As filed with the Securities and Exchange Commission on May 9, 2000.
Registration No. 333-93749

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 3
to
FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

EQUINIX, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	4813	77-0487526
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

901 Marshall Street
Redwood City, CA 94063
(650) 298-0400
(Address, Including zip code, and telephone number, including area code, of registrant's principal executive offices)

RENEE F. LANAM

General Counsel and Assistant Secretary
Equinix, Inc.
901 Marshall Street
Redwood City, CA 94063
(650) 298-0400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
SCOTT C. DETTMER
BRANDI L. GALVIN
MARGARET E. PAIGE
Gunderson Dettmer Stough Villeneuve
Franklin & Hachigian, LLP
155 Constitution Drive
Menlo Park, California 94025
(650) 321-2400

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this preliminary prospectus is not complete and may be +
+changed. We may not exchange these securities until the registration   +
+statement filed with the Securities and Exchange Commission is effective. +
+This preliminary prospectus is not an offer to sell or exchange these   +
+securities and it is not soliciting an offer to buy or exchange these   +
+securities in any state where the offer or sale is not permitted.   +
++

SUBJECT TO COMPLETION, DATED MAY 9, 2000

PRELIMINARY PROSPECTUS

EQUINIX, INC.

[LOGO OF EQUINIX, INC.]

Exchange Offer for
$200,000,000 of its
13% Senior Notes Due 2007

TERMS OF THE EXCHANGE OFFER:

- --It expires at 5:00 p.m., New York City time, on 2000, unless extended.

- --The terms of the exchange notes we will issue in the exchange offer are substantially identical to those of the initial notes, except that transfer restrictions and registration rights relating to the initial notes will not apply to the exchange notes.

- --We will not receive any proceeds from the exchange offer.

- --The exchange notes are new securities and there is currently no established market for them.

Before participating in this exchange offer please refer to the section in this prospectus entitled "Risk Factors" commencing on page 9.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the notes to be distributed in the exchange offer or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 2000.

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

This prospectus incorporates by reference important business and financial information about Equinix which is not presented in this prospectus or delivered to you with it. You may request, and we will send you, without charge, copies of these documents, including any exhibits that are specifically

incorporated by reference in that information. Requests should be directed to:

Equinix, Inc.
901 Marshall Street
Redwood City, CA 94063

Attn: General Counsel
(650) 298-0400

To ensure timely delivery, please request delivery of the information no later than five (5) business days before you must make your investment decision. In order to ensure timely delivery of the materials prior to the expiration of the exchange offer, any request should be made before , 2000.

SUMMARY

This summary may not contain all of the information that may be important to you. You should read the entire prospectus, including the section entitled "Risk Factors" beginning on page 9 and the financial data and related notes, before deciding whether to tender your initial notes in the exchange offer.

The Company

Overview

Equinix designs, builds and operates neutral Internet Business Exchange centers, or IBX centers, where Internet businesses place their equipment and their network facilities in order to interconnect with each other to improve Internet performance. Our neutral IBX centers provide content providers, application service providers and e-commerce companies with the ability to directly interconnect with a choice of bandwidth providers, or telecommunications carriers, Internet service providers, and companies which integrate and manage a customer's Web presence and performance, or site and performance management companies, to grow their business. Equinix IBX centers enable Internet companies to quickly, easily and privately interconnect with a choice of business partners and customers, providing them with the flexibility, speed and adaptability they need to accelerate business growth and to allow a faster, more reliable Internet.

We intend to open approximately 15 IBX centers in major Internet markets in the U.S. and internationally by the end of 2001. In late 1999, we opened our first IBX Center in the Washington, D.C. metropolitan area. In December 1999 and March 2000, we opened IBX centers in the New York metropolitan area, and in the Silicon Valley area in California.

We were founded in June 1998. In April 1999, our first customer contract was signed and we began recognizing revenue in November 1999. We have not yet been profitable and expect to incur significant additional losses.

Market Opportunity

Since the early 1990s, the Internet has experienced tremendous growth and is emerging as a global medium for communications and commerce. This growth has aggravated the inefficiencies of the current Internet architecture, which has constrained businesses' abilities to effectively grow and manage their Internet operations, and has led to new Internet infrastructure requirements. According to Forrester Research, the U.S. market for Internet related colocation and hosting will grow from $3.5 billion in the year 2000 to over $14 billion by 2003.

The Equinix Solution

Our IBX centers will provide environments that stimulate efficient business growth. We are able to provide the following key benefits to our customers:

- choice of product and service providers;
- opportunity to increase revenues and reduce costs;
- physical scalability, or the ability to continue to function well along with changes in size or volume, and scalability from the perspective of an individual customer's ability to transact business; and
- reliability.

Recent Developments

On May 2, 2000, our board approved, subject to stockholder consent, an amendment to our 1998 Stock Plan increasing the aggregate number of common stock available for issuance over the term of the Plan by 3,000,000 shares, to a total of 15,012,810 shares. The financial statements and all share numbers

included in this prospectus have been adjusted to reflect this increase where applicable.

On May 8, 2000, we issued 3,315,649 shares of our Series C preferred stock.

Equinix is located at 901 Marshall Street, Redwood City, California 94063. Our phone number is (650) 298-0400.

Summary of the Exchange Offer

Securities Offered.....	Up to $200 million principal amount of 13% Senior Notes due 2007, which will be registered under the Securities Act. The terms of the exchange notes and the initial notes are identical except for transfer restrictions and registration rights relating to the initial notes that will not be applicable to the exchange notes.
Issuance of Initial Notes...	The initial notes were issued on December 1, 1999 to Salomon Smith Barney Inc., Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co., who placed the initial notes with qualified institutional buyers and institutional accredited investors, and to buyers in offshore transactions in reliance on Regulation S under the Securities Act.
The Exchange Offer.....	We are offering to exchange $1,000 principal amount of exchange notes for each $1,000 principal amount of initial notes. There are $200 million aggregate principal amount of initial notes outstanding. The issuance of the exchange notes is intended to satisfy our obligations contained in the registration rights agreement we entered into with Salomon Smith Barney Inc., Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. in connection with the issuance of the initial notes.
Conditions to the Exchange Offer.....	The exchange offer is not conditioned upon any minimum principal amount of initial notes being tendered for exchange. However, the exchange offer is subject to customary conditions, which may be waived by us. See "The Exchange Offer--Conditions." Except for the requirements of applicable federal and state securities laws, there are no federal or state regulatory requirements to be complied with or obtained by us in connection with the exchange offer.
Procedures for Tendering....	If you want to tender your initial notes in the exchange offer, you must complete, sign and date the letter of transmittal according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or fax the letter of transmittal, together with any other required documents, to the exchange agent, either with the initial notes to be tendered or in compliance with the specified procedures for guaranteed delivery of initial notes. You should allow sufficient time to ensure timely delivery. Some brokers, dealers, commercial banks, trust companies and other nominees may also effect tenders by book-entry transfer. If you own initial notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you are urged to contact that person promptly if you wish to tender initial notes in the exchange offer. Letters of transmittal and certificates representing the initial notes should not be sent to Equinix.

These documents should only be sent to the exchange agent. Questions regarding how to

	tender initial notes and requests for information should also be directed to the exchange agent. See "The Exchange Offer--Procedures for Tendering Initial Notes."
Expiration Date; Withdrawal.....	The exchange offer will expire at 5:00 p.m., New York City time on , 2000. We will accept for exchange any and all initial notes that are validly tendered in the exchange offer on or before 5:00 p.m., New York City time, on the expiration date. The tender of initial notes may be withdrawn at any time before the expiration date. Any initial note not accepted for exchange for any reason will be returned without expense to the tendering holder as promptly as practicable after the expiration or termination of the exchange offer. The exchange notes issued in the exchange offer will be delivered promptly following the expiration date. See "The Exchange Offer--Expiration of the Exchange Offer" and "--Withdrawal of Tenders."
Guaranteed Delivery Procedures.....	If you wish to tender your initial notes and (1) your initial notes are not immediately available or (2) you cannot deliver your initial notes together with the letter of transmittal to the exchange agent before the expiration date, you may tender your initial notes according to the guaranteed delivery procedures contained in the letter of transmittal. See "The Exchange Offer--Guaranteed Delivery Procedure."
Acceptance of Initial Notes and Delivery of Exchange Notes.....	Upon effectiveness of the registration statement of which this prospectus constitutes a part and consummation of the exchange offer, we will accept any and all initial notes that are properly tendered in the exchange offer on or before 5:00 p.m., New York City time, on the expiration date. The exchange notes issued in the exchange offer will be delivered promptly after acceptance of the initial notes. See "The Exchange Offer--Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes."
Tax Considerations.....	For U.S. federal income tax purposes, the exchange of initial notes for exchange notes should not be considered a sale or exchange or otherwise a taxable event to the holders of notes. See "United States Federal Income Tax Considerations."
Use of Proceeds.....	We will receive no proceeds from the exchange offer.
Exchange Agent.....	State Street Bank and Trust Company of California, N.A. is serving as exchange agent in connection with the exchange offer.
Fees and Expenses.....	We will bear all expenses related to the exchange offer. See "The Exchange Offer--Fees and Expenses."

