

**SETTLEMENT AGREEMENT**

This Settlement Agreement is entered into as of July \_\_, 2011, by and among the bankruptcy estates of TSG Group, Inc. and TSG Operations, Inc. (f/k/a The SCO Group, Inc. and SCO Operations, Inc., respectively) (the "Debtors" or the "Estates"), by and through Edward N. Cahn solely in his capacity as Chapter 11 Trustee (the "Trustee"), and each of the persons that made some portion of the loan in the principal amount of \$2,000,000 (the "Original Loan") to the Estates pursuant to the terms of the Credit Agreement (each such person as set forth on Schedule 1 attached hereto, the "Lenders" and together with the Trustee, the "Parties").

**BACKGROUND**

A. On September 14, 2007 (the "Petition Date"), the Debtors commenced their bankruptcy cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continued in the management and operation of their businesses and property as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108 until August 25, 2009 when this Court appointed Edward N. Cahn to serve as the chapter 11 trustee.

B. The Trustee and the Lenders entered into the Credit Agreement as of March 5, 2010 pursuant to which the Estates became indebted to the Lenders in the principal amount of \$2,000,000 plus interest, plus the right of the Lenders to receive the Loan Fee. The Credit Agreement was approved by the Bankruptcy Court by order entered on March 5, 2010 [Dkt. No. 1084].

C. As of April 11, 2011, the Trustee sold and conveyed to unXis, Inc. ("Buyer") the UNIX® system software product and related services business, in accordance with the terms and conditions of the Asset Purchase Agreement dated January 19, 2011 and ancillary documents (the "Asset Purchase Agreement") and pursuant to an order of the Bankruptcy Court entered on March 7, 2011 [Dkt. No. 1253], approving the sale to the Buyer. The cash portion of the purchase price was in the amount of \$600,000 ("Sale Proceeds"). In addition, among other things, the Buyer delivered Warrants to the Trustee as defined more fully in the Asset Purchase Agreement and defined in paragraph 25 below.

D. On or about April 28, 2011 and again on May 4, 2011, the Lenders sent the Trustee a notice of Event of Default under the terms of the Credit Agreement. The Trustee disputed that an Event of Default occurred and the Parties entered into confidential discussions and ultimately settlement negotiations.

E. The Lenders and the Trustee have reached an agreement on the terms and conditions set forth herein which resolves the disputes under the Credit Agreement and all other issues discussed among the Parties hereto.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound and subject only to approval by the Bankruptcy Court, the Parties hereto agree as follows.

1. Definition: All capitalized terms used herein are to be given the meaning ascribed to them in this Agreement, or as defined in paragraph 24 below.

2. On the third business day after the entry of an order approving this Agreement (the "Payment Date"), (i) the Estate will make a payment to the Lenders in the amount of \$350,000 in immediately available funds ("Cash Payment"); (ii) the Trustee will execute and deliver to the Collateral Agent (as defined in Paragraph 13 below) the Amended and Restated Promissory Note; (iii) the Estate will assign, transfer and deliver to the Lenders the Warrant pursuant to the terms of the Assignment of Warrant and (iv) the Borrowers will execute the Amended Collateral Agent Agreement. Payment of the Cash Payment is conditioned on the execution and delivery of each of the foregoing documents, in the forms attached hereto as Exhibits A, B and C, respectively.

3. The Loan Fee is increased from 6.6% to 12%.

4. The Lenders shall be deemed to have withdrawn the notices to the Trustee of the Events of Default under the Credit Agreement.

5. The Cash Payment to the Lenders will be applied to reduce the principal amount of the Original Loan. The Lenders acknowledge and agree that the remaining balance of \$2,048,176.00 (the "Restated Debt") will accrue Basic Interest from the Payment Date. Hereafter, all references in this Agreement to the Restated Debt shall mean the sum of the Restated Debt plus the Basic Interest accruing on the Restated Debt from the Payment Date until the date the Restated Debt is paid in full. To the extent partial payments are made on the Restated Debt such payments shall be applied to reduce the principal amount of the Restated Debt and interest shall accrue on the reduced principal amount.

