

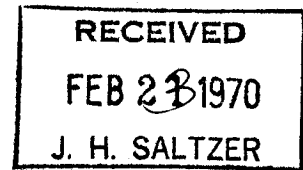
INTERDEPARTMENTAL

MASSACHUSETTS INSTITUTE OF TECHNOLOGY CAMBRIDGE, MASS. 02139

from the office of Information Processing Services

February 20, 1970

To: Messrs. R Scott  
W Burner  
F J Corbato  
C T Clingen  
J H Saltzer  
D C Driscoll  
J C R Licklider  
M M Jones



From: J M Grochow

Subject: MIT-GE Contract Revisions

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Enclosed please find:

Pages 2 and 6 of Amendment #2 to the Basic Agreement  
(old versions marked and new versions).

Exhibit #1 to the Basic Agreement  
(old version marked and new version)

These documents have been okayed and will be signed, thus completing negotiations on the Basic Agreement.

Also enclosed is Amendment #A to the Patent Agreement (old versions marked and new version) amended as suggested by F. J. Corbato, C. T. Clingen, and J. H. Saltzer. This document is provided for review; it has not yet been finalized.

Comments would be appreciated as soon as possible. Thank you.

Enclosures

2/19

maintained by General Electric or for a period of two (2) years from the date of transmission of the information, whichever is shorter."

"B. "Confidential information" shall mean technical information and documentation relating to GE-645 equipment, or any other hardware or software development, disclosed to the user in writing and designated as confidential on the face of the document, unless such information was in the user's possession, without binder of secrecy, prior to the transmission thereof by General Electric to user. Such information shall cease to be confidential at such time as it becomes part of the public knowledge or literature, or at such time as it may be received by the user from a third party without restriction and without breach of any confidential relationship."

"C. "The above provisions shall not be construed as granting any license or other rights to the user except as specifically provided herein."

④ During the period from January 1, 1970 to December 31, 1972, GE agrees to lease to MIT and MIT agrees to lease from GE the GE-645 computer equipment listed and described in Exhibit I, which is attached to and made a part hereof, ~~all of which equipment is presently installed on site~~ Monthly rental charges with respect thereto shall commence upon the delivery and installation of such equipment, with charges for a fractional part of a calendar month prorated on the basis of a 30 days month.

5. The aforesaid lease of the equipment shown in Exhibit I hereof shall be subject to all of the terms and conditions set forth in the Basic Agreement, as hereby amended, with the exception of the following provisions, which shall not be applicable with respect thereto:

- a. Paragraphs B, C, D, and E of Article 1, APPLICATION.
- b. Paragraphs A, B and C of Article 3, DELIVERY AND INSTALLATION OF EQUIPMENT.

"In no event shall either party be liable for special or consequential damages. Either party's liability on any other claim for loss or liability, including negligence, arising out of or connected with this Agreement, or the use of any equipment covered hereunder (including, but not limited to, loss or liability arising from breach of contract) shall in no case exceed the sum of \$600,000; except as provided in Paragraph 17 hereof, "Infringement of Patents, Trademarks or Copyrights," with respect to General Electric's liability."

- 7. Equipment additional to that shown on Exhibit I hereof may be leased by MIT from GE, but, unless the parties shall otherwise mutually agree, any such lease of additional equipment shall be upon the standard terms and conditions then offered by GE and shall be at the standard published rates of GE then in effect, less any educational discount then offered by GE for which the transaction may qualify.
- 8. It is expressly understood and agreed that the lease of the equipment shown in Exhibit I hereof does not include the MULTICS SOFTWARE, and that GE has no obligation hereunder to furnish or maintain such MULTICS SOFTWARE.
- 9. During the term of this Agreement it is agreed that GE and MIT, through Project MAC, will each continue to support the development of the MULTICS SOFTWARE on a cooperative basis and at a level of effort which each party, in its own judgment, may consider to be required at any particular time.

10 In support of the aforesaid MULTICS SOFTWARE development effort, MIT will make available to MIT Project MAC and GE during the term of this Agreement, without charge, up to 75,000 console hours per year of use time on the GE-645 System covered by this Agreement. For the said purpose, MIT will provide MIT Project MAC and GE 15 guaranteed lines at the maximum speed of 300 Baud, approximately 10 of which lines will be provided to MIT Project MAC and 5 of which lines will be provided to GE. If the annual usage of the system by MIT Project MAC and GE exceeds 75,000 hours, the excess use time shall be charged at the regular rates established by MIT. MIT Project MAC shall be responsible for the payment of such part of the excess use time charges as represents its use of the system in excess of 50,000 hours, and GE shall be responsible for the payment of such part of the excess use time charges as represents its use of the system in excess of 25,000 hours.

