

MICROSOFT TERMS OF USE

Effective October 2012

XBOX LIVE, ZUNE, GAMES FOR WINDOWS-LIVE, XBOX MUSIC, AND WINDOWS PHONE STORE/MARKETPLACE

MORE TERMS GOVERNING ARBITRATION PROCEDURES, FEES, AND INCENTIVES

These terms are part of the agreement between you and Microsoft Corporation (or, based on where you live, one of its affiliates) that governs your right to use **Xbox LIVE, Zune, Games for Windows-LIVE, Xbox Music, and Windows Phone Store/Marketplace**. You can find the rest of the agreement by going to www.xbox.com/en-US/legal/livetou

Section 4 contains a binding arbitration clause and class action waiver. Under Section 4.5, you and Microsoft also agree to these terms:

Arbitration Procedure. You may request a telephonic or in-person hearing by following the American Arbitration Association ("AAA") rules. In a dispute involving \$10,000 or less, any hearing will be telephonic unless the arbitrator finds good cause to hold an in-person hearing instead. The arbitrator may award the same damages to you individually as a court could. The arbitrator may award declaratory or injunctive relief only to you individually, and only to the extent required to satisfy your individual claim.

Fees and Incentives.

1. **Disputes Involving \$75,000 or Less.** Microsoft will promptly reimburse your filing fees and pay the AAA's and arbitrator's fees and expenses. If you reject Microsoft's last written settlement offer made before the arbitrator was appointed ("Microsoft's last written offer"), your dispute goes all the way to an arbitrator's decision (called an "award"), and the arbitrator awards you more than Microsoft's last written offer, Microsoft will give you three incentives: (i) pay the greater of the award or \$1,000; (ii) pay twice your reasonable attorney's fees, if any; and (iii) reimburse any expenses (including expert witness fees and costs) that your attorney reasonably accrues for investigating, preparing, and pursuing your claim in arbitration. The arbitrator will determine the amount of fees, costs, and expenses unless you and Microsoft agree on them.

2. **Disputes Involving More Than \$75,000.** The AAA rules will govern payment of filing fees and the AAA's and arbitrator's fees and expenses.

3. **Disputes Involving Any Amount.** In any arbitration you commence, Microsoft will seek its AAA or arbitrator's fees and expenses, or your filing fees if reimbursed, only if the arbitrator finds the arbitration frivolous or brought for an improper purpose. In any arbitration Microsoft commences, Microsoft will pay all filing, AAA, and arbitrator's fees and expenses. Microsoft will not seek its attorney's fees or expenses from you in any arbitration. Fees and expenses are not counted in determining how much a dispute involves.

Conflict with AAA Rules. This agreement governs to the extent it conflicts with the AAA's Commercial Arbitration Rules and Supplementary Procedures for Consumer-Related Disputes.