Consequences of Not Exchanging the Initial Notes.....	If you do not tender your initial notes or your initial notes are not properly tendered, the existing transfer restrictions will continue to apply. The initial notes are currently eligible for sale under Rule 144A through the PORTAL Market. Because we anticipate that most holders will elect to exchange initial

notes for exchange notes due to the absence of restrictions on the resale of exchange notes under the Securities Act in most cases, we anticipate that the liquidity of the market for any initial notes remaining after the consummation of the exchange offer may be substantially limited. See "Risk Factors--There could be negative consequences to you if you do not exchange your initial notes for exchange notes."

Summary Description of the Exchange Notes

The terms of the exchange notes and the initial notes are identical in all respects, except that the terms of the exchange notes do not include the transfer restrictions and registration rights relating to the initial notes. The initial notes and the exchange notes are referred to collectively as the notes.

The exchange notes will bear interest from the most recent date to which interest has been paid on the initial notes. Initial notes accepted for exchange will cease to accrue interest from and after the date of completion of the exchange offer.

Maturity Date.....	December 1, 2007.
Interest.....	The interest on the notes will be payable semi-annually in arrears on each June 1 and December 1, commencing on June 1, 2000.
Interest Escrow.....	We have deposited with the escrow agent an amount of cash or U.S. government securities totaling approximately $37.0 million that, together with the proceeds from their investment, will be sufficient to pay, when due, the first three interest payments on the notes, with us retaining any balance. The notes will be collateralized by a first priority security interest in the escrow account.
Sinking Fund.....	None
Optional Redemption.....	Generally, we may not redeem the notes before December 1, 2003. On or after December 1, 2003, we may redeem the notes, in whole or in part, at any time, at the redemption prices set forth under the section entitled "Description of the Exchange Notes" together with accrued and unpaid interest, if any, to the redemption date.
Change of Control.....	Upon a "Change of Control" as defined under the section entitled "Description of the Notes," you as a holder of notes will have the right to require us to repurchase all of your notes at a repurchase

	price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest, if any, through the date of repurchase.
Ranking.....	Except for the noteholders' security interest in the escrow account, the notes will be general unsecured obligations and will rank without preference with all of our other existing and future senior unsecured indebtedness. The notes will be effectively subordinated to all our existing and future secured indebtedness to the extent of the value of the assets that secure such indebtedness. The notes will also be subordinated to all of our subsidiaries' existing or future indebtedness, whether or not secured. At present, the notes are subordinated to $12.4 million of existing indebtedness.
Restrictive Covenants.....	The indenture under which the notes will be issued will limit: . the incurrence of additional indebtedness or preferred stock by us and our subsidiaries; . the payment of dividends on, and repurchase or redemption of, our capital stock and our

subsidiaries' capital stock and the repurchase or redemption of our subordinated obligations;

. our making of investments;

. the selling of our assets or the stock of our subsidiaries;

. transactions with our affiliates;

. the incurrence of additional liens;

. our ability to permit restrictions to exist on the ability of our subsidiaries to pay dividends or make payments to us; and

. our ability to engage in consolidations, mergers and transfers of all or substantially all of our assets.

All of these limitations and prohibitions will be subject to a number of important qualifications and exceptions. See "Description of the Exchange Notes."

Exchange Rights..... Holders of the exchange notes will not be entitled to any exchange or registration rights relating to the exchange notes. Holders of the initial notes are entitled to certain exchange rights under the registration rights agreement entered into concurrently with the initial offering between us and Salomon Smith Barney Inc., Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. This exchange offer is intended to satisfy our obligations under the registration rights agreement. Once the exchange offer is consummated, we will have no further obligations to register any of the initial notes not tendered by the holders for exchange. See "Risk Factors--There could be negative consequences to you if you do not exchange your initial notes for exchange notes."

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data should be read in conjunction with our consolidated financial statements and their related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this registration statement. The consolidated statement of operations data for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999 are derived from, and are qualified by reference to, the audited consolidated financial statements and their related notes, which are included in this registration statement. The consolidated statement of operations data for the three months ended March 31, 1999 and 2000 and the balance sheet data as of March 31, 2000 are derived from our unaudited condensed interim consolidated financial statements and their related notes included in this registration statement. The pro forma column gives effect to the issuance of Series C preferred stock on May 8, 2000.

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	Period from June 22, 1998 (inception) to December 31, 1998	Year Ended December 31, 1999	Three Months Ended March 31, 1999	2000
Statement of Operations Data: (in thousands)			(unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues.....	$ --	37	--	136
Costs and operating expenses:				
Cost of revenues (includes stock-based compensation of none and $177 for the periods ended December 31, 1998 and 1999, respectively, and none and $106 for				

the three months ended March 31, 1999 and 2000, respectively).....	--	3,136	43	2,336
Sales and marketing (includes stock-based compensation of $13 and $1,631 for the periods ended December 31, 1998 and 1999, respectively, and $29 and $1,359 for the three months ended March 31, 1999 and 2000, respectively).....	47	3,949	144	4,516
General and administrative (includes stock-based compensation of $151 and $4,819 for the periods ended December 31, 1998 and 1999, respectively, and $347 and $2,018 for the three months ended March 31, 1999 and 2000, respectively).....	899	12,126	1,181	5,603
Depreciation and amortization.....	4	609	51	1,636
Total costs and operating expenses.....	(950)	19,820	1,419	14,091
Loss from operations.....	(950)	(19,783)	(1,419)	(13,955)
Interest expense....	--	3,146	32	7,716
Interest income.....	(150)	(2,138)	(106)	(3,662)
Interest charge on beneficial conversion of convertible debt...	220	--	--	--
Net loss.....	$(1,020)	(20,791)	(1,345)	(18,009)

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	As of December 31,		As of March 31, 2000	
	1998	1999	Actual	Pro Forma
Balance Sheet Data: (in thousands)			(unaudited)	
<S>	<C>	<C>	<C>	<C>
Cash, cash equivalents and short-term investments.....	$ 9,165	222,974	193,619	243,619
Accounts receivable.....	--	178	285	285
Restricted cash and short-term investments.....	--	38,609	41,053	41,053
Property and equipment, net.....	482	31,932	53,350	53,350
Construction in progress.....	31	14,824	32,135	32,135
Total assets.....	10,001	319,946	331,979	381,979
Debt facilities and capital lease obligations, excluding current portion.....	--	8,808	7,863	7,863
Senior notes.....	--	183,955	184,441	184,441
Total stockholders' equity.....	9,590	105,699	96,224	146,224
Other Financial Data:				
EBITDA(1).....	$ (946)	(19,174)	(12,319)	(12,319)
Net cash used in operating activities.....	(796)	(9,908)	(4,176)	(4,176)
Net cash used in investing activities.....	(5,265)	(66,461)	(30,751)	(30,751)
Net cash provided by (used in) financing activities.....	10,226	295,178	(371)	49,629
Ratio of earnings to fixed charges(2).....	--	--	--	--

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(1) EBITDA consists of the net loss excluding interest, income taxes, depreciation and amortization of capital assets. EBITDA is presented to enhance an understanding of our operating results and is not intended to represent cash flow or results of operations in accordance with generally accepted accounting principles for the period indicated and may be calculated differently than EBITDA for other companies. EBITDA is not a measure determined under generally accepted accounting principles nor is it a measure of liquidity.

(2) In calculating the ratio of earnings to fixed charges, earnings consist of net loss before income tax expense and fixed charges. Fixed charges consist of interest expense, capitalized interest, amortized discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense. The ratio of earnings to fixed charges was less than 1.0 to 1.0 for each of the periods presented. Earnings available for fixed charges were thus inadequate to cover fixed charges. The coverage deficiency for the period from June 22, 1998 (inception) to December 31, 1998, the year ended December 31, 1999 and the three months ended March 31, 1999 and 2000 was $1,019,700, $20,790,600, $1,344,900 and $18,008,800, respectively.

RISK FACTORS

You should carefully consider the information set forth under the caption "Risk Factors" and all other information in this prospectus before tendering your initial notes in the exchange offer, including information in the section of this prospectus entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations--Special Note Regarding Forward-Looking Statements."

Risks Related to Our Business

Our business model is new and unproven and we may not succeed in generating sufficient revenue to sustain or grow our business.

We were founded in June 1998. Except for fiber connectivity from our telecommunication carriers, the construction of our first IBX center was completed in July 1999. We began accepting customers the same month but did not recognize any revenue until November 1999 as the sales cycle was not complete. Our limited history and lack of meaningful financial or operating data makes evaluating our business operations difficult. Moreover, the neutrality aspect of our business model is unique and largely unproven. We expect that we will encounter challenges and difficulties frequently experienced by early-stage companies in new and rapidly evolving markets, such as our ability to generate cash flow, hire and train sufficient operational and technical talent, and implement our plan with minimal delays. We may not successfully address any or all of these challenges and the failure to do so would seriously harm our business plan and operating results, and affect our ability to raise additional funds.

We have a history of losses, and we expect our operating expenses and losses to increase significantly.

As an early-stage company without recognized revenues, we have experienced operating losses since inception. As of March 31, 2000, we had cumulative net losses of $39.8 million and cumulative cash used by operating activities of $14.9 million since inception. We expect to incur significant losses in the future. In addition, as we commence operations, our losses will increase as we:

- increase the number of IBX centers;
- increase our sales and marketing activities, including expanding our direct sales force; and
- enlarge our customer support and professional services organizations.