OR  
^ EQUIVALENT

OR  
^ EQUIVALENT

maintained by General Electric or for a period of two (2) years from the date of transmission of the information, whichever is shorter. "

"B. "Confidential information" shall mean technical information and documentation relating to GE-645 equipment, or any other hardware or software development, disclosed to the user in writing and designated as confidential on the face of the document, unless such information was in the user's possession, without binder of secrecy, prior to the transmission thereof by General Electric to user. Such information shall cease to be confidential at such time as it becomes part of the public knowledge or literature, or at such time as it may be received by the user from a third party without restriction and without breach of any confidential relationship. "

"C. "The above provisions shall not be construed as granting any license or other rights to the user except as specifically provided herein. "

4. During the period from January 1, 1970 to December 31, 1972, GE agrees to lease to MIT and MIT agrees to lease from GE the GE-645 computer equipment listed and described in Exhibit I, which is attached to and made a part hereof. Monthly rental charges with respect thereto shall commence upon the delivery and installation of such equipment, with charges for a fractional part of a calendar month prorated on the basis of a 30 days month.
5. The aforesaid lease of the equipment shown in Exhibit I hereof shall be subject to all of the terms and conditions set forth in the Basic Agreement, as hereby amended, with the exception of the following provisions, which shall not be applicable with respect thereto:
  - a. Paragraphs B, C, D, and E of Article 1, APPLICATION.
  - b. Paragraphs A, B and C of Article 3, DELIVERY AND INSTALLATION OF EQUIPMENT.

"In no event shall either party be liable for special or consequential damages. Either party's liability on any other claim for loss or liability, including negligence, arising out of or connected with this Agreement, or the use of any equipment covered hereunder (including, but not limited to, loss or liability arising from breach of contract) shall in no case exceed the sum of \$600,000; except as provided in Paragraph 17 hereof, "Infringement of Patents, Trademarks or Copyrights," with respect to General Electric's liability."

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8. It is expressly understood and agreed that the lease of the equipment shown in Exhibit I hereof does not include the MULTICS SOFTWARE, and that GE has no obligation hereunder to furnish or maintain such MULTICS SOFTWARE.
9. During the term of this Agreement it is agreed that GE and MIT, through Project MAC, will each continue to support the development of the MULTICS SOFTWARE on a cooperative basis and at a level of effort which each party, in its own judgment, may consider to be required at any particular time.
10. In support of the aforesaid MULTICS SOFTWARE development effort, MIT will make available to MIT Project MAC and GE during the term of this Agreement, without charge, up to 75,000 console hours per year, or equivalent, of use time on the GE-645 System covered by this Agreement. For the said purpose, MIT will provide MIT Project MAC and GE 15 guaranteed lines at the maximum speed of 300 Baud, or equivalent, approximately 10 of which lines will be provided to MIT Project MAC and 5 of which lines will be provided to GE. If the annual usage of the system by MIT Project MAC and GE exceeds 75,000 hours, the excess use time shall be charged at the regular rates established by MIT. MIT Project MAC shall be responsible for the payment of such part of the excess use time charges as represents its use of the system in excess of 50,000 hours, and GE shall be responsible for the payment of such part of the excess use time charges as represents its use of the system in excess of 25,000 hours.

EXHIBIT I

2016  
2/12  
OLD  
MARKED  
2/19

PRODUCTION SYSTEM

<u>QTY</u>	<u>Description</u>	<u>Model No.</u>	<u>Gross Monthly Rental</u>	
			<u>Each</u>	<u>Total</u>
1	Processor	CP8031	\$ 13104	\$ 13104
1	Processor Port Pair	CPP8031	275	275
1	Main Memory 32K	MM8040	7100	7100
1	Main Memory 32K	MM8030	7100	7100
2	Additional Memory 32K	AUM600	4700	9400
4	Additional Memory Modules 32K	AMM600	4700	18800
2	Cabinets	CAB601	275	550
1	Memory Switch	MSW600	50	50
1	Systems Clock	CLK600	800	800
8	Memory Ports	OPT802	89	712
2	Additional Interrupt Cells	OPT815	115	230
1	Generalized I/O Controller	DC8031	5910	5910
1	GIOC Port Pair	MIP600	275	275
1	Additional Priority Levels	PLP600	69	69
1	Adapter Cabinet	CAB600	1040	1040
2	High Performance Channel	HPC600	715	1430
4	Teletype Adapters	TTA600	445	1780
14	Teletype Channels	TTC600	140	1960
14	Teletype Channel Extensions	TTL600	68	952
2	Character Asynch Adapter	CAA600	205	410
6	Character Asynch Channel	CAC600	90	540
1	Character Synch Adapter	CSA600	205	205
3	Character Synch Channel	CSC600	90	270

PRODUCTION SYSTEM CONT.

