

155



August 11, 2003

Via Fed Ex

Legal Department
Sequent Computer Systems, Inc.
15450 S.W Koll Parkway
Beaverton, OR 97006

Re: Notice of Termination

To Whom It May Concern:

Based on the facts presented in Darl McBride's letter dated May 29, 2003, and the terms of your license agreements with AT&T, you had two months in which to remedy the numerous breaches of those license agreements. You did not do so. This letter is your formal notice that the termination of the Dynix licenses, Software Agreement Number Soft-000321 and Sublicensing Agreement Number Sub-000321A, is effective as of July 30, 2003. Pursuant to paragraph 6.03 of the Software Agreement, Sequent (now IBM) shall discontinue use of and return or destroy all copies of the Software Products as defined in the License Agreement, which includes derivative works and methods. Please make the necessary arrangements to effectuate this termination.

Very truly yours,

A handwritten signature in black ink, appearing to read 'CSontag', written over a horizontal line.

Chris Sontag

CS/jb

Cc: Sam Palmisano (*Via Fed Ex*)