

Schedule 1.1(c)

Assumed Liabilities

1. All obligations, whether existing on the date hereof or arising hereafter, under the assigned contracts listed on Schedule 1.1(a).
2. All obligations relating to the Business which arise subsequent to the Closing Date.
3. Obligation of product support and customer service concerning UniWare and Eiger.

SCHEDULE 1.2(b)

Buyer shall make payments of the royalties in accordance with the structure set forth below.

(a) Royalty-Bearing Products. Royalties shall be paid on sales of the following products by Buyer (the "Royalty-Bearing Products"):

(i) UnixWare

(ii) Eiger

(iii) MXU

(iv) White Box

(v) any derivative, upgrades, updates or new releases of (i) through (iv) above.

(b) Amount of Royalties. Concurrent with the execution of this Agreement, Seller has delivered to Buyer a business plan provided by Seller to Buyer on September 11, 1995 including an annual forecast by Seller of the potential estimated market for UnixWare, Eiger, MXU and White Box (the "Plan"). The amount of royalties shall be as follows:

(i) Royalties on UnixWare, Eiger, MXU and derivatives ("UW Products"):

(a) No royalties shall be payable in connection with any of the UW Products until Buyer shall have shipped or licensed, in any year, 40% of the units contemplated by the Plan for such year;

(b) Buyer shall pay royalties equal to \$30.00 per net unit in connection with each and every net unit of UW Products shipped or licensed by Buyer over and above 40% and less than 70% of the total units contemplated by the Plan for such year;

(c) Buyer shall pay royalties equal to \$60.00 per net unit in connection with each and every net unit of UW Products shipped or licensed by Buyer over and above 70% of the total units contemplated by the Plan for such year.

(ii) Royalties on White Box

(a) No royalties shall be payable in connection with any of the White Box units until Buyer shall have shipped or licensed 50% of the White Box units contemplated by the Plan for such year.

(b) Buyer shall pay royalties equal to \$20.00 per net unit in connection with each and every net unit of White Box product shipped or licensed by Buyer over and above 50% of the total units contemplated by the Plan for such year.

(iii) Net Units shall mean total gross shipments minus returns and evaluation and demonstration units (on which revenue is not received).

(c) Termination of Royalty Obligations. The royalty obligations set forth in subsection (b) above will terminate (i) after Buyer shall have made aggregate cumulative payments to Seller equal to such amount which has a total net present value of \$ 84,000,000 (determined as of the date of Closing) or (ii) December 31, 2002, whichever is sooner. A discount rate of 15% will be used to calculate the net present value.

(d) Annual Cap; Carryover Provisions. In the event that Buyer's net shipments and licenses of UW Products shall reach or exceed 130% of the units contemplated by the Plan for such year, Buyer shall not have royalty obligations in connection with such shipments or licenses over such 130% threshold (the "Annual Cap"). In the event that the actual sale and license of units of UW Products fail to reach 40% of the Plan for any given year as contemplated by (b)(i) above, then 30% of the Plan units for such year may be carried forward and added to the following year solely for the purposes of determining the Annual Cap on royalties for such subsequent year.

(e) Protective Provisions. In the event that the pricing of royalties set forth herein shall cause Buyer to become unprofitable or substantially non-competitive in the marketplace, management of Buyer and Seller will meet to negotiate a mutually acceptable adjustment so as to support the economic viability of Buyer.

(f) SVRx Converted Units. The parties agree that SCO will have the opportunity to convert existing SVRx-based customers to a UnixWare derived product, thus depriving Seller of the economic benefit of the SVRx licenses. The process for determining if a customer is validly converted is as follows:

The conversion of an SVRx customer to UnixWare will validly occur and result in the UnixWare based revenue flowing to SCO, without giving rise to a continued obligation to make payment to Seller of royalties due under the SVRx licenses, only if the following are true (note: if the customer continues to sell their SVRx based product separately, then these SVRx revenues continue to flow to Novell):

(i) The customer ships a binary copy of a Golden Master of UnixWare, Eiger, MKU or White Box, or

(ii) The product is derived from a source version of UnixWare, Eiger, MKU or White Box and (i) none of the original SVRx code provided by Novell to the customer, under the SVRx license, is included in the new product or (ii) Buyer shall demonstrate to Seller's reasonable satisfaction that an insignificant amount of original SVRx code is so included and the adoption of UnixWare is so substantial as to constitute a valid conversion.