As a result, we must significantly increase our revenues to become profitable.

Because our ability to generate enough revenues to achieve profitability depends on numerous factors, we may not become profitable.

Our IBX centers may not generate sufficient revenue to achieve profitability. Our ability to generate sufficient revenues to achieve profitability will depend on a number of factors, including:

- the timely completion of our IBX centers;
- demand for space and services at our IBX centers;
- our pricing policies and the pricing policies of our competitors;

- the timing of customer installations and related payments;
- competition in our markets;
- the timing and magnitude of our expenditures for sales and marketing;
- direct costs relating to the expansion of our operations;
- growth of Internet use;
- economic conditions specific to the Internet industry; and
- general economic factors.

We are substantially leveraged and we may not generate sufficient cash flow to meet our debt service and working capital requirements.

We are highly leveraged since the issuance of the initial notes. We have total indebtedness of $213.7 million. Our highly leveraged position could have important consequences, including:

- impairing our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;
- requiring us to dedicate a substantial portion of our operating cash flow to paying principal and interest on our indebtedness, thereby reducing the funds available for operations;
- limiting our ability to grow and make capital expenditures due to the financial covenants contained in our debt arrangements;
- impairing our ability to adjust rapidly to changing market conditions, invest in new or developing technologies, or take advantage of significant business opportunities that may arise; and
- making us more vulnerable if a general economic downturn occurs or if our business experiences difficulties.

In the past, we have experienced unforeseen delays in connection with our IBX construction activities. We will need to successfully implement our current rollout schedule and our business strategy to meet our debt service and working capital needs. We may not successfully implement our business strategy, and even if we do, we may not realize the anticipated results of our strategy or generate sufficient operating cash flow to meet our debt service obligations and working capital needs.

In the event our cash flow is inadequate to meet our obligations, we could face substantial liquidity problems. If we are unable to generate sufficient cash flow or otherwise obtain funds needed to make required payments under our indebtedness, or if we breach any covenants under our indebtedness, we would be in default under its terms and the holders of such indebtedness may be able to accelerate the maturity of such indebtedness, which could cause defaults under our other indebtedness.

If we do not obtain significant additional funds, we may not be able to complete our rollout plan on a timely basis, or at all.

We currently intend to pursue a rollout strategy of approximately 15 IBX centers in major Internet markets in the United States and internationally by the end of 2001. We intend to finance the construction of these IBX centers through our internal cash flow and approximately $750.0 million of additional financing. If we cannot raise sufficient additional funds on acceptable terms we may delay the rollout of additional IBX centers or permanently reduce our rollout plans. We currently have $193.6 million in cash, cash equivalents and short-term investments available to us. We anticipate that these funds will be sufficient to fund the capital expenditure and working capital requirements, including operating losses associated with the initial rollout of seven IBX centers and expansion projects within two of those IBX centers. To complete the implementation of our approximately 30 site rollout plan within our proposed time frame we anticipate that we will need to raise funds through additional debt or equity financing. In the past, we have had difficulties obtaining debt financing due to the early stage of our company. Financing may not be available to us at the time we seek to raise additional funds, or if such financing is available, it may only be available on terms, or in amounts, which are unfavorable to us.

The anticipated timing and amount of our capital requirements is forward-looking and therefore inherently uncertain. In the past, we have experienced unforeseen delays and expenses in connection with our IBX construction activities. Our future capital requirements may vary significantly from what we currently project and the timing of our rollout plan may be affected by

unforeseen construction delays and expenses and the amount of time it takes us to lease space within our IBX centers. If we encounter any of these problems or if we have underestimated our capital expenditure requirements or the operating losses or working capital requirements, we may require significantly more financing than we currently anticipate.

Our rollout plan is preliminary and we may need to alter our plan and reallocate funds.

Our IBX center rollout plan is preliminary and has been developed from our current market data and research, projections and assumptions. We expect to continually reevaluate our business and rollout plan in light of evolving competitive and market conditions, and as a result, we may alter our IBX center rollout and reallocate funds, or eliminate segments of our plan entirely if there are:

- changes or inaccuracies in our market data and research, projections or assumptions;
- unexpected results of operations or strategies in our target markets;
- regulatory, technological, and competitive developments, including additional market developments and new opportunities; or
- changes in, or discoveries of, specific market conditions or factors favoring expedited development in other markets.

If not properly managed, our growth and expansion could significantly harm our business and operating results.

Our anticipated growth may significantly strain our resources as a result of an increase in the number of our employees, the number of operating IBX centers and our international expansion. Any failure to manage growth effectively could seriously harm our business and operating results. To succeed, we will need to:

- hire and train new employees and qualified engineering personnel at each IBX center;
- implement additional management information systems;
- locate additional office space for our corporate headquarters;
- improve our operating, administrative, financial and accounting systems and controls; and
- maintain close coordination among our executive, engineering, accounting, finance, marketing, sales and operations organizations.

We face risks associated with international operations that could harm our business.

We intend to construct IBX centers outside of the United States and we will commit significant resources to our international sales and marketing activities. Our management has limited experience conducting business outside of the United States and we may not be aware of all the factors that affect our business in foreign jurisdictions. We will be subject to a number of risks associated with international business activities that may increase our costs, lengthen our sales cycles and require significant management attention. These risks include:

- increased costs and expenses related to the leasing of foreign centers;
- difficulty or increased costs of constructing IBX centers in foreign countries;
- difficulty in staffing and managing foreign operations;
- increased expenses associated with marketing services in foreign countries;
- business practices that favor local competition and protectionist laws;
- difficulties associated with enforcing agreements through foreign legal systems;
- general economic and political conditions in international markets;
- potentially adverse tax consequences, including complications and restrictions on the repatriation of earnings;
- currency exchange rate fluctuations;
- unusual or burdensome regulatory requirements or unexpected changes to

those requirements;

- tariffs, export controls and other trade barriers; and
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable.

To the extent that our operations are incompatible with, or not economically viable within, any given foreign market, we may not be able to locate an IBX center in that particular foreign jurisdiction.

We depend on third parties to provide high frequency Internet connectivity to our IBX facilities; if connectivity is not established or is delayed, our operating results and cash flow will be adversely affected.

The presence of diverse Internet fiber from communications carriers' fiber networks to an Equinix IBX center is critical to our ability to attract new customers. We believe that the availability of such carrier capacity will directly affect our ability to achieve our projected results.

We are not a communications carrier, and as such rely on third parties to provide our customers with carrier facilities. We intend to rely primarily on revenue opportunities from our customers to encourage carriers to incur the expenses required to build facilities from their points of presence to our IBX centers. Carriers will likely evaluate the revenue opportunity of an IBX center based on the assumption that the environment will be highly competitive. There can be no assurance that, after conducting such an evaluation, any carrier will elect to offer its services within our IBX centers.

The construction required to connect multiple carrier facilities to our IBX centers is complex and involves factors outside of our control, including regulatory processes and the availability of construction resources. For example, in the past carriers have experienced delays in connecting to our facilities. If the establishment of highly diverse Internet connectivity to our IBX centers does not occur or is materially delayed, our operating results and cash flow will be adversely affected.

Our new management team must prove that it can work together effectively.

We have recently hired many key personnel, including our chief financial officer, vice president of operations, vice president of worldwide sales, director of business development, vice president of marketing, vice president of IBX development and general counsel. As a result, our management team has worked together for only a brief time. Our ability to effectively execute our strategies will depend in part upon our ability to integrate our current and future managers into our operations. If our executives are unable to operate together effectively, our business, results of operations and financial condition will be materially adversely affected.

We must retain and attract key personnel to maintain and grow our business.

We require the services of additional management personnel in positions related to our growth. For example, we need to expand our marketing and direct sales operations to increase market awareness of our IBX facilities, market our services to a greater number of enterprises and generate increased revenues. As a result, we plan to hire additional personnel in related capacities. Our success depends on our ability to identify, hire, integrate and retain additional qualified management personnel, particularly in areas related to our anticipated growth and geographic expansion.

We may not be successful in attracting, assimilating or retaining qualified personnel. In addition, due to generally tight labor markets, our industry, in particular, suffers from a lack of available qualified personnel. Moreover, none of our present senior management or other key personnel is bound by an employment agreement. If we lose one or more of our key employees, we may not be able to find a replacement and our business and operating results could be adversely affected.

We will operate in a new highly competitive market and we may be unable to compete successfully against new entrants and established companies with greater resources.

In a market that we believe will likely have an increasing number of competitors, we must be able to differentiate ourself from existing providers of space for telecommunications equipment and web hosting

companies. We may also face competition from persons seeking to replicate our IBX concept. Our competitors may operate more successfully than us or form alliances to acquire significant market share. Furthermore, enterprises that have already invested substantial resources in peering arrangements may be

reluctant or slow to adopt our approach that may replace, limit or compete with their existing systems. If we are unable to complete our IBX centers in a timely manner, other companies may be able to attract the same customers that we are targeting. Once the customers are located in our competitors' facilities, it will be extremely difficult to convince them to relocate to our IBX centers.

Some of our potential competitors have longer operating histories and significantly greater financial, technical, marketing and other resources than we do. Because of their greater financial resources, some of these companies have the ability to adopt aggressive pricing policies. As a result, in the future, we may suffer from pricing pressure which would adversely affect our ability to generate revenues and affect our operating results. See "Business--Competition."