<u>QTY</u>	<u>Description</u>	<u>Model No.</u>	<u>Gross Monthly Rental</u>	
			<u>Each</u>	<u>Total</u>
1	High Performance Drum and Controller	EMU302	\$ 13060	\$ 13060
1	Additional Port Pair	APP302	275	275
1	Motor Generator Set	MG8031	340	340
1	Power Sequencer Unit	OPT825	18	18
			Total Production	\$86,655

DEVELOPMENT SYSTEM

QTY	Description	Model No.	Gross Monthly Rental	
			Each	Total
1	Processor	CP8031	\$ 13104	\$ 13104
1	Processor Port Pair	CPP8031	260	260
1	Main Memory	MM8040	7100	7100
1	Additional Memory	AUM600	4700	4700
2	Additional Memory Modules	AMM600	4700	9400
1	Memory Cabinet	CAB601	275	275
1	Memory Switch	MSW600	50	50
1	Systems Clock	CLK600	800	800
4	Memory Ports	OPT802	89	356
1	Additional Interrupt Cells	OPT815	115	115
1	Generalized I/O Controller	DC8031	5910	5910
1	GI0C Port Pair	MIP600	275	275
1.	Additional Priority Level	PLP600	69	69
1	Adapter Cabinet	CAB600	1040	1040
2	High Performance Channel	HPC600	715	1430
<del>8</del> 4	Teletype Adapters	TTA600	445	<del>1335</del> 1780
<del>12</del> 14	Teletype Channels	TTC600	140	<del>1680</del> 1960
<del>12</del> 14	Teletype Channel Extensions	TTL600	68	<del>816</del> 952
<del>1</del> 2	Character Asynch Adapter	CAA600	205	<del>205</del> 410
<del>1</del> 6	Character Asynch Channel	CAC600	90	<del>90</del> 540
1	High Performance Drum and Controller	EMU302	13060	13060
1	Additional Drum Port Pair	OPT825	275	275
1	CHAR SYNC ADAPTER	CSA600	\$ 205	\$ 205
3	CHAR SYNC CHANNELS	CSC600	\$ 90	\$ 270
			Total Development	
			\$ 62345	
			64,336	



PERIPHERAL COMPLEMENT

<u>QTY</u>	<u>Description</u>	<u>Model No.</u>	<u>Gross Monthly Rental</u>	
			<u>Each</u>	<u>Total</u>
1	Peripheral Switch	PSC200	\$ 185	\$ 185
15	Switch Units	OPT510	45	675
1	Disc Controller	DSC270	1260	1260
1	Additional Data Channel	ADC270	420	420
3	File Electronics	DFE270	685	2055
15	Disc Files	DSU270	895	13425
2	Card Readers	CRZ201	715	1430
2	Card Punches	CPZ201	905	1810
2	Printers	PRT202	1750	3500
2	Consoles	CO8030	445	890
1	Mag Tape Controller	MTC404	1630	1630
10	Magnetic Tape Units	MTH373	940	9400

Total Periph \$ 36680

Total Production 86655

Total Development 64326  
62345

~~\$185,680~~

7 187,671

EXHIBIT I

## PRODUCTION SYSTEM

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			<u>Each</u>	<u>Total</u>
1	Processor	CP8031	\$ 13104	\$ 13104
1	Processor Port Pair	CPP8031	275	275
1	Main Memory 32K	MM8040	7100	7100
1	Main Memory 32K	MM8030	7100	7100
2	Additional Memory 32K	AUM600	4700	9400
4	Additional Memory Modules 32K	AMM600	4700	18800
2	Cabinets	CAB601	275	550
1	Memory Switch	MSW600	50	50
1	Systems Clock	CLK600	800	800
8	Memory Ports	OPT802	89	712
2	Additional Interrupt Cells	OPT815	115	230
1	Generalized I/O Controller	DC8031	5910	5910
1	GIOC Port Pair	MIP600	275	275
1	Additional Priority Levels	PLP600	69	69
1	Adapter Cabinet	CAB600	1040	1040
2	High Performance Channel	HPC600	715	1430
4	Teletype Adapters	TTA600	445	1780
14	Teletype Channels	TTC600	140	1960
14	Teletype Channel Extensions	TTL600	68	952
2	Character Asynch Adapter	CAA600	205	410
6	Character Asynch Channel	CAC600	90	540
1	Character Synch Adapter	CSA600	205	205
3	Character Synch Channel	CSC600	90	270
1	High Performance Drum and Controller	EMU302	13060	13060
1	Additional Port Pair	APP302	275	275
1	Motor Generator Set	MG8031	340	340
1	Power Sequencer Unit	OPT825	18	18

Total Production \$ 86,655

DEVELOPMENT SYSTEM

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1	Processor Port Pair	CPP8031	260	260
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1	Memory Switch	MSW600	50	50
1	Systems Clock	CLK600	800	800
4	Memory Ports	OPT802	89	356
1	Additional Interrupt Cells	OPT815	115	115
1	Generalized I/O Controller	DC8031	5910	5910
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1	Character Synch Adapter	CSA600	205	205
3	Character Synch Channel	CSC600	90	270
1	High Performance Drum and Controller	EMU302	13060	13060
1	Additional Drum Port Pair	OPT825	275	275

Total Development \$ 64,336

PERIPHERAL COMPLEMENT

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			<u>Each</u>	<u>Total</u>
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2	Consoles	CO8030	445	890
1	Mag Tape Controller	MTC404	1630	1630
10	Magnetic Tape Units	MTH373	940	9400
			Total Periph	\$ 36680
			Total Production	86655
			Total Development	64336
				<u>\$187,671</u>