In addition, an SVRx customer can be defined as having converted to UnixWare only if one of the above is satisfied and only if support is provided for NDS (client/server where appropriate) in the resulting product.

Schedule 6.3(A)

The proposed merger with or sale of shares representing 50% or more of the voting power of Buyer to any of the following parties, or any affiliates or successors in the business thereof, would give rise to the respective rights and obligations contained in Section 6.3(a) of the Agreement:

Sun Microsystems

Microsoft

Hewlett-Packard

IBM

Digital

Fujitsu

EXHIBIT 5.1(c)

Eiger Development

- (a) Prior to the Closing Date, Seller shall use its reasonable commercial efforts to continue development of the Eiger product (as such term is defined in the Operating Agreement) in accordance with the development schedule previously furnished to Buyer.
- (b) After the Closing Date, Seller shall contribute to Buyer a portion of the direct development costs associated with development of the Eiger product as follows:
- (i) Seller shall contribute to Buyer 50% (fifty percent) of such direct development costs until such contribution reaches an aggregate of \$2.5 million (Two Million Five Hundred Thousand Dollars).
- (ii) Once an aggregate of \$5 million (Five Million Dollars) is spent by Buyer on the development of the Eiger product, including the Seller contribution described in (i) above, Seller shall contribute to Buyer 25% (twenty-five percent) of such additional direct development costs until such additional contribution equals \$2.5 million (Two Million Five Hundred Thousand Dollars).
- (iii) Except for the foregoing, Seller shall have no obligations to Buyer whatsoever respecting the development of the Eiger product.
- (iv) Buyer shall provide Seller with such evidence of direct expenditures on the development of the Eiger product as Seller may reasonably request before any Seller contributions are made.
- (v) Any such contributions shall be made quarterly in arrears upon written notice by Buyer of the expenditure of sums as to which Seller agrees to contribute its aforementioned percentages.

SELLER DISCLOSURE SCHEDULE

For convenience, section numbers refer to the Asset Purchase Agreement dated as of September 19, 1995 between Seller and The Santa Cruz Operation, Inc. However, the disclosure herein of any information which is relevant in connection with more than one section of such agreement shall be deemed adequate in all respects notwithstanding the fact that such information is disclosed herein only with reference to one section.

Section 2.6

Claims and threatened litigation:

Seller has been put on notice of a possible infringement of Unisys patent 4,558,302, covering the so-called LZW data-compression algorithm.

Section 2.8(c)

(i) Contracts under which Seller paid \$1,500,000 or more in Business related royalties, additional license fees and revenue sharing during the period 8/1/94 - 7/31/95:

(1) February 7, 1987 Development and License Agreement now in effect between Seller and Microsoft Corporation

(2) March 8, 1993 International OEM Distribution Agreement now in effect between Seller and Locus Computing Corporation

(ii) Customers from whom Seller received \$1,500,000 or more in Business related royalties, additional license fees and revenue sharing during the period 8/1/94 - 7/31/95:-

See Attachment A

NOVELL - SCO - Proprietary (Restricted)
Not for disclosure to third parties

(iii) Contracts now in existence in which Seller granted most favored nation pricing or exclusive marketing rights related to any Business related product, group of products, or territory.

See Attachment B

**Pursuant to various Software Agreements and Sublicensing Agreements administered by Seller's Licensing Organization.*

Section 2.8(f)

(f) Contracts containing rights for a customer to sublicense Business related source or binary code without additional payments to Seller.

(1) January 1, 1994 Software License and Distribution Agreement now in effect between Seller and Sun Microsystems, Inc.

(2) June 9, 1986 Sublicensing Agreement now in effect between Seller and Silicon Graphics, Inc.

Section 2.10

(i) Intellectual Property:

Attachment C to this Schedule contains the most current listing of pending and issued applications for trademarks covering products of the Business.

Attachment D to this Schedule contains a listing of pending and issued applications for patents covering products of the Business.