Any failure of our physical infrastructure or services could lead to significant costs and disruptions which could reduce our revenue and harm our business reputation and financial results.

Our business depends on providing our customers with highly reliable service. The services we provide are subject to failure resulting from numerous factors, including:

- human error;
- physical or electronic security breaches;
- fire, earthquake, flood and other natural disasters;
- power loss; and
- sabotage and vandalism.

Problems at one or more of our centers, whether or not within our control, could result in service interruptions or significant equipment damage. Any loss of services, particularly in the early stage of our development, could reduce the confidence of our customers and could consequently impair our ability to obtain and retain customers which would adversely affect our ability to generate revenues and affect our operating results.

We may still discover that our computer systems and those of third parties with whom we do business may not be year 2000 compliant, which may cause system failure and disruptions of operations.

As of May 9, 2000, we had not experienced any year 2000-related disruption in the operation of our systems. However, we cannot assure you that we will not discover any year 2000 compliance problems. Our failure to fix or replace our software, hardware or services on a timely basis could result in lost revenues, increased operating costs and the loss of customers and other business interruptions, any of which could have a material adverse effect on our business. Moreover, the failure to adequately address year 2000 compliance issues in our information technology systems could result in claims of mismanagement, misrepresentation or breach of contract and related litigation, which could be costly and time-consuming to defend.

In addition, we have not experienced any year 2000-related disruption in the systems of third parties with whom we do business and we have assurances from our material hardware and software vendors that their products are year 2000 compliant. Although we have not incurred any material expenditure in connection with identifying or evaluating year 2000 compliance issues to date, we do not at this time possess the information necessary to estimate the potential costs of revisions or replacements to our software and systems or third-party software, hardware or services that are determined not to be year 2000 compliant. Such expenses could have a material adverse effect on our business.

Because we depend on the development and growth of a balanced customer base, failure to attract this base could harm our business and operating results.

Our ability to maximize revenues depends on our ability to develop and grow a balanced customer base as we roll out our IBX centers. Our ability to attract customers to our IBX centers will depend on a variety of factors, including the presence of multiple carriers, the overall mix of our customers, our operating reliability and security and our ability to effectively market our services. Construction delays, our inability to find suitable locations to build additional IBX centers, equipment and material shortages or our inability to obtain necessary permits on a timely basis could delay our IBX center rollout schedule and prevent us from developing our anticipated customer base.

A customer's decision to lease cabinet space in our IBX centers typically involves a significant commitment of resources and will be influenced by, among other things, the customer's confidence that other Internet and e-commerce related businesses will be located in a particular IBX center. In particular, some customers will be reluctant to commit to locating in our IBX centers until

they are confident that the IBX center has adequate carrier connections.

In addition, some of our customers will be Internet companies that face many competitive pressures and that may not ultimately be successful. If these customers do not succeed, they will not continue to use our IBX facilities. This may be disruptive to our business and may adversely affect our operating results.

Risks Related to Our Industry

If use of the Internet and electronic business does not continue to grow, a viable market for our IBX centers may not develop.

Rapid growth in the use of and interest in the Internet has occurred only recently. Acceptance and use may not continue to develop at historical rates and a sufficiently broad base of consumers may not adopt or continue to use the Internet and other online services as a medium of commerce. Demand and market acceptance for recently introduced Internet services and products are subject to a high level of uncertainty and there are few proven services and products. As a result, we cannot be certain that a viable market for our IBX centers will emerge or be sustainable.

We must respond to rapid technological change and evolving industry standards in order to meet the needs of our customers.

The market for IBX centers will be marked by rapid technological change, frequent enhancements, changes in customer demands and evolving industry standards. Our success will depend, in part, on our ability to address the increasingly sophisticated and varied needs of our current and prospective customers. Our failure to adopt and implement the latest technology in our business could negatively affect our business and operating results.

In addition, we have made and will continue to make assumptions about the standards that may be adopted by our customers and competitors. If the standards adopted differ from those on which we have based anticipated market acceptance of our services or products, our existing services could become obsolete. This would have a material adverse effect on our businesses.

Government regulation may adversely effect the use of the Internet and our business.

Laws and regulations governing Internet services, related communications services and information technologies, and electronic commerce are beginning to emerge but remain largely unsettled, even in areas where there has been some legislative action. It may take years to determine whether and how existing laws,

such as those governing intellectual property, privacy, libel, telecommunications, and taxation, apply to the Internet and related services such as ours. In addition, the development of the market for online commerce and the displacement of traditional telephony services by the Internet and related communications services may prompt increased calls for more stringent consumer protection laws or other regulation, both in the United States and abroad, that may impose additional burdens on companies conducting business online and their service providers. The adoption or modification of laws or regulations relating to the Internet, or interpretations of existing law, could have a material adverse effect on our business.

Risks Related to the Exchange Offer

There could be negative consequences to you if you do not exchange your initial notes for exchange notes.

Following the consummation of the exchange offer, holders who did not tender their initial notes generally will not have any further rights under the registration rights agreement and these initial notes will continue to be subject to restrictions on transfer. As a result of making the exchange offer, we will have fulfilled our obligations under the registration rights agreement. Holders who do not tender their initial notes generally will not have any further registration rights or rights to receive the liquidated damages specified in the registration rights agreement for our failure to register the exchange notes. In addition, the initial notes that are not exchanged for exchange notes will remain restricted securities. Accordingly, the initial notes may be resold only:

- to Equinix or one of its subsidiaries;
- to a qualified institutional buyer;
- to an institutional accredited investor;
- to a party outside the United States under Regulation S under the Securities Act;

- under an exemption from registration provided by Rule 144 under the Securities Act; or

- under an effective registration statement.

The issuance of the exchange notes may adversely affect the market for the initial notes.

Following commencement of the exchange offer, you may continue to trade the initial notes on the Private Offerings, Resales and Trading through Automated Linkages, or PORTAL, market. However, if initial notes are tendered for exchange and accepted in the exchange offer, the trading market for untendered and tendered but unaccepted initial notes could be adversely affected. Any initial notes tendered and exchanged in the exchange offer will reduce the aggregate principal amount of initial notes outstanding. Because we anticipate that most holders will elect to exchange their initial notes for exchange notes due to the absence of most restrictions on the resale of exchange notes, we anticipate that the liquidity of the market for any initial notes remaining outstanding after the exchange offer may be substantially limited.

You may find it difficult to sell your exchange notes.

The exchange notes will be registered under the Securities Act but will not be eligible for trading on the PORTAL market. The exchange notes will constitute a new issue of securities with no established trading market, and there can be no assurance as to:

- the development of any market for the exchange notes;

- the liquidity of any market for the exchange notes that may develop;

- your ability to sell your exchange notes; or

- the price at which you would be able to sell your exchange notes.

We have been advised by the initial purchasers for the initial notes that they presently intend to make a market in the exchange notes. However, they are not obligated to do so and may discontinue any market-

making activity relating to the exchange notes at any time without notice. If a market for the exchange notes were to exist, the exchange notes could trade at prices that may be higher or lower than their principal amount or purchase price, depending on many factors, including prevailing interest rates, the market for similar debentures and our financial performance. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. We cannot assure you that the market for the exchange notes, if any, will not be subject to similar disruptions.

Some people who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on certain no-action letters issued by the staff of the Securities and Exchange Commission, we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances, you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under this Act, you may incur liability under the Securities Act. We do not and will not assume or indemnify you against this liability. See "The Exchange Offer."

Risks Related to the Exchange Notes

The exchange notes are unsecured and effectively rank behind our secured indebtedness.

The exchange notes will be general unsecured senior obligations and will rank equally in right of payment with all our existing and future senior indebtedness. The exchange notes will be effectively subordinated to all of our secured indebtedness to the extent of the value of the assets securing such indebtedness. All of the obligations under our current credit facilities are either secured by all of the assets of Equinix-DC, Inc. or the assets purchased from the proceeds of specific indebtedness. We anticipate that all of the obligations under our future credit facilities will be secured. In a bankruptcy, liquidation or reorganization of our company, our assets securing other indebtedness will be available to pay obligations on the exchange notes only after all indebtedness secured by such assets has been paid in full, at which point there may not be sufficient proceeds remaining to pay amounts due on the exchange notes then outstanding.

Management discretion relating to certain business matters will be limited by restrictive covenants contained in our indebtedness.

Our credit facilities contain, and the indenture governing the exchange notes contains, a number of restrictive covenants that will limit the discretion of our management relating to certain business matters. We expect that our future indebtedness will also contain similar restrictive covenants. These covenants, among other things, will restrict our ability to incur additional indebtedness, pay dividends and make other distributions, prepay subordinated indebtedness, make investments and other restricted payments, engage in mergers and consolidations, create liens, sell assets, and enter into certain transactions with affiliates. There can be no assurance that such covenants will not adversely affect our ability to finance our future operations or capital needs or to engage in other business activities which may be in the interests of our company.

We may not have sufficient funds to purchase the exchange notes as required upon a change of control.

