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Jack Messman  
Chairman and CEO

**Novell.**

**VIA FACSIMILE AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

June 12, 2003

Darl McBride  
President and Chief Executive Officer  
The SCO Group  
355 South 520 West  
Lindon, UT 84042

Ronald A. Lauderdale, Esq.  
Vice-President, Assistant General Counsel  
International Business Machines Corporation  
Maildrop 4201  
Route 100  
Somers, N.Y. 10589

Re: IBM SVRX Licenses

Gentlemen:

Reference is made to the following:

- Asset Purchase Agreement by and between The Santa Cruz Operation, Inc. and Novell, Inc. dated as of September 19, 1995, and more particularly to Section 4.16(b) of that agreement;
- Amendment No. X to Software Agreement SOFT-00015, *et seq.*, between International Business Machines Corporation, The Santa Cruz Operation, Inc., and Novell, Inc.;
- Letter dated March 6, 2003 from The SCO Group to International Business Machines Corporation; and
- Letter dated June 9, 2003 from Novell to The SCO Group regarding IBM SVRX Licenses.

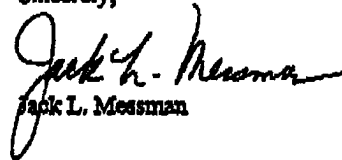
In its June 9 letter to The SCO Group, Novell directed "SCO to waive any purported right SCO may claim to terminate IBM's SVRX Licenses enumerated in Amendment X or to revoke any rights thereunder, including any purported rights to terminate asserted in SCO's letter of March 6, 2003 to IBM." Novell directed SCO "to take this action by noon, MDT, June 12, 2003."

SCO has failed to take the action directed by Novell.

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Accordingly, pursuant to Section 4.16(b) of the Asset Purchase Agreement, Novell, on behalf of The SCO Group, hereby waives any purported right SCO may claim to terminate IBM's SVRX Licenses enumerated in Amendment X or to revoke any rights thereunder, including any purported rights to terminate asserted in SCO's letter of March 6, 2003 to IBM.

Sincerely,

  
Jack L. Messman