disney Pictures, Walt Disney World, Walt Disney Home Video, Disneyland, Disney Interactive, Walt Disney Records, The Disney Channel, Walt Disney Publishing, Walt Disney Television and the Disney Online Service.

"Other Walt Disney Company Web Sites" means the "Disney"-branded Web sites which are linked to the home page and/or navigation bar of Disney.com but which are not Disney Web Sites. As of the Effective Date, Other Walt Disney Company Web Sites include but are not limited to Walt Disney Pictures, Walt Disney World, Walt Disney Home Video, Disneyland, Disney Interactive, Walt Disney Records, The Disney Channel, Walt Disney Publishing, and Walt Disney Television.

"First Tier ICP" means an ICP whose Channel Icon is given pre-configured "first tier" status on Active Desktop such that the Channel Icon is exposed to the End User upon first use and/or initial customization of the Active Desktop as further described in Section 3.1.

"ICP" or "independent content provider" means an entity that produces its own Content and/or that aggregates and distributes Content from other producers for inclusion in a Pre-Configured Channel.

"IEAK" means the Microsoft Internet Explorer Administration Kit version 4.x.

"Internet Access Provider" or "IAP" means a vendor of dial-up or leased-line Internet connectivity, such as America Online, AT&T and Netcom.
IAP.

"Internet Explorer" or "IE" means Microsoft Internet Explorer 4.x and successors thereto which are commercially released during the Term, and which have features competitive and similar to those available in IE 3.0, including the Internet/Web browser, news, and email clients.

"License Period" means the period beginning on the Effective Date and ending on the earlier of (i) three (3) years after the first post-beta commercial release of the Disney Online Service and (ii) January 1, 2001.
written amendment to this Agreement between the parties.

"Other Browsers" means Third Party client software technology that (i) is designed to view, render, or browse Content on the Internet or the Web (a "browser"); and (ii) can be reasonably interpreted as being a competitive product to Microsoft's Internet Explorer.

"Other Kids and Family Media Properties" means any Web site or online service or a majority portion thereof that (i) is specifically targeted to children and/or parents in their roles as parents and (ii) can be reasonably interpreted as being competitive to Content as a whole contained in DisneyCast, Disney Online Service, or Disney Web Sites as DisneyCast, Disney Online Service and Disney Web Sites exist within nine (9) months of the beginning of the Term.

"Second Tier ICP" means an ICP whose Channel Icon is pre-configured such that it is less prominent than any First Tier ICP Icon on the Active Desktop. Second Tier ICP Channel Icons will be distributed as part of Active Desktop on all applicable media (including Web distribution, OEM, and retail).

"Term" means the period beginning on the Effective Date and ending twelve (12) months after the first post-beta commercial release of IE version 4.0.

"Territories" means the United States of America and Canada.

"Win32 Versions" means Internet Explorer version 4.x and any other version of Internet Explorer, or any successor product which includes a feature equivalent to Active Desktop and which contains preconfigured equivalents to Channel Icons for MSN and/or MSNBC, and which is distributed during the Term in conjunction with any Win32 Platform. Win32 Versions may but will not necessarily include both Consumer Win32 Versions and Non-Consumer Win32 Versions for any or all applicable Platforms.