The indenture governing the exchange notes contains provisions relating to certain events constituting a change in control of Equinix. Upon the occurrence of such a change in control, we will be required to make an offer to purchase all outstanding exchange notes at a purchase price equal to 101% of their aggregate principal amount, in addition to the accrued and unpaid interest, if any, up to the purchase date. We cannot assure you that we would have sufficient funds to pay the purchase price for exchange notes tendered by holders seeking to accept such an offer to purchase. Our failure to purchase all exchange notes validly tendered under such an offer to purchase would result in an event of default under the indenture.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology--for instance, may, will, should, expect, plan, anticipate, believe, estimate, predict, potential or continue, the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in the Risk Factors section. These factors may cause our actual results to differ materially from any forward-looking statement.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We are under no duty to amend this prospectus to update any of the forward-looking statements after the date of this prospectus to conform these statements to actual results or to changes in our expectations. However, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, and as a result will file periodic current reports with the Securities and Exchange Commission that will report all material changes to our business as well as include material information to revise or correct any misleading statements.

AVAILABLE INFORMATION

We have filed a registration statement on Form S-4 with the Securities and Exchange Commission covering the exchange notes, and this prospectus is part of our registration statement. For further information on Equinix and the exchange notes, you should refer to our registration statement and its exhibits. This prospectus summarizes material provisions of contracts and other documents that we refer you to. Since the prospectus may not contain all the information that you may find important, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement.

In addition, the indenture requires that we file reports under the Securities Exchange Act of 1934 with the Securities and Exchange Commission and provide those reports to the trustee and holders of the notes. You can inspect and copy at prescribed rates the reports and other information that we file with the Securities and Exchange Commission at the public reference facilities maintained by the Securities and Exchange Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and also at the regional offices of the Securities and Exchange Commission located at 7 World Trade Center, Suite 1300, New York, New York 10048 and the Citicorp Center at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. You may obtain information on the operation of the public reference facilities by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and Exchange Commission also maintains an internet web site at http://www.sec.gov that contains reports, proxy and information statements and other information.

You can also obtain copies of such materials from us upon request.

We have agreed that, whether or not we are required to do so by the rules and regulations of the Securities and Exchange Commission, for so long as any of the exchange notes remain outstanding, we will furnish you as a holder of the exchange notes and will, if permitted, file with the Securities and Exchange Commission (1) all quarterly and annual financial information that would be required to be contained in a filing with the Securities and Exchange Commission on Forms 10-Q and 10-K if we were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, relating to the annual information only, a report thereon by our independent accountants, and (2) all reports that would be required to be filed with the Securities and Exchange Commission on Form 8-K if we were required to file such reports. In addition, for so long as any of the exchange notes remain outstanding, we have agreed to make available to any prospective purchaser of the exchange notes or beneficial owner of the notes in connection with any sale of these notes the information required by Rule 144A under the Securities Act.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes in exchange for the outstanding initial notes. The exchange offer is intended solely to satisfy certain of our obligations under the registration rights agreement. In consideration for issuing the exchange notes, we will receive initial notes in like aggregate principal amount.

The net proceeds to us from the original issuance of the initial notes, after deducting discounts, commissions, expenses and restricted cash were approximately $156.4 million. We invested approximately $37.0 million of the net proceeds in a portfolio of U.S. government securities, which were then pledged as security for the payment in full of interest on the initial notes through June 1, 2001. We intend to use the balance of such net proceeds for the buildout of our IBX centers in the United States and abroad and for other capital expenditures, working capital and general corporate purposes. In addition, although we do not currently have any acquisitions contemplated or pending, in the future we may use a portion of the proceeds for the acquisition of businesses or assets. We currently intend to allocate substantial proceeds to each of these uses. However, the precise allocation of funds among these uses will depend on future technological, regulatory and other developments in or affecting our business, the competitive climate in which we operate and the emergence of future opportunities.

We have invested such proceeds in U.S. government securities or other short-term, interest bearing, investment grade securities. We are not currently and do not expect as a result to become subject to the registration requirements of the Investment Company Act of 1940, as amended. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

CHANGE IN ACCOUNTANTS

On March 7, 2000, KPMG LLP resigned as our independent auditors and we subsequently appointed PricewaterhouseCoopers LLP as our principal accountants on March 21, 2000. There were no disagreements with the former accountants during the fiscal years ended December 31, 1998 and 1999 or during any subsequent interim period preceding their replacement on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the former accountants' satisfaction, would have caused them to make reference to the subject matter of the disagreement in connection with their reports. The former independent auditors issued an unqualified report on the financial statements as of December 31, 1999 and 1998 and for the year ended December 31, 1999 and the period from June 22, 1998 (inception) to December 31, 1998. We did not consult with PricewaterhouseCoopers LLP on any accounting or financial reporting matters in the periods prior to their appointment. The change in accountants was approved by our board of directors.

CAPITALIZATION

The following unaudited table sets forth our capitalization as of March 31, 2000:

- on an actual basis; and
- pro forma to give effect to the issuance of Series C preferred stock on May 8, 2000.

Please read the capitalization table together with the sections of this registration statement entitled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of

Operations" and the financial statements included in this registration statement.

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	March 31, 2000	
	Actual	Pro Forma
	(in thousands except share data)	
<S>	<C>	<C>
Cash, cash equivalents and short-term investments	$193,619	243,619
Restricted cash and short-term investments(1)	$ 41,053	41,053
Current portion of debt facilities and capital lease obligations	$ 4,144	4,144
Long-term debt, net of current portion:		
Debt facilities and capital lease obligations	$ 7,863	7,863
13% Senior Notes due 2007	184,441	184,441
Total long-term debt	192,304	192,304
Stockholders' equity:		
Series A convertible preferred stock, $0.001 par value; 32,000,000 and 20,000,000 shares authorized actual and pro forma, respectively; 18,682,500 shares issued and outstanding actual and pro forma (2)	19	19
Series B convertible preferred stock, $0.001 par value; 36,000,000 and 16,000,000 shares authorized actual and pro forma, respectively; 15,762,373 shares issued and outstanding actual and pro forma	16	16
Series C convertible preferred stock, $0.001 par value; no shares authorized actual, 5,000,000 shares authorized pro forma; no shares issued and outstanding actual and 3,315,649 issued and outstanding pro forma	--	3
Common stock, $0.001 par value; 132,000,000 and 80,000,000 shares authorized actual and pro forma, respectively; 12,540,006 shares issued and outstanding actual and pro forma(3)	12	12
Additional paid-in capital	151,142	201,139
Deferred stock-based compensation	(15,119)	(15,119)
Accumulated other comprehensive loss	(27)	(27)
Accumulated deficit	(39,819)	(39,819)
Total stockholders' equity	96,224	146,224
Total capitalization	$288,528	338,528

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(1) Reflects the portion of the net proceeds from the 13% Senior Notes used to purchase a portfolio of U.S. government securities to fund the first three scheduled interest payments on the notes, plus accrued interest and restricted cash of $3,451,200, plus accrued interest provided as collateral under four separate security agreements for standby letters of credit and an escrow account entered into and in accordance with certain lease agreements.

(2) Excludes 1,245,000 shares of Series A preferred stock issuable upon the exercise of outstanding warrants.

(3) Excludes 4,422,745 shares of common stock issuable upon the exercise of outstanding warrants and 2,956,565 shares of common stock issuable upon the exercise of outstanding options as of March 31, 2000.

SELECTED CONSOLIDATED FINANCIAL DATA

The following statement of operations data for the periods from our inception on June 22, 1998 to December 31, 1998, and for the year ended December 31, 1999, and the balance sheet data as of December 31, 1998 and 1999 have been derived from our audited consolidated financial statements and the related notes to the financial statements. The statement of operations data for the three months ended March 31, 1999 and 2000 and balance sheet data as of March 31, 2000 were derived from our unaudited condensed interim consolidated financial statements included elsewhere in this registration statement, which in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair

presentation of our financial position and results of operations for this period. Our historical results are not necessarily indicative of the results to be expected for the full year or future periods. Our historical results are not necessarily indicative of the results to be expected for future periods. The pro forma column gives effect to the issuance of Series C preferred stock on May 8, 2000. The following selected financial data should be read in conjunction with our consolidated financial statements and the related notes to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this registration statement.