Attachment E to this Schedule contains a listing of Seller's copyright registrations covering product(s) relating to the Business.

(ii) Contracts under which Seller received Business-related revenues in excess of \$2,000,000 in the twelve month period ending 7/31/95:

See Attachment A

(iii) Contracts pursuant to which Seller was obligated to pay Business-related royalties of \$1,000,000 or more over the period 8/1/94-7/31/95:

See Attachment F

(iv) Contracts containing Business-related rights which are non-perpetual or which are terminable in the event of acquisition:

See Attachment G

(v) Claims of infringement:

See entry for Section 2.6 above

Section 2.11(a)

Real property and leases:

The Business (excluding outside sales and support activities conducted in the ordinary course) is primarily concentrated in a facility leased from Exxon Corporation in Florham Park, New Jersey. A copy of the current lease covering such facility is appended hereto as Attachment H. Other facilities in which relatively minor portions of the Business are conducted are located in San Jose, California, Orem, Utah and Provo, Utah.

Section 2.12

See Attachment A

NOVELL-SCO-Proprietary (Restricted)
Not for disclosure to third parties

Section 2.16

Estimated level of UnixWare software inventory as of October 11, 1995:

| | |
|---------------|-------------|
| U.S. / Canada | \$1,516,860 |
| International | 750,700 |
| <hr/> | |
| Total | \$2,267,560 |

NOVELL - SCO-Proprietary (Restricted)
Not for disclosure to third parties

ATTACHMENT A

Largest Volume OEM Customers of Seller

| <u>Sales Over \$2 Million</u> | <u>Sales Over \$1.5 Million</u> | <u>Sales Over \$1 Million</u> |
|-------------------------------|---------------------------------|-------------------------------|
| Microsoft | Microsoft | Microsoft |
| AT&T | AT&T | AT&T |
| Hewlett-Packard | Hewlett-Packard | Hewlett-Packard |
| Fujitsu | Fujitsu | Fujitsu |
| NEC | NEC | NEC |
| Siemens-Nixdorf | Siemens-Nixdorf | Siemens-Nixdorf |
| ICL | ICL | ICL |
| Digital Equipment | Digital Equipment | Digital Equipment |
| IBM | IBM | IBM |
| Silicon Graphics | Silicon Graphics | Silicon Graphics |
| | Hitachi | Hitachi |
| | Motorola | Motorola |
| | | Cray |
| | | Stratus |
| | | Tandem |
| | | Mitsubishi |

Attachment B

Agreements* with Most Favored Customer Pricing or Exclusive

Marketing Rights for Business Products or Territories

- February 21, 1986 Territorial Software Distribution Agreement between AT&T Information Systems, Inc. and AT&T UNIX Pacific Co., Ltd.
- Joint Venture Contract between Shenzhen Comtec Software, Ltd., China National Computer Software & Technology Service Corporation, China Great Wall Computer Group Co., Langchao Electronic Information Industrial Group Corporation, Changjiang Computer Union Corporation (Group), Beijing Modern Information Development Center, Descom (Holdings) Ltd., and UNIX System Technologies China Company, Ltd. for the Establishment of UNIX System Technologies Company, Ltd.
- Sales Agency Agreement between AUDILOG (France) and UNIX System Laboratories, Inc.
- Publication Agreement between UNIX System Laboratories, Inc. and Addison-Wesley Publishing Company, Inc.
- January 1, 1994 Software License and Distribution Agreement between Seller and Sun Microsystems, Inc.
- May 10, 1994 Trademark Relicensing Agreement between Seller and X/Open Company, Ltd.
- Publication Agreement dated December 17, 1986 between AT&T Information Systems Inc. and Prentice-Hall, Inc.

* Agreements originally entered into by one of Seller's predecessors in title are so identified.

