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Subject: New Language from MS for Windows Family License Agreement

I just received a fax from Wolf that has the new restrictions for welcome programs and shells, and also the requirement to load all new system models after 90 days of an OPK delivery.

We can not accept these terms.

As far as the welcome and the shell goes, we already do a lot to maintain the Windows desktop environment. If anything our welcome program helps acquaint the user with the machine, mouse, Windows, and gently delivers them to the Windows desktop. Our whole focal point is to make the user a knowledgeable Windows user. We should be able to negotiate a compromise here.

Regarding new model preload within 90 days of an OPK, I don't know how big of a problem this is off the top of my head. We are going through our planning cycle and I will try to gage the impact but it could be significant. One thing that is particularly annoying is the poor job Microsoft does in setting OSR dates and then managing to them. Is there anyway we can tie OSR releases to our product cycles such that if MS slips a date or inserts an OSR, we do not need to scramble. We want to be able to ship the latest and greatest but we need decent plans and contingencies.

How much negotiating room do we have on these issues??

Best regards,

Jerry