6. The Lenders acknowledge and agree that the Restated Debt and the Loan Fee will be payable solely from the Litigation Proceeds. In accordance with the definition of Litigation Proceeds set forth in paragraph 25 below, the Lenders shall be paid from any Litigation Proceeds received by the Trustee and/or the Estates. The Trustee shall not wait for the full amount of the Litigation Proceeds to be received by the Trustee and/or the Estates before making partial or full payment to the Lenders. There will be no further distribution to the Lenders from the Sale Proceeds or from the Estates to reduce the Original Loan, the Restated Debt or the Loan Fee, except as set forth herein.

7. The Restated Debt shall be due and payable on the Maturity Date as defined herein, unless otherwise agreed to in writing by the Parties. Any previously agreed maturity date is hereby waived and the Parties acknowledge and agree that unless and until there are Litigation Proceeds, the Lenders will not be entitled to any payments from the Estates (other than as set forth in paragraph 2 above). All payments by the Estates to the Lenders shall be *pro rata* based on the allocation schedule attached hereto as Schedule 1 and incorporated herein

8. To secure the Restated Debt, including the Loan Fee, the Trustee and the Estates hereby grant to Lenders a lien on and continuing interest in all of the Estates' assets as of the date hereof, and all of the Estates' rights and interests in the Litigation Proceeds, subject to the terms and conditions and limitations in this Agreement; provided, however, it is understood and

agreed that the Lenders hereby consent to the Trustee's use of the Estates' assets (exclusive of the Litigation Proceeds) in the Trustee's sole discretion and without further approval from the Lenders, provided no Event of Default has been declared by the Lenders through the Collateral Agent.

9. The Lenders will not object to the request for, or payment of, any fees or expenses of the Estate Professionals, nor will Lenders object to the Sale Proceeds or other Estate assets being applied to reduce the Estate Professional Fees. Lenders and Trustee agree that if and when any Litigation Proceeds are received by the Trustee and/or the Estates, to the extent there are allowed and unpaid professional fees and expenses of the Estates ("Estate Professional Fees"), the Restated Debt and the Loan Fee shall be paid *pari passu* with such Estate Professional Fees.

10. The Trustee, in his sole discretion, may pursue or not pursue the Litigation, accept or reject any settlement of the Litigation, and neither the Lenders nor any future persons that provide financing to the Trustee will have the right to direct the Trustee in any manner with respect to the Litigation or settlement thereof.

11. The Lenders consent to the Trustee entering into any financing agreement with any new lender or lenders or any of the existing Lenders with the understanding that any new loan or loans will have priority over the Lenders with respect to payment of the Restated Debt, the Lenders' interest in the Litigation Proceeds and payment of the Loan Fee. The Lenders will have the same opportunity as any other prospective lender to propose and negotiate any new financing with the Trustee.

12. Each of the Lenders on the one hand, and the Estates and the Trustee on the other hand, for good and valuable consideration, the adequacy of which is hereby confirmed, release each other and the Estate Professionals unconditionally, absolutely, irrevocably and forever from any and all claims and causes of action of any nature whatsoever, whether known or unknown, with respect to the Credit Agreement and the Chapter 11 proceedings except that the Parties retain their rights to enforce this Agreement and the Amended and Restated Promissory Note.

13. Each of the Lenders hereby consent to SEUNG NI CAPITAL PARTNERS, L.L.C., or Ralph Yarro, or his nominee, acting as the agent ("Collateral Agent") for all of the Lenders with respect to the enforcement of this Agreement and the Amended and Restated Promissory Note. Each of the Lenders acknowledge the terms of the Collateral Agent Agreement as amended, which continue in full force and effect, and shall apply to this Settlement Agreement and the Amended and Restated Promissory Note and agrees to be bound thereby. Notwithstanding anything to the contrary in this Agreement, the Amended and Restated Promissory Note or the Collateral Agent Agreement, as amended, no individual Lender may make any demand, send notice, exercise any remedies, or take any action whatsoever against or adverse to the Trustee or the Estates except through the Collateral Agent.