NOVELL-SCO-Proprietary (Reserved)
Not for disclosure to third parties

ATTACHMENT D

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Seller's Patents and Patent Applications
Affecting the Business

| | Inventor/Country | Status | Serial/Parent No. | Date |
|----|---|--|----------------------|----------|
| A. | <u>Owned by Seller</u> | | | |
| 1. | Wong 1 | | | |
| | USA | Filed | 07/814,854 | 12/30/91 |
| | Canada | Mailed | | 11/12/92 |
| 2. | Raye 1 | | | |
| | USA | Patented | 4,580,218 | 4/1/86 |
| | Italy | Patented | 1,205,650 | 3/23/89 |
| | West Germany | Patented | 0155284 | 11/22/90 |
| | Great Britain | Patented | 0155284 | 11/22/90 |
| | France | Patented | 0155284 | 11/22/90 |
| | Japan | Filed | 503,183/84 | 3/5/84 |
| 3. | Weir 2 | | | |
| | USA | | 7/574,380 | 6/30/92 |
| | Unintentionally Abandoned To Be Revived | | | |
| | Canada | Filed | 2,018,319-5 | 6/5/90 |
| | Japan | Filed | 170,411 | 6/29/90 |
| | Belgium | Filed | 90306750.2 | 6/20/90 |
| | France | Filed | 90306750.2 | 6/20/90 |
| | Great Britain | Filed | 90306750.2 | 6/20/90 |
| | West Germany | Filed | 90306750.2 | 6/20/90 |
| | Italy | Filed | 90306750.2 | 6/20/90 |
| | Netherlands | Filed | 90306750.2 | 6/20/90 |
| | Sweden | Filed | 90306750.2 | 6/20/90 |
| 4. | Alecci | | | |
| | 1-1-1 | Abandoned | 07/468,455 | 8/1/91 |
| | Alecci | | | |
| | 2-2-2 | Continuation Under Rule 1.62 of Alecci 1-1-1 | 07/742,149 | 1/14/93 |

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| Inventor/Country | Status | Serial/Parent No. | Date |
|---|----------|-------------------|----------|
| Canada | Filed | 2030438-3 | 11/21/90 |
| Italy | Filed | 90313205.8 | 12/5/90 |
| Sweden | Filed | 90313205.8 | 12/5/90 |
| Spain | Filed | 90313205.8 | 12/5/90 |
| Germany | Filed | 90313205.8 | 12/5/90 |
| Great Britain | Filed | 90313205.8 | 12/5/90 |
| France | Filed | 90313205.8 | 12/5/90 |
| Japan | Filed | 16791/91 | 1/18/91 |
| 5. Aniracis | | | |
| 1-1-1 | | | |
| USA | Filed | 07/524,1E2 | 3/29/90 |
| Canada | Filed | 20388433-9 | 3/22/91 |
| Japan | Filed | 089094 | 3/29/91 |
| Germany | Filed | 91302438.6 | 3/20/91 |
| Italy | Filed | 91302438.6 | 3/20/91 |
| Great Britain | Filed | 91302438.6 | 3/20/91 |
| France | Filed | 91302438.6 | 3/20/91 |
| 6. Doshi-Sans | | | |
| 1-1 | | | |
| USA | Filed | 08/280,307 | 1/26/94 |
| 7. R.C. Pike | | | |
| One-Half Undivided Interest with AT&T | Patented | 4,555-775 | 11/26/85 |

*Note: Seller and AT&T believe the Pike Patent is being infringed by third parties and certain of such parties have alleged that said patent is invalid.

ATTACHMENT E

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Selling Copyrights in Product(s) of Business

