



254 East Hacienda Avenue
Campbell, CA 95008 USA
Tel: 408.963.2403
Fax: 408.963.2442

September 28, 2006

Andrew Sharp

Dear Andrew,

It is with great pleasure that I offer you the position of Senior Jay Michlin, VP Software. Your responsibilities in this position will include, but are not limited to design and development of software components that make up the ONStor EverON system, subsystems and applications.

Your base salary will be \$150,000 per annum, paid semi-monthly with an anticipated start date of October 9, 2006.

As an ONStor employee you will be covered under the Company's benefits programs. Details of all benefits will be given to you during your employment orientation. Subject to the approval of the Board of Directors of ONStor, you will be granted options to purchase 100,000 shares of ONStor Common Stock at a purchase price equal to the fair market value on the date of approval as determined by the ONStor Board of Directors. These shares will be exercisable according to the terms of a Notice of Grant of Stock Option Agreement.

Employment with ONStor is not for a specific term and constitutes at-will employment. It can be terminated by you or the Company at any time for any reason. It should be noted that as a condition of employment, you will be required to sign an agreement that includes an employment, confidential information and invention assignment agreement. In addition, Federal Law requires you to provide ONStor with appropriate documents establishing your eligibility to work in the United States. This offer of employment is contingent upon your ability to obtain such documentation within a reasonable time period.

This offer will terminate on October 3, 2006 so please inform me of your decision no later than that date and return a copy of this letter as acceptance. This letter represents our offer of employment and supersedes any prior agreement, whether written or verbal.

I feel confident that your skills and background will be an asset to the company, and we are excited about you and the role you could play at ONStor. I look forward to your acceptance.

Very truly yours,

Francis B. Laurencio
Chief Financial Officer

I concur with the above conditions for commencing employment with ONStor and understand fully that they do not constitute an employment contract. I acknowledge and accept this offer:

Name

Date

My start date will be: _____

9/28/2006
Andrew -
Here is our offer letter as promised. If you have questions or comments, please call or email. I look forward to your joining us at ONStor. Jay