14. In the event the Trustee and/or the Estates fail to comply with the payment obligations to the Lenders as set forth in this Agreement, then the Lenders, solely through the Collateral Agent, may notify the Trustee and the Estates that an Event of Default has occurred, whereupon the Trustee and/or the Estates shall have ten (10) business days from receipt of the notice (the "Cure Period") either to cure the Default or obtain a scheduled court hearing with

regard to the Default. In the event the Trustee and/or the Estates fail to cure the Default or obtain a scheduled court hearing with regard to the Default within the Cure Period, or by such other date as the Trustee and/or the Estates and the Collateral Agent may agree in writing, then without further order of, application to, or action by and the Amended and Restated Promissory Note, the Bankruptcy Court, the automatic stay provided in Section 362 of the Bankruptcy Code shall be deemed automatically vacated and the Lenders, solely through the Collateral Agent, shall be entitled to exercise all of their respective rights and remedies to enforce this Agreement and the Amended and Restated Promissory Note, provided however, Lenders and the Collateral Agent shall have no right to take any action with respect to the Litigation. The Lenders, through the Collateral Agent, and the Trustee and the Estates reserve their respective rights to require the other Party to comply with the non-monetary terms of this Agreement by seeking appropriate recourse in the Bankruptcy Court.

15. This Agreement, together with the Amended and Restated Promissory Note, Assignment of Warrant and Amended Collateral Agent Agreement, constitute the entire understanding between the Parties relative to the subject matter hereof. Any previous agreement, oral or written, among the Parties with respect to the subject matter hereof is superseded by this Agreement, including, without limitation, the Credit Agreement. Nothing herein, explicit or implied, is intended to confer upon any person, other than the Parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

16. This Agreement shall be construed in accordance and governed by the laws of the State of Delaware. The Parties irrevocably and unconditionally consent to the exclusive jurisdiction of the Bankruptcy Court for the District Court of Delaware and any appellate court therefrom, in any action or proceeding arising out of or relating to this Agreement.

17. Nothing herein shall cause or result in any personal liability to be imposed on the Trustee individually beyond the duties of a trustee under applicable law in the bankruptcy case. The Trustee has no personal liability and the Lenders hereby release the Trustee from all personal liability with respect to his payment of any monetary obligations related to the Debt and the Restated Debt. This provision is not intended to release the Trustee from performance of any and all obligations under this Agreement and the Amended and Restated Promissory Note as the Trustee of the Estates.

18. Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing and entered into by the Trustee and the Lenders through the Collateral Agent.

19. Each party hereto waives, to the extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement.

20. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

21. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute a single contract and shall become effective as of the date of this Agreement. Delivery of an executed signature page to this Agreement by facsimile transmission or electronic mail shall be deemed an original for all purposes and shall be as effective as a manually signed counterpart of this Agreement.

22. This Agreement shall become effective in accordance with the terms set forth herein and shall bind and inure to the benefit of the Parties hereto and each of their respective successors, assigns, heirs, executors, administrators, and representatives upon entry of an order of the Bankruptcy Court for the District of Delaware in the Estates' Chapter 11 cases.

23. Notices and other communications provided herein shall be in writing and shall be delivered by hand or overnight courier service or by certified or registered mail or sent by fax as follows:

If to the Trustee, to:

Edward N. Cahn, Esquire  
Blank Rome LLP  
7535 Windsor Drive  
Allentown, PA 18106

with a copy to:

Bonnie Glantz Fatell, Esquire  
Blank Rome LLP  
1201 Market Street, Suite 800  
Wilmington, DE 19801

If to the Lenders, to the Collateral Agent:

SEUNG NI CAPITAL PARTNERS, L.L.C.  
c/o ThinkAtomic, LLC  
Ralph Yarro  
Building C, Suite 1100  
510 East Technology Avenue  
Orem UT 84097

with a copy to:

Edward Neiger, Esquire  
Neiger LLP  
317 Madison Avenue, 21st Floor  
New York NY 10017