| TITLE OF THIS WORK | REGISTRATION NUMBER |
|---|---------------------|
| SYSTEM V BINARY COMPATIBILITY SPECIFICATION | TX 2 824 712 |
| UNIX® SYSTEM V BINARY INTERFACE: WE® 32000 Processor Supplement | TX 2 824 713 |
| SYSTEM V APPLICATION BINARY INTERFACE Intel® 386™ Processor Supplement | TX 2 498 197 |
| UNIX® SYSTEM V/386 RELEASE 4: Mouse Driver Administrator's Guide | TX 2 455 747 |
| UNIX SYSTEM V/386 RELEASE 4 Network User's and Administrator's Guide | TX 2-943-774 |
| UNIX SYSTEM V/386 RELEASE 4 PC Interface Administrator's Guide | TX 2-900-957 |
| UNIX SYSTEM V/386 RELEASE 4 Programmer's Guide: SCSI Driver Interface | TX 2 902 863 |
| UNIX SYSTEM V APPLICATION BINARY INTERFACE Motorola 83000 Processor Supplement | TX 2 902 556 |
| UNIX SYSTEM V/386 RELEASE 4 MULTIBUS® Reference Manual | TX 2 902 542 |
| UNIX® SYSTEM V RELEASE 4: Product Overview and Master Index | TX 2 902 862 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE: XWIN™ Graphical Windowing System The X Toolkit | TX 2 902 861 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Guide: XWIN™ Graphical Windowing System Xlib-C Language Interface | TX 2-900-938 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Guide: XWIN™ Graphical Windowing System Addenda: Technical Papers | TX 2-0901-148 |
| UNIX SYSTEM V/386 RELEASE 4 Integrated Software Development Guide | TX 2 931 646 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|--|---------------------|
| UNIX® SYSTEM V/386 RELEASE 4: Product Overview and Master Index | TX 2 925 901 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE: X11/NeWS® Graphical Windowing System NeWS | TX 2-946-827 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Guide: X11/NeWS® Graphical Windowing System tN: Technical Reference Manual | TX 2-900-956 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE: X11/NeWS® Graphical Windowing System Server Guide | TX 2 902 864 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE: X11/NeWS® Graphical Windowing System XVIEW™ | TX 2 907 117 |
| UNIX® SYSTEM SOFTWARE READINGS | TX 530 546 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Reference Manual Operating System API for Intel Processors | TX 3 218 268 |
| UNIX® SYSTEM V RELEASE 4 User's Reference Manual/System Administrator's Reference Manual for Intel Processors Commands II-2 | TX 3 221 656 |
| UNIX® SYSTEM V RELEASE 4 Integrated Software Development Guide for Intel Processors | TX 3 221 657 |
| UNIX SYSTEM V RELEASE 4 User's Reference Manual/System Administrator's Reference Manual for Intel Processors Commands a-1 | TX 3 227 639 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Guide: Streams for Intel Processors | TX 3 218 286 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|--|---------------------|
| UNIX® SYSTEM V RELEASE 4 Device Driver Interface/Driver Kernel Interface Reference Manual for Intel Processors | TX 3 232 578 |
| UNIX® SYSTEM V RELEASE 4 Master Index for Motorola Processors | TX 3 221 653 |
| UNIX SYSTEM V RELEASE 4 Device Driver Interface/Driver Kernel Interface Reference Manual for Motorola Processors | TX 3 220 500 |
| UNIX® SYSTEM V RELEASE 4 User's Reference Manual/System Administrator's Reference Manual for Motorola Processors Commands e-1 | TX 3 220 531 |
| UNIX® SYSTEM V UTILITIES RELEASE NOTES | TX 2 125 158 |
| UNIX® SYSTEM V STREAMS PROGRAMMERS GUIDE | TX 2 125 157 |
| UNIX® SYSTEM V STREAMS PRIMER | TX 2-120-499 |
| UNIX® SYSTEM V PROGRAMMER'S GUIDE | TX 2-120-502 |
| UNIX SYSTEM V/386 RELEASE 4 MULTIBUS® Installation and Configuration Guide | TX 2 962 541 |
| UNIX SYSTEM V/386 RELEASE 4 Transport Application Interface Guide | TX 2 881 542 |
| UNIX SYSTEM V/386 RELEASE 4 Device Interface/Driver Kernel Interface (DDV/DKI) Reference Manual | TX 2-883-235 |
| UNIX SYSTEM V/386 RELEASE 4 Migration Guide | TX 2-890-470 |
| UNIX SYSTEM V/386 RELEASE 4 System Administrator's Reference Manual | TX 2 881 545 |
| UNIX SYSTEM V/386 RELEASE 4 PROGRAMMER'S REFERENCE MANUAL | TX 2-855-760 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|--|---------------------|
| UNIX SYSTEM V/386 RELEASE 4 User's Reference Manual | TX 2 890 471 |
| UNIX SYSTEM V APPLICATIONS BINARY INTERFACE: SPARC™ Processor Supplement | TX 2 862 662 |
| UNIX SYSTEM V APPLICATION BINARY INTERFACE: Motorola 68000 Processor Family Supplement | TX 2 870 036 |
| UNIX® SYSTEM V RELEASE 4 User's Reference Manual | TX 2 820 791 |