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	Period from June 22, 1998 (inception) to December 31, 1998	Year Ended December 31, 1999	Three Months Ended March 31, 1999	Three Months Ended March 31, 2000
			(unaudited)	
Statement of Operations Data: (in thousands)				
<S>	<C>	<C>	<C>	<C>
Revenues	$ --	37	--	136
Costs and operating expenses:				
Cost of revenues (includes stock-based compensation of none and $177 for the periods ended December 31, 1998 and 1999, respectively, and none and $106 for the three months ended March 31, 1999 and 2000, respectively)	--	3,136	43	2,336
Sales and marketing (includes stock-based compensation of $13 and $1,631 for the periods ended December 31, 1998 and 1999, respectively, and $29 and $1,359 for the three months ended March 31, 1999 and 2000, respectively)	47	3,949	144	4,516
General and administrative (includes stock-based compensation of $151 and $4,819 for the periods ended December 31, 1998 and 1999, respectively, and $347 and $2,018 for the three months ended March 31, 1999 and 2000, respectively)	899	12,126	1,181	5,603
Depreciation and amortization	4	609	51	1,636
Total costs and operating expenses	(950)	19,820	1,419	14,091
Loss from operations	(950)	(19,783)	(1,419)	(13,955)
Interest expense	--	3,146	32	7,716
Interest income	(150)	(2,138)	(106)	(3,662)
Interest charge on beneficial conversion of convertible debt	220	--	--	--
Net loss	$(1,020)	(20,791)	(1,345)	(18,009)

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	As of December 31,		As of March 31, 2000	
	1998	1999	Actual	Pro Forma
Balance Sheet Data: (in thousands)			(unaudited)	

<S>	<C>	<C>	<C>	<C>
Cash, cash equivalents and short-term investments	$ 9,165	222,974	193,619	243,619
Accounts receivable	--	178	285	285
Restricted cash and short-term investments	--	38,609	41,053	41,053
Property and equipment, net	482	31,932	53,350	53,350
Construction in progress	31	14,824	32,135	32,135
Total assets	10,001	319,946	331,979	381,979
Debt facilities and capital lease obligations, excluding current portion	--	8,808	7,863	7,863
Senior notes	--	183,955	184,441	184,441
Total stockholders' equity	9,590	105,699	96,224	146,224
Other Financial Data:				
EBITDA(1)	$ (946)	(19,174)	(12,319)	(12,319)
Net cash used in operating activities	(796)	(9,908)	(4,176)	(4,176)
Net cash used in investing activities	(5,265)	(66,461)	(30,751)	(30,751)
Net cash provided by (used in) financing activities	10,226	295,178	(371)	49,629
Ratio of earnings to fixed charges(2)	--	--	--	--

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(1) EBITDA consists of the net loss excluding interest, income taxes, depreciation and amortization of capital assets. EBITDA is presented to enhance an understanding of our operating results and is not intended to represent cash flow or results of operations in accordance with generally accepted accounting principles for the period indicated and may be calculated differently than EBITDA for other companies. EBITDA is not a measure determined under generally accepted accounting principles nor is it a measure of liquidity.

(2) In calculating the ratio of earnings to fixed charges, earnings consist of net loss before income tax expense and fixed charges. Fixed charges consist of interest expense, and capitalized interest, amortized discounts and capitalized expenses related to indebtedness and an estimate of the interest within rental expense. The ratio of earnings to fixed charges was less than 1.0 to 1.0 for each of the periods presented. Earnings available for fixed charges were thus inadequate to cover fixed charges. The coverage deficiency for the period from June 22, 1998 (inception) to December 31, 1998, the year ended December 31, 1999 and the three months ended March 31, 1999 and 2000 was $1,019,700, $20,790,600, $1,344,900 and $18,008,800, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Equinix designs, builds and operates neutral Internet Business Exchange centers, or IBX centers, where Internet businesses place their equipment and their network facilities in order to interconnect with each other to improve Internet performance. Our neutral IBX centers provide content providers, application service providers, or ASPs, and e-commerce companies with the ability to directly interconnect with a choice of bandwidth providers, Internet service providers, or ISPs, and site and performance management companies to grow their business. We intend to open approximately 15 IBX centers in major Internet markets in the U.S. and internationally by the end of 2001. In July 1999, except for fiber connectivity from our telecommunications carriers, we completed construction of our first IBX center in the Washington, D.C. metropolitan area. We opened additional IBX centers in December 1999 and March 2000 in the New York, New York and Silicon Valley, California metropolitan areas. From our inception on June 22, 1998 through December 31, 1999, our operating activities consisted primarily of designing and building our first three IBX centers, searching for additional space for IBX center expansion, developing our management team and raising private equity and third party debt to fund the design and building of our IBX centers.

We generate recurring revenues primarily from the leasing of cabinet space and the provisioning of direct interconnections between our customers. In addition, we intend to offer value-added services and professional services including "Smart Hands" service for customer equipment installations and maintenance. Customer contracts for the lease of cabinets, interconnections and switch ports are renewable and typically range from one to three years with payments for services made on a monthly basis. We entered into our first customer contract in April 1999. In addition, we generate non-recurring revenues which are comprised of installation charges that are billed upon successful installation of our customer cabinets, interconnections and switch ports. Both recurring and non-recurring revenues are recognized ratably over the term of the contract.

Cost of revenues consist primarily of rental payments on our IBX centers, site employees' salaries and benefits, utility costs, amortization and depreciation of IBX center build-out costs and equipment and engineering power, redundancy and security systems support and services. We expect that our cost of revenues will increase significantly as we continue our rollout of additional IBX centers.

Our selling, general and administrative expenses consist primarily of costs associated with recruiting, training and managing new employees, salaries and related costs of our operations, marketing and sales, customer fulfillment and support functions costs and finance and administrative personnel and related professional fees. Our current sales and marketing expenses, including sales personnel, will increase significantly as we continue our rollout of additional IBX centers into new domestic and international markets. We expect to significantly increase our sales and marketing activities.

We recorded deferred stock-based compensation of approximately $1.1 million, $19.4 million and $4.9 million in connection with stock options granted during 1998, 1999 and the three months ended March 31, 2000, respectively, where the deemed fair value of the underlying common stock was subsequently determined to be greater than the exercise price on the date of grant. Approximately $164,000, $6.6 million and $3.5 million was amortized to stock-based compensation expense for the period and year ended December 31, 1998 and 1999, respectively and the three months ended March 31, 2000, respectively. Options granted are typically subject to a four year vesting period. We are amortizing the deferred stock-based compensation on an accelerated basis over the vesting periods of the applicable options in accordance with FASB Interpretation No. 28. The remaining $15.1 million of deferred stock-based compensation at March 31, 2000 will be amortized over the remaining vesting period. Based on grants from April 1 through May 2, 2000, we expect to record additional deferred stock-based compensation of approximately $4.9 million. As a result of the cumulative effect of stock-based compensation, we expect stock-based compensation expense, which is primarily attributable to amortization of deferred stock-based compensation charges, to impact our reported

results through December 31, 2004. Based on option grants through May 2, 2000, we expect stock-based compensation expense to be approximately $13.7 million for the year ending December 31, 2000.

A key aspect of our strategy is to capitalize on our first mover advantage and to execute our rapid IBX center rollout program. The rollout of these additional IBX centers will significantly increase both fixed and operating expenses, including expenses associated with hiring, training and managing new employees, leasing and maintaining additional IBX centers, power and redundancy system engineering support and related costs, implementing security systems and related costs and depreciation.

Results of Operations

Since our inception in June 1998, we have experienced operating losses and negative cash flows from operations in each quarter. As of March 31, 2000 we had an accumulated deficit of $39.8 million. The revenue and income potential of our business and market is unproven, and our short operating history makes an evaluation of our business and prospects difficult. There can be no assurance that we will ever achieve profitability on a quarterly or annual basis or, if achieved, sustain such profitability.

Three Months Ended March 31, 1999 and 2000

Revenues. We recognized revenues of $135,600 for the three months ended March 31, 2000. Revenues consisted of recurring revenues of $124,200, primarily from the leasing of cabinet space, and non-recurring revenue of $11,400 related to the recognized portion of installation revenue. Installation and service fees are recognized ratably over the term of the contract. We did not offer IBX center colocation or interconnection exchange services during the three months ended March 31, 1999, and as such, no revenues were recognized during that time period.

Cost of Revenues. Cost of revenues increased from $43,100 for the three months ended March 31, 1999 to $3.3 million for the three months ended March 31, 2000, an increase of $3.3 million. Cost of revenues consists primarily of rental payments for our leased IBX centers, site employees' salaries and benefits, utility costs, power and redundancy system engineering support services and related costs, security services and related costs and depreciation and amortization of our IBX center buildout and other equipment costs. As of March 31, 1999, we had not opened any IBX centers, but we had incurred rent expense on the first IBX center. During the three months ended March 31, 2000, we incurred expenses on our first three operational IBX centers.

Sales and Marketing. Sales and marketing expenses increased from $143,800

for the three months ended March 31, 1999 to $4.5 million for the three months ended March 31, 2000, an increase of $4.4 million. Sales and marketing expenses consist primarily of compensation and related costs for the sales and marketing personnel, sales commissions, marketing programs, public relations, promotional materials and travel. The increase in sales and marketing expense resulted from the addition of personnel in our sales and marketing organizations, reflecting our increased selling effort and our efforts to develop market awareness. Also included in sales and marketing for the three months ended March 31, 1999 and 2000 are $28,500 and $1.4 million, respectively, of stock-based compensation expense. We anticipate that sales and marketing expenses will increase in absolute dollars as we increase our investment in these areas to coincide with the rollout of additional IBX centers.

General and Administrative. General and administrative expenses increased from $1.2 million for the three months ended March 31, 1999 to $6.3 million for the three months ended March 31, 2000, an increase of $5.1 million. General and administrative expenses consist primarily of salaries and related expenses, accounting, legal and administrative expenses, professional service fees and other general corporate expenses. The increase in general and administrative expenses was primarily the result of increased expenses associated with additional hiring of personnel in management, finance and administration, as well as other related costs associated with supporting the Company's expansion. Also included in general and administrative for the three

months ended March 31, 1999 and 2000 are $346,700 and $2.0 million, respectively, of stock-based compensation expense.

Interest Expense, net. For the three months ended March 31, 1999, we reported interest income of $106,000 and interest expense of $32,200. For the three months ended March 31, 2000, we reported net interest expense of $4.0 million. Net interest for the three months ended March 31, 2000 consisted of interest income of $3.7 million offset by interest expense of $7.7 million. Interest income increased substantially due to higher cash, cash equivalent and short-term investment balances held in interest bearing accounts, resulting from the proceeds of the senior notes and preferred stock financing activities. Interest expense for the three months ended March 31, 2000 is a result of the issuance of senior notes and increased debt facilities and capital lease obligations and amortization of the senior notes debt facilities and capital lease obligation discount.