24. Defined Terms:

- (a) “Amended and Restated Promissory Note” shall mean the promissory note in the form attached hereto as Exhibit A signed by the Trustee on behalf of the Estates evidencing the obligation of the Estates to repay the Restated Debt to the Lenders.
- (b) “Basic Interest” shall mean interest accruing at the annual rate of fourteen percent (14%) per annum, compounded quarterly on the principal amount of the Restated Debt.
- (c) “Credit Agreement” means the Secured Super-Priority Credit Agreement dated as of March 5, 2010 among the Bankruptcy Estates of The SCO Group, Inc., a Delaware corporation and SCO Operations, Inc., a Delaware corporation, by and through Edward N. Cahn, solely in his capacity as Chapter 11 Trustee, as borrower and the parties thereto as Lenders and all ancillary documents related thereto, including, without limitation, the Collateral Agent Agreement, the Security and Pledge Agreement, the Stock Pledge Agreement, and the Promissory Note.
- (d) “Estate Professionals” shall mean Blank Rome LLP and Ocean Park Advisors, LLC.
- (e) “Litigation” shall mean the following two (2) pending cases:
  - (i) The SCO Group, Inc., by and through Edward N. Cahn, chapter 11 Trustee, v. Novell, Inc., Case No. 2:04cv00139, pending in the 10<sup>th</sup> Circuit Court of Appeals.
  - (ii) The SCO Group, Inc. v. International Business Machines Corporation, Case No. 2:03cv00294, pending in the 10<sup>th</sup> Circuit Court of Appeals.
- (f) “Litigation Proceeds” shall mean with respect to the Litigation: (a) any amount(s) of any final, non-appealable verdict and/or arbitration or mediation award(s) actually received by the Trustee and/or the Estates; (b) any amounts agreed to in any settlement and actually received by the Trustee and/or the Estates; (c) any attorney fees and costs incurred and ordered or agreed to be paid by the other party(ies) to the Litigation and actually received by the Trustee and/or the Estates; (d) any of the foregoing described amount arising in any further litigation involving IBM, Novell, Red Hat, and/or Daimler Chrysler and the Estates with respect to the same or similar substantive claims involved in the Litigation and actually received by the Trustee and/or the Estates and; (e) any revenues, including but not limited to, any royalties or license fees, money or other valuable consideration received by the Trustee and/or the Estates through, under or as a result of any agreement and/or any negotiations in connection with the Litigation; (f) any recovery, including, but not limited to, money realized out of or collected from or in connection with the Litigation at any time and (g) any pre-judgment

and post-judgment interest actually received by the Trustee and/or the Estates relating to any and all of the foregoing.

- (g) “Loan Fee” shall mean that portion of the Litigation Proceeds payable from the Estates to the Lenders and calculated as follows: by multiplying twelve percent (12.0 %) times the actual amount of the gross Litigation Proceeds. By way of example, if gross Litigation Proceeds are \$25,000,000.00, then the Loan Fee would be \$3,000,000.00 (.12 x 25,000,000).
- (h) “Maturity Date” shall mean the date that is ten (10) business days after the date on which the Litigation Proceeds become available to the Trustee and/or the Estates.
- (i) “Warrants” shall mean the two-year warrants to purchase three percent (3%) of that number of shares of unXis common stock outstanding (with preferred stock and potentially certain other securities on an “as-converted basis”) as of the time Buyer shall have raised an initial cumulative total of four million dollars (\$4,000,000) of equity financing, inclusive of equity investments received by Buyer in a private placement.

25. Each of the Parties acknowledges that, in entering into this Agreement, it is not relying upon any representations or warranties made by anyone other than those representations, warranties, terms and provisions, if any, expressly set forth in this Agreement. Each of the Parties expressly acknowledges that there are no representations or assurances that there will be Litigation Proceeds from which to pay the Restated Debt or the Loan Fee nor that the Warrants will have any value.

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IN WITNESS THEREOF, THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND HEREBY, EXECUTE THIS SETTLEMENT AGREEMENT AS OF THE YEAR AND DATE WRITTEN ABOVE.