| UNIX® SYSTEM V RELEASE 4 USER'S GUIDE | TX 2 832 010 |
| UNIX® SYSTEM V RELEASE 4 ANSI C TRANSITION GUIDE | TX 2 820 798 |
| UNIX SYSTEM V RELEASE 3.2 SYSTEM ADMINISTRATOR'S GUIDE | TX 2 832 116 |
| UNIX® SYSTEM V RELEASE 4 DEVICE DRIVER INTERFACE/DRIVER KERNEL INTERFACE (DDI/DKI) REFERENCE MANUAL | TX 2 820 792 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE POSIC conformance | TX 2 820 825 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S GUIDE: Streams | TX 2 833 114 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMER'S REFERENCE MANUAL | TX 2 832 009 |
| UNIX® SYSTEM V RELEASE 4 NETWORK USER'S AND ADMINISTRATOR'S GUIDE | TX 2 832 008 |
| UNIX® SYSTEM V RELEASE 4 SYSTEM ADMINISTRATOR'S REFERENCE MANUAL | TX 2 830 989 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|---|---------------------|
| UNIX® SYSTEM V RELEASE 4 PROGRAMMERS GUIDE: Ansi C and Programming Support Tools | TX 2 820 849 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMERS GUIDE: System and Application Packaging Tools | TX 2 825 383 |
| UNIX® SYSTEM V RELEASE 4 MIGRATION GUIDE | TX 2 820 886 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMERS GUIDE: Character User Interface (FMLI and ETL) | TX 2 825 299 |
| UNIX® SYSTEM V RELEASE 4 BSD/XENIX® COMPATIBILITY GUIDE | TX 2-878-051 |
| UNIX® SYSTEM V RELEASE 4 PROGRAMMERS GUIDE: Networking Interfaces | TX 2 838 313 |
| SYSTEM V APPLICATION BINARY INTERFACE | TX 2 847 222 |
| AT&T UNIX System V/386, Release 3.2 Utilities Release Notes | TX 2 454 845 |
| AT&T UNIX SYSTEM V/386 Release 3.2 Streams Primer | TX 2 454 847 |
| UNIX SYSTEM V/386 Release 3.2 User's Guide | TX 2-488-749 |
| AT&T UNIX SYSTEM V/386: Programmer's Guide, Vol II | TX 2 454 884 |
| UNIX SYSTEM v/386 Release 3.2 Programmer's Reference Manual | TX 2 494 658 |
| UNIX SYSTEM V/386 Release 3.2 Streams Programmer's Guide | TX 2 497 054 |
| UNIX SYSTEM V/386: Network Programmer's Guide | TX 2 366 626 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|---|---------------------|
| UNIX® SYSTEM V/386: Programmer's Reference Manual | TX 2 573 759 |
| UNIX® SYSTEM V/386: User's Guide, 2nd edition | TX 2 363 829 |
| UNIX® SYSTEM V/386: User's Reference Manual | TX 2 365 627 |
| UNIX® SYSTEM V/386: System Administrator's Reference Manual | TX 2 571 952 |
| UNIX® SYSTEM V/386: Streams Programmer's Guide | TX 2 367 657 |
| UNIX® SYSTEM V/386: Programmers' Guide | TX 2 400 593 |
| UNIX® SYSTEM V/386: Streams Primer | TX 2 366 645 |
| UNIX® SYSTEM V/386: System Administrator's Guide | TX 2 578 091 |
| UNIX® SYSTEM V/386: Utilities Release Notes | TX 2 366 532 |
| UNIX® SYSTEM V NETWORK PROGRAMMERS GUIDE | TX 2 117 799 |
| UNIX® SYSTEM V: User's Guide, 2/E | TX 2 052 293 |
| UNIX® SYSTEM V RELEASE 3.2: Framed Access Command Environment (FACE) User's Guide | TX 2 611 527 |
| UNIX® SYSTEM V RELEASE 3.2: Fortran and Manu Language Interpreter (FMLI) Programmer's Guide | TX 2 605 294 |
| UNIX® SYSTEM V RELEASE 3.2: Utilities Release Notes | TX 2 611 984 |
| UNIX® SYSTEM V RELEASE 3.2: Programmer's Guide, Volume II | TX 2 595 940 |
| UNIX® SYSTEM V RELEASE 3.2: System Administrator's Reference Manual | TX 2 611 850 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|---|---------------------|
| UNIX® SYSTEM RELEASE 3.2: User's Guide | TX 2-611-861 |
| UNIX® SYSTEM V RELEASE 3.2: Programmer's Guide, Volume I | TX 2-611-862 |
| UNIX® SYSTEM V BINARY COMPATIBILITY SPECIFICATION: WE® 52000 Processor Supplement | TX 2-824-711 |
| UNIX® SYSTEM V RELEASE 4: OPEN LOOK™ Graphical User Interface Programmer's Reference Manual | TX 2-900-895 |
| UNIX® SYSTEM V RELEASE 4: Programmer's Guide: OPEN LOOK™ Graphical User Interface | TX 2-900-966 |
| UNIX® SYSTEM V RELEASE 4 OPEN LOOK™ GRAPHICAL USER INTERFACE USER'S GUIDE | TX 2-901-147 |
| UNIX® SYSTEM V RELEASE 3.2: System Administrator's Guide | TX 2-611-550 |
| UNIX® SYSTEM V RELEASE 3.2: Streams Programmer's Guide | TX 2-604-382 |
| UNIX® SYSTEM V RELEASE 3.2: Programmer's Reference Manual | TX 2-605-292 |
| UNIX SYSTEM V: Documentor's Workbench, Reference Manual | TX 2-986-119 |
| UNIX SYSTEM V: Documentor's Workbench, User's Guide | TX 2-986-118 |
| UNIX System V/386 Release 3.2 System Administrator's Guide | TX 2-454-792 |
| AT&T UNIX System V/386 Release 3.2 Network Programmer's Guide | TX 2-454-846 |
| THE UNIX™ SYSTEMS USER'S GUIDE | TX 1-788-418 |
| UNIX® SYSTEM RELEASE 3.2: Programmer's Guide, Volume I | TX 2-611-862 |