Period from Inception (June 22, 1998) through December 31, 1998 and Year Ended December 31, 1999

Revenues. We recognized revenues of $37,100 for the year ended December 31, 1999. In addition, we entered into contracts with other customers and allocated cabinet space to these customers as of December 31, 1999. Although we entered into these customer contracts, we have not recognized such amounts as revenues as the sales cycle was not yet complete by December 31, 1999. We did not offer IBX center colocation or interconnection exchange services from inception through December 31, 1998, and as such, no revenues were recognized from the date of inception to December 31, 1998.

Cost of Revenues. We incurred cost of revenues of $3.3 million for the year ended December 31, 1999. Cost of revenues is primarily comprised of rental payments for our leased IBX centers, site employees' salaries and benefits, utilities costs, power and redundancy system engineering support services and related costs, security services and related costs and depreciation and amortization of our IBX center build-out and other equipment costs. We did not offer IBX center colocation or interconnection exchange services from inception through December 31, 1998, and as such, no cost of revenues were recorded from the date of inception to December 31, 1998.

Sales and Marketing. Sales and marketing expenses increased from $47,400 for the period from the date of inception to December 31, 1998 to $3.9 million for the year ended December 31, 1999. These expenses consist primarily of salary and benefit costs from the hiring of both sales and marketing personnel and certain related recruiting and relocation costs, the establishment of sales and marketing programs and the recognition of stock-based compensation expense in the amount of approximately $13,000 and $1.6 million for the period from the date of inception to December 31, 1998 and the year ended December 31, 1999, respectively. In addition, we established two regional sales offices to support the New York and Washington, D.C. metropolitan area IBX centers. We anticipate that sales and marketing expenses will increase substantially to coincide with the commercial operation of our IBX centers and additional stock-based compensation expense in the amount of approximately $9.0 million which will be amortized over the applicable vesting periods.

General and Administrative. General and administrative expenses increased from $902,200 for the period from the date of inception to December 31, 1998 to $12.6 million for the year ended December 31, 1999. General and administrative expenses are primarily comprised of salaries and employee benefits expenses, including stock-based compensation expense in the amount of approximately

$151,000 and $4.8 million for the period from the date of inception to December 31, 1998 and the year ended December 31, 1999, respectively, professional and consultant fees and corporate headquarter operating costs, including facility and other rental costs. We anticipate that general and administrative expenses will increase significantly due to increased staffing levels consistent with the growth in our infrastructure and related operating costs associated with our regional and international expansion efforts and additional stock-based compensation expense in the amount of approximately $12.7 million which will be amortized over the applicable vesting periods.

Interest Expense, net. Net interest expense increased from $70,100 for the period from the date of inception to December 31, 1998 to $1.0 million for the year ended December 31, 1999. We recognized interest

income of $2.1 million for the year ended December 31, 1999 compared to $150,000 for the period from inception to December 31, 1998. Interest income increased substantially due to higher cash, cash equivalent and short-term investment balances resulting from the senior notes and preferred stock financing activities. Interest expense was $3.1 million for the year ended December 31, 1999 compared to $220,000 for the period from inception to December 31, 1998. Interest expense increased due to the issuance of senior notes, increased debt facilities and capital lease obligations and amortization of the senior notes and debt facilities and capital lease obligation discount. Interest expense for the period from inception to December 31, 1998 consisted of the interest charge from the conversion right of the convertible loan arrangement, under which the initial lenders to the Company converted their promissory notes into Series A preferred stock at a more beneficial rate than other Series A investors.

Liquidity and Capital Resources

From inception through March 31, 2000, we have financed our operations and capital requirements primarily through the issuance of senior notes, the private sale of Series A and Series B preferred stock and debt financing for aggregate gross proceeds of approximately $312.6 million. Our principal source of liquidity as of March 31, 2000 consists of $193.6 million in cash and cash equivalents and $6.9 million in debt and capital lease facilities. As of March 31, 2000, our total indebtedness from our senior notes, debt facilities and capital lease obligations was $213.7 million.

Net cash used in operating activities was $796,000 for the period from inception to December 31, 1998, $9.9 million for the year ended December 31, 1999 and $4.2 million for the three months ended March 31, 2000. We used cash primarily to fund our net loss from operations.

Net cash used in investing activities was $5.3 million for the period from inception to December 31, 1998, $66.5 million for the year ended December 31, 1999 and $30.8 million for the three months ended March 31, 2000. Net cash used in investing activities was primarily attributable to the construction of our IBX centers and the purchase of restricted cash and short-term investments.

Net cash generated by financing activities was $10.2 million for the period from inception to December 31, 1998 and $295.2 million for the year ended December 31, 1999. Net cash used in financing activities was $370,700 for the three months ended March 31, 2000. The cash generated from financing activities for the period from inception through December 31, 1998 was due to the sale of Series A preferred stock. The cash generated by financing activities for the year ended December 31, 1999 was primarily due to the issuance of senior notes, proceeds from debt and capital lease facilities and proceeds from the issuance of Series B preferred stock. Net cash used in financing activities during the three months ended March 31, 2000 was primarily due to the repayment of debt facilities and capital lease obligations, offset by proceeds from the exercise of stock options.

In March 1999, we entered into a loan and security agreement in the amount of $7.0 million bearing interest at 7.5% to 9.0% per annum repayable in 36 to 42 equal monthly payments with a final interest payment equal to 15% of the advance amounts due at maturity. In May 1999, we entered into a master lease agreement in the amount of $1.0 million. This master lease agreement was increased by addendum in August 1999 by $5.0 million. This agreement bears interest at either 7.5% or 8.5% and is repayable over 42 months in equal monthly payments with a final interest payment equal to 15% of the advance amounts due on maturity. In August 1999, we entered into a loan agreement in the amount of $10.0 million. This loan agreement bears interest at 8.5% and is repayable over 42 months in equal monthly payments with a final interest payment equal to 15% of the advance amounts due on maturity. At March 31, 2000, we had total debt and capital lease financings available of $23.0 million, of which we had drawn down $16.1 million.

In December 1999, we issued $200,000,000 aggregate principal amount of 13% Senior Notes due 2007 for aggregate net proceeds of $193,400,000, net of offering expenses. Of the $200,000,000 gross proceeds,

$16,207,200 was allocated to additional paid-in capital for the fair value of the common stock warrants and recorded as a discount to the senior notes. Senior notes, net of the unamortized discount, is $184,441,100 as of March 31, 2000.

In December 1999, we completed the private sale of our Series B preferred stock, net of issuance costs, in the amount of $81.7 million.

In May 2000, we completed the private sale of Series C preferred stock in the amount of $50.0 million.

We currently intend to open approximately 15 IBX centers in the U.S. and internationally by the end of 2001. We intend to finance these IBX centers through current cash flow from our existing IBX centers and approximately $750.0 million of additional financing. As of May 8, 2000, we had $221.6 million in cash, cash equivalents and short-term investments available to us. We anticipate that the funds currently available to us are sufficient to fund the capital expenditure and working capital requirements, including operating losses, associated with the initial rollout of seven IBX centers and two IBX center expansion projects. To complete the implementation of our approximately 15 site rollout plan within our proposed time frame we anticipate that we will need to raise funds through a combination of additional debt or equity financing. If we cannot raise sufficient additional funds on acceptable terms, or in amounts required by us, we may delay the rollout of additional IBX centers or permanently reduce our rollout plans. If we are unable to raise additional funds to further our rollout, we anticipate that the cash flow generated from the IBX centers, for which we will have obtained financing, will be sufficient to meet the working capital, debt service and corporate overhead requirements associated with those IBX centers.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards, or SFAS, No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133, as amended by SFAS No. 137, Deferral of the Effective Date of FASB Statement No. 133, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. This statement does not currently apply to us and we do not have any derivative instruments or hedging activities.

In December 1999, the SEC issued Staff Accounting Bulletin 101, or SAB 101, Revenue Recognition, which outlines the basic criteria that must be met to recognize revenue and provides guidance for presentation of revenue and for disclosure related to revenue recognition policies in financial statements filed with the SEC. We believe the adoption of SAB 101 will not have a material impact on our financial position and results of operations.

In March 2000, the FASB issued Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation - an Interpretation of APB 25. This Interpretation clarifies (a) the definition of employee for purposes of applying Opinion 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and (d) the accounting for an exchange of stock compensation awards in a business combination. This Interpretation is effective July 1, 2000, but certain conclusions in this Interpretation cover specific events that occur after either December 15, 1998, or January 12, 2000. To the extent that this Interpretation covers events occurring during the period after December 15, 1998, or January 12, 2000, but before the effective date of July 1, 2000, the effects of applying this Interpretation are recognized on a prospective basis from July 1, 2000. We have not yet determined the impact, if any, of adopting this interpretation.

Impact of the Year 2000

As of May 9, 2000, we had not experienced any year 2000-related disruption in the operation of our systems. Although most year 2000 problems should have become evident on January 1, 2000, additional year 2000-related problems may become evident only after that date.