ESTATES:



EDWARD N. CAHN, Solely in His Capacity  
as Trustee of the Bankruptcy Estates of TSG  
Group, Inc. and TSG Operations Inc., both  
Delaware corporations

LENDERS:

SEUNG NI CAPITAL PARTNERS, L.L.C., a  
Utah limited liability company

By: \_\_\_\_\_

Name: Ralph Yarro

Title: Manager

\_\_\_\_\_  
JAN LOEB

\_\_\_\_\_  
Daniel W. Campbell, Managing Partner NE  
OBLIVISCARIS, LTD., a Utah Limited  
Partnership

\_\_\_\_\_  
NEIL J. GAGNON

\_\_\_\_\_  
HENRY C. BEINSTEIN

\_\_\_\_\_  
DARCY MOTT

\_\_\_\_\_  
Jan Loeb, President LEAP TIDE CAPITAL  
MANAGEMENT, INC., a Delaware  
corporation

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]



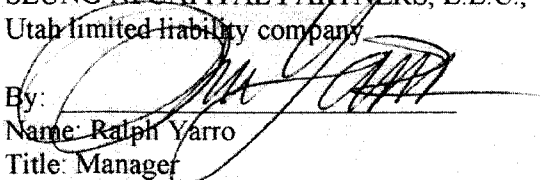
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\_\_\_\_\_  
EDWARD N. CAHN, Solely in His Capacity  
as Trustee of the Bankruptcy Estates of TSG  
Group, Inc. and TSG Operations Inc., both  
Delaware corporations

LENDERS:

\_\_\_\_\_  
SEUNG NL CAPITAL PARTNERS, L.L.C., a  
Utah limited liability company

By:   
Name: Ralph Yarro  
Title: Manager

\_\_\_\_\_  
JAN LOEB

\_\_\_\_\_  
Daniel W. Campbell, Managing Partner NE  
OBLIVISCARIS, LTD., a Utah Limited  
Partnership

\_\_\_\_\_  
NEIL J. GAGNON

\_\_\_\_\_  
HENRY C. BEINSTEIN

\_\_\_\_\_  
DARCY MOTT

\_\_\_\_\_  
Jan Loeb, President LEAP TIDE CAPITAL  
MANAGEMENT, INC., a Delaware  
corporation

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]

WBS, LLC, a Nevada limited liability  
company  
By: All Safe LLC, its manager  
By Schwab Business Services, LLC, its  
manage

\_\_\_\_\_  
Name: Christine H. Schwab  
Title: Manager

\_\_\_\_\_  
CLEMONS F. WALKER

\_\_\_\_\_  
ROBERT D. DYSON

\_\_\_\_\_  
HERBERT W. JACKSON

\_\_\_\_\_  
STANLEY A. BEINSTEIN

\_\_\_\_\_  
STEVEN SHIN

**[SIGNATURE PAGE TO SETTLEMENT AGREEMENT]**

SCHEDULE 1  
LIST OF LENDERS AND EACH LENDER'S ALLOCATION OF ORIGINAL LOAN

Sueng Ni Capital, L.L.C. (Ralph Yarro)	\$400,000
Jan Loeb	\$250,000
Leap Tide Capital Management, Inc. (Jan Loeb)	\$100,000
Steven Shin	\$50,000
Henry Beinstein	
Roth IRA JPMCC Cust. (Henry Beinstein)	\$100,000
Stanley A. Beinstein	\$50,000
Neil J. Gagnon IRA/R/O	
JPMCC Cust. (Neil J. Gagnon)	\$100,000
Robert Dyson	\$100,000
WBS LLC (Rex Lewis)	\$600,000
Ne Obliviscaris, Ltd. (Dan Campbell)	\$130,000
Darcy Mott	\$10,000
Clemons F. Walker	\$100,000
Herbert W. Jackson	\$10,000

These individuals may be a "Lender" either individually or through an entity in which they own or control an interest. Additional "Lenders" may be added, or the foregoing amounts may be changed.

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