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| TITLE OF THIS WORK | REGISTRATION NUMBER |
|--|---------------------|
| UNIX SYSTEM V/386: Programmer's Guide, Vol. II | TX2 454 884 |
| UNIX® SYSTEM V RELEASE 4 User's Reference Manual/System Administrator's Reference Manual for Motorola Processors Commands m-z | TX3 218 267 |
| UNIX® SYSTEM V RELEASE 4 System Files and Devices Reference Manual for Motorola Processors | TX3 221 654 |
| UNIX® SYSTEM V RELEASE 4 Programmer's Reference Manual: Operating System API for Motorola Processors | TX5 221 655 |
| Operating System Utility Programs | TXu 301 868 |
| UNIX® Operating System Edition 5 and Instruction Manual | TXu 510 028 |
| UNIX® Operating System Edition 6 and Instruction Manual | TXu 511 236 |
| UNIX® Operating System Edition 32V and Instruction Manual | TXu 516 704 |
| UNIX® Operating System Edition 7 and Instruction Manual | TXu 516 705 |

ATTACHMENT F

CERTAIN THIRD PARTY ROYALTY PAYMENTS

| <u>THIRD PARTY VENDOR</u> | <u>PRODUCTS (OR COMPONENTS OF PRODUCT(S)) ON WHICH ROYALTY IS DUE</u> | <u>ROYALTY BASED ON</u> | <u>Royalties Paid 8/1/84 - 7/31/85</u> |
|---------------------------|---|---|--|
| (1) <u>Microsoft</u> | SVR3/SVR4/LW tpt hw of 386MSB PE, AS | binary units binary units | Over \$1.5 Million |
| (2) <u>Veritas</u> | Veritas products AS, ODM | source binary revenue binary units | Over \$1.0 Million (< \$1.5) |
| (3) <u>DSF</u> | Multi product PE, AS, MOTIF KIT, SDK | source binary units reference binary units binary units | \$1M commitment thru 1987 (buy-out) |
| (4) <u>Locus</u> | Locus Merge 3.1 PE, AS, ADVMRG, SRVMRG | binary units binary units | Over \$1.5 Million |

