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The SCO Group, Inc.
355 South 520 West
Suite 100
Lindon, Utah 84042
801-932-5812 FAX 801-765-1313

March 8, 2005

Mr. Brian Mosley
Contracts Representative
International Business Machines Corporation
Building 002/FF307
3039 Cornwallis Road
Research Triangle Park, NC 27709

Re: Notice of Termination

This letter shall serve as SCO's formal written notification that, pursuant to Section 9. Term and Termination, SCO is terminating the Statement of Work 4900RLO132 currently in place between The SCO Group, Inc. (formerly Caldera Systems, Inc.) and International Business Machines Corporation. Such termination shall take effect April 17, 2005.

Pursuant to Section 9 of the SOW, this SOW shall automatically renew for additional periods of one (1) year each (each a "Renewal Term") unless one Party gives written notice of its election to terminate the SOW to the other Party at least thirty (30) days prior to the end of the then current term.

Effective upon termination, IBM shall immediately cease the use and distribution of all Licensed Works governed by the SOW and cease using any SCO logos, trademarks, trade names and the like and shall return to SCO any SCO property, including but not limited to, SCO software and marketing materials.

If you have any questions please contact me at (908) 790-2270.

Sincerely yours,

Bill Broderick
Director, Software Licensing

Cc: Ryan Tibbitts

*** TOTAL PAGE.02 ***