

VIA FACSIMILE (650-556-9385)

August 16, 2006

Storage Bridge Bay Working Group (SBB)  
Attn: Walter Baker  
643 Bair Island Road, Suite 103  
Redwood City, CA 94043-2755

Re: Notice of Intent to Grant License  
LSI Matter No.: 06-0541

Dear Mr. Baker:

In accordance with the revised SBB IP policy, effective August 19, 2006, I would like to update my July 14, 2006 notice letter to include any SBB Member within the scope of potential licensees. The following statement should clarify my intent:

In the event the SBB approves and adopts the proposed SBB 1.0 specification, and that specification cannot be practiced without the use of a patent that my issue from the '472 application, LSI will make a limited, non-exclusive and world wide license available under such patent for the sole purpose of implementing the SBB 1.0 specification in products that are compliant with the SBB 1.0 specification as adopted. The license will be offered to any SBB Member, to any other Promoter Member, and to their respective Affiliates, on reasonable and non-discriminatory terms for no fee or royalty (RAND-Z) provided the potential licensee will make available to LSI a comparable license under licensee's patents on RAND-Z terms.

Sincerely,



Peter P. Scott  
Chief IP Counsel

PPS/pps