

**AMENDMENT No. 2  
TO THE ASSET PURCHASE AGREEMENT**

As of the \_\_\_\_\_ day of \_\_\_\_\_, 1996, the September 19, 1995 Asset Purchase Agreement (the "Agreement") between Novell, Inc. ("Novell") and The Santa Cruz Operation, Inc. ("SCO") is amended in the following respects.

- A. With respect to Schedule 1.1(b) of the Agreement, titled "Excluded Assets", Section V, Subsection A shall be revised to read:

All copyrights and trademarks, except for the copyrights and trademarks owned by Novell as of the date of this Amendment No. 2, which pertain to the UNIX and UnixWare technologies and which SCO has acquired hereunder. However, in no event shall Novell be liable to SCO for any claim brought by any third party pertaining to said copyrights and trademarks.

- B. Notwithstanding the provisions of Article 4.16, Sections (b) and (c) of the Agreement, except as provided in Section C below, any potential transaction with an SVRX licensee which concerns a buy-out of any such licensee's royalty obligations pertaining to product in binary form shall be managed as follows:

1. Should either party become aware of any such potential transaction, it shall immediately notify the other in writing.
2. Any meetings and/or negotiations with the licensee shall be attended by both parties, unless agreed otherwise. Novell's participation shall be by personnel who are not in OEM or direct sales.
3. Any written proposal to the license shall be consented to by both parties (including drafts of amendments to SVRX Licenses), unless agreed otherwise.
4. Prior to the parties' unilateral determination as to the suitability of any potential buy-out transaction, the parties shall meet face to face and analyze the potential merits and disadvantages of the transaction. No such transaction shall be concluded unless the execution copy of the amendment is consented to in writing by both parties, and either party shall have the unilateral right to withhold its consent should it judge, for any reason whatsoever, the transaction to be contrary to its economic interests and/or its business plans and strategy.

- C. Novell may execute a buy-out with a licensee without any approval or involvement of SCO if SCO's UNIX platform and layered services product lines do not contain a significant portion of Novell technology or contain technology competitive to Novell such that in Novell's reasonable judgement, it is not in Novell's best interests to promote such product lines.

As stated in Amendment No. 1 to the Agreement, Novell has no rights or interest in the source code pertaining to the SVRX licenses, and Novell shall engage in no transactions of any sort pertaining thereto.

In witness whereof, the parties have executed this Amendment No. 2 to be signed by their duly authorized representatives as of the date first written above.

THE SANTA CRUZ OPERATION, INC.

NOVELL, INC.

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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