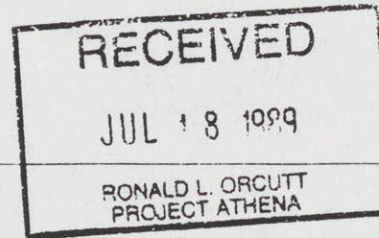


Letter from Salomon Brothertm.

Member of the New York Stock Exchange, Inc.

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New York, N.Y. 10004 (212) 747-7000

Salomon Brothers Inc



July 5, 1989

Dr. Ronald L. Orcutt
Executive Director
Project Athena
Room E40-391
Massachusetts Institute of Technology
1 Amherst Street
Cambridge, MA 02139

Dear Dr Orcutt:

Thank you for the time you spent with us on our recent conference call. Salomon Brothers Inc is committed to a long term business technology strategy based on a distributed computing environment. As a result we are excited about the opportunity to become junior partners of MIT project Athena.

The core of our technical infrastructure is similar to the one developed by Project Athena. We have adopted the "open systems" philosophy as much as possible with industry standards such as Unix, Ethernet, TCP/IP protocols, and the Athena X-windowing system.

We believe there are substantial areas of commonality for a successful alliance. A technology transfer resulting from our partnership will give Salomon Brothers a window into the issues confronting a large, high performance distributed environment. We anticipate learning from Project Athena experiences, technical expertise and research contributions. We believe MIT Project Athena will benefit from our direct financial contribution and access to first hand experience in the use of their common set of tools and applications performing in a complex corporate environment. We think you will find the technological challenges imposed by our business in terms of rigorous reliability, fault-tolerance and performance requirements to be very interesting.

Both organizations will benefit by exploring common problems such as the development of uniform application program interfaces and a generic set of tools and user interfaces with other partners and members of project Athena.

Following is a preliminary list of action items that we propose to take as first steps in our joint endeavor:

- o Salomon Brothers Inc will contribute the sum of \$100,000 to MIT project Athena as direct financial support that allows us to become a Junior Partner of the Project. The benefits, privileges and obligations associated with this partnership will be defined by mutual consent.
- o A mutually agreeable press release will be made once the partnership becomes effective.

Salomon Brothers Inc

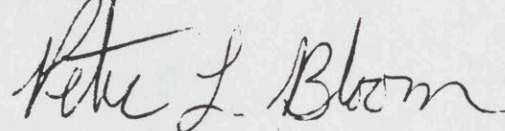
- o SBI may chose to place employees at Athena to participate in specific projects under the supervision and management guidelines of Athena, provided that their background and skills match the requirements of the Project. On site Salomon employees will spend a percentage of their time reporting back on their activities as liaison officers between the Project and SBI.
- o With your permission, SBI can discuss recruiting opportunities with students assigned to MIT project Athena. Selected candidates will be expected to spend time in residence with Athena before joining SBI.
- o SBI will have visiting rights and Project Athena staff will occasionally collaborate with SBI Forums, technical reviews and research publications.
- o Executives from SBI and Project Athena will evaluate objectives and have progress reviews of items of interest in this strategic alliance on a quarterly basis.

We are very interested in pursuing the viability of having technical presentations at SBI New York on the Kerberos authentication system and on the Palladian print manager.

We are looking forward to a close collaboration and believe this to be an ideal example of an Academic-Industry type of partnership.

Please let me know your views and comments on this initial proposal.

Sincerely,



Peter L. Bloom
Senior Operating Officer