Attachment G

Seller Contracts Containing Business-Related Rights

which are Terminable in the Event of Acquisition

- October 16, 1992 Master Purchase and License Agreement between Seller and Electronic Book Technologies, Inc.
- June 1, 1995 CDE/MOTIF PST Joint Development Agreement among Seller and Digital Equipment Corporation; Hitachi, Ltd.; International Business Machines Corporation; Fujitsu Limited; Open Software Foundation, Inc.; X Consortium, Inc. and Sun Microsystems, Inc.
- May 10, 1994 Trademark Relicensing Agreement between Seller and X/Open Company, Ltd.
- February 28, 1995 Software License Agreement between Seller and Arca Software, Inc.
- February 7, 1987 Development and License Agreement now in effect between Seller and Microsoft Corporation.

REPRESENTATIONS AND WARRANTIES OF BUYER
DISCLOSURE SCHEDULE

3.3 Capitalization
Series C Agreement between The Santa Cruz Operation, Inc. and Microsoft Corporation.

The Company is in the process of granting Hambrecht & Quist warrants to purchase 50,000 shares of Common Stock at \$7.75 per share as partial consideration for services provided to the Company pertaining to the subject transaction.

Also see 3.8 below.

3.7 Litigation

In August 1993, a securities class action lawsuit was filed in Superior Court of San Francisco, California and is now pending in the Superior Court of Santa Clara County, California against the Company, Douglas Michels, Lars Tundal, Dan Steimle, Larry Michels and the Company's underwriters. The lawsuit alleges violations of the Securities Act of 1933, pertaining to alleged misrepresentations and omissions in the Company's Registration Statement and Prospectus in connection with its initial public offering. In May 1994, the case was dismissed. The plaintiffs filed a notice of appeal in June 1994.

In February 1995, Micro-Quick Systems, Inc., a software dealer, commenced legal action against the Company in the California Superior Court in San Bernardino County seeking to recover unspecified damages in excess of \$1,000,000. Micro-Quick alleges the Company failed to deliver conforming product and failed to support said product.

In May 1995, an action was filed in the Superior Court of Santa Cruz County, California by a former employee against the Company and two current employees alleging sexual harassment, employment discrimination, breach of contract and related claims.

In August 1995, JSB Computer Systems, Ltd., a software vendor, filed a complaint against the Company in the Superior Court of Santa Cruz County, alleging breach of contract for failure to make appropriate payments under the contract. JSB seeks to recover unspecified damages in excess of \$100,000.

The Company does not believe any of these lawsuits individually or in the aggregate will have a material adverse impact on the Company.

3.8 Absence of Certain Changes

The Company has held and continues to hold informal discussions with Microsoft Corporation regarding the purchase by the Company of Microsoft's equity in the Company, in whole or in part. No commitments have been made by either party.

3.10 Tax Returns and Reports

- (i) SCO is in compliance with all material filing requirements. Those filing requirements that SCO may not be in compliance with will not have a material adverse effect on the business condition of SCO. Returns in this latter category include an ECI Corporation California return for 9/93, possible Arizona and Tennessee income tax returns, various sales tax returns in the states of Washington, Wisconsin, Tennessee, etc. and business license returns in Washington and Fairfax County, Virginia.
- (ii) SCO is in compliance with all employer tax requirements.
- (iii) No material tax delinquencies are outstanding against SCO. The items mentioned in (i) above may give rise to delinquencies, but not of a material amount. See (iv) below for waivers of the statute of limitation.
- (iv) SCO is undergoing an IRS audit for the fiscal years 9/90 and 9/91 and has extended the statute of limitations for those years to 12/31/95. The IRS auditor has advised that he will also audit 9/92, but this has not been officially confirmed. SCO is undergoing a Texas sales tax audit and nexus queries have been received from Tennessee, Wisconsin and Washington. None of the audits or queries are expected to have a material adverse effect on the business condition of SCO.
- (v) None of SCO's assets are treated as "tax-exempt use property" within the meaning of IRC 168(h).
- (vi) SCO is not, and has not been, a "US real property holding corporation" within the meaning of IRC 897(c)(2).