Quantitative and Qualitative Disclosures About Market Risk

Equinix has limited exposure to financial market risks, including changes in interest rates. An increase or decrease in interest rates would not significantly increase or decrease interest expense on debt obligations due to the fixed nature of our debt obligations. Our interest income is sensitive to

changes in the general level of U.S. interest rates, particularly since the majority of our investments are in short-term instruments. Due to the short-term nature of our investments, we believe that we are not subject to any material market risk exposure. Equinix does not currently have any foreign operations and thus is not currently exposed to foreign currency fluctuations.

BUSINESS

Overview

Equinix designs, builds and operates neutral Internet Business Exchange centers, or IBX centers, where Internet businesses place their equipment and their network facilities in order to interconnect with each other to improve mission critical Internet performance. Our neutral IBX centers place our customers' operations at a central location and provide them with the highest level of security, multiple back-up services, flexibility to grow and technical assistance. Equinix's neutral IBX centers provide content providers, ASPs, and e-commerce companies with the ability to directly interconnect with a choice of bandwidth providers, ISPs, and site and performance management companies to grow their business. Content providers include those companies that supply information, education or entertainment content such as Excite@Home. ASPs include those companies that supply hosted applications to enterprises over the Internet, such as Storage Networks. E-commerce companies include those companies which conduct the sale of goods and services over the Internet. ISPs provide Internet connectivity services and include companies such as InterNAP and NorthPoint Communications Group. Bandwidth providers include companies such as MCI WorldCom and AT&T. Site and performance management companies include one-stop Web presence integrators and content distribution companies such as iBeam broadcasting. Equinix centers enable Internet companies to quickly, easily, and privately interconnect with a choice of business partners and customers, providing them with the flexibility, speed and adaptability they need to accelerate business growth and to allow a faster, more reliable Internet.

We intend to open approximately 15 IBX centers in major Internet markets in the U.S. and internationally by the end of 2001. In late 1999, we opened our first IBX center in the Washington, D.C. area. In December 1999, we opened our second IBX center in the New York metropolitan area, and in March 2000, we opened our third IBX center in the Silicon Valley area in California. Our customers include: Cable & Wireless, Concentric Network, Excite@Home, iBeam, InterNAP, MCI Worldcom, NorthPoint Communications Group, Onyx Networks, a wholly-owned subsidiary of Pacific Gateway Exchange, Teleglobe and Storage Networks.

We were incorporated in Delaware in June 1998 and are led by Albert M. Avery, IV, our president and chief executive officer, and Jay S. Adelson, our vice president, engineering and chief technology officer, who were responsible for designing, building and operating the Palo Alto Internet Exchange, or PAIX, one of the most active global Internet traffic exchange points. PAIX launched commercial service in July 1996 and was functioning at full capacity within one year of introduction.

Since March 1999, we have raised more than $350 million to fund the rollout of our IBX centers. In April 1999, our first customer contract was signed and we began recognizing revenue in December 1999. We have not yet been profitable and expect to incur significant additional losses.

Market Opportunity

Since the early 1990s, the Internet has experienced tremendous growth and is emerging as a global medium for communications and commerce. According to International Data Corporation, or IDC, the number of Internet business-to-business users worldwide will increase from approximately 142 million at the end of 1998 to approximately 502 million by 2003. In addition, according to Forrester Research, the number of Internet sites worldwide is expected to grow from fewer than 500,000 in 1997 to approximately 4.0 million in 2002. IDC also states that worldwide Internet business commerce sales are forecast to grow from approximately $50 billion at the end of 1998 to approximately $1.3 trillion by the end of 2003.

As a result of competitive pressures, Internet and e-commerce companies are demanding facilities that provide multiple interconnections with a broad cross-section of product and service providers and customers. The tremendous growth of Internet usage and e-commerce has aggravated the inefficiencies of the current Internet architecture, which has constrained businesses' abilities to effectively grow and manage their Internet operations.

As the Internet and Internet businesses experienced significant growth and demand, and content providers emerged, vertically integrated hosting providers evolved to provide these businesses with places to locate their

equipment and access the Internet. Until now, Internet businesses have had to rely on these vertically integrated hosting providers for the distribution of content and delivery of services between thousands of individual networks. Internet and e-commerce companies who choose to colocate equipment at these facilities typically have no choice but to purchase bandwidth from the owner of the facility. Bandwidth is typically known as the rate at which data flows over a network and is measured in bits per second. This can be costly, given the lack of competition, and a significant risk if the facility owner's network were to fail or have performance problems.

As content becomes more critical, the choice of suppliers and direct interconnection become increasingly important. Forrester Research predicts that a combination of rapid Internet growth and increased outsourcing of Internet-related services will create an acute need for Internet-related hosting and colocation services, producing U.S. revenue growth from approximately $3.5 billion in the year 2000 to over $14 billion by 2003.

The Equinix Solution

Equinix IBX centers provide the environment and services to meet the challenges facing Internet businesses today. Our centers will provide a free market environment where choice stimulates efficient business growth. Because Internet companies have a broad choice of product and service providers, they can increase their service offerings, deliver services more efficiently and have access to a larger potential customer base. As a result, we are able to provide the following key benefits to our customers:

Choice. We believe that the ability of customers to choose among a variety of product and service providers is the fundamental driver of dynamic growth in commerce. By offering this crucial element of choice, our IBX centers are designed to serve as a catalyst for our customers that creates synergy among them and makes it possible for them to adapt their business models to successfully scale, or keep pace, with the growth of each other and of the Internet. Internet and e-commerce related businesses view the IBX center as a forum to attract additional customers and diversify sources of supply for their businesses.

Opportunity to Increase Revenues and Reduce Costs. Our customers will have access to a variety of potential business partners. Accordingly, our customers will have a better opportunity to increase the size of their addressable markets, accelerate revenue growth and improve the quality of their services at our IBX centers. In addition, participants will be able to enhance their ability to control costs by aggregating their service purchases at a single location and through improved purchasing power.

Scalability. Our IBX centers will both stimulate and support the efficient growth of our customers. From a facility perspective, we construct our IBX centers to be large enough to accommodate our customers' short term needs, and our plan is to maintain sufficient available expansion space to meet their long-term growth needs where possible. In addition, through our global presence we will have a broad capacity to meet customers' multi-market and multi-geographic requirements. On an individual basis, customers are able to design their own unique cabinet configurations within a shared or private cage environment. As the need arises, customers can expand within their original cage or upgrade into a cage which meets their expanded requirements. We predict that customers will require this added capacity as they interconnect with each other and expand their customer reach.

Reliability. Our IBX design provides our customers with reliable and disaster-resistant environments that are necessary for optimum Internet commerce interconnection. We believe that the level of excellence and consistency achieved in our IBX architecture and design results in premium, secure, fault-tolerant exchanges. Our IBX centers are designed to offer our customers redundant, high-bandwidth Internet connectivity through multiple third-party connections. Additionally, our solutions include multiple layers of physical security, scalable cabinet space availability, on-site trained staff 24 hours per day, 365 days per year, dedicated areas for customer care and equipment staging, redundant AC/DC power systems and multiple other redundant, fault-tolerant infrastructure systems.

Equinix Strategy

Our objective is to provide content providers, ASPs and e-commerce companies with the ability to directly interconnect with a choice of bandwidth providers, ISPs, and site and performance management companies to grow their business. Equinix IBX centers enable Internet companies to quickly, easily and privately

interconnect with a choice of business partners and customers, providing them with the flexibility, speed and adaptability they need to accelerate business

growth and to allow a faster, more reliable Internet. To accomplish this objective we are employing the following strategies:

Provide Customer Choice. We provide our customers with the freedom to choose their preferred product and service providers. We call this a neutral environment and it is one of the fundamental characteristics of an IBX center. We believe this is a significantly improved approach compared with the current Internet model because it offers customers increased value and reliability based on the availability of multiple providers of needed services. In traditional colocation or Web hosting environments, customers are often limited to a single choice of network provider, site management company, or performance management company. This limited choice can lead to single points of failure for customers or a limited number of options to choose from for value added services. The Equinix model of neutrality gives customers a wide range of providers to choose from for each of the services they require for increased Internet performance and reliability. For instance, in each IBX customers can choose from multiple network providers, ISPs and Web management companies. The ability to choose who they work with directly leads to better Internet business performance due to the increased diversity and an improved overall total cost of ownership since these suppliers are competing for the customers' business within the IBX center. Our customers will benefit from a neutral environment that stimulates efficient business growth through accelerated network economics, or the value derived by a provider at an IBX center from being able to sell its services to a locally-aggregated set of customers, created by the efficient and rapidly growing interaction between Internet businesses.

Manage Choice to Create Network Effect. To attract the widest choice of Internet partners, it is important to provide a robust mix of leading companies from a variety of businesses and services. This allows content providers, e-commerce companies and ASPs the opportunity to interconnect with a wide variety of companies. As a result of the IBX interconnection model, IBX participants encourage their customers, suppliers and business partners to also come into the IBX center. These customers, suppliers and business partners may also, in turn, encourage their business partners to locate in IBX centers resulting in additional customer growth. For example, a large financial site who may choose to locate in an Equinix IBX may encourage a bandwidth provider, a site management company or another content partner, like a financial news service, to also locate in the same IBX. In turn, these bandwidth providers or content partners will also bring their business partners to the IBX. This network effect enhances the value of an IBX center with each new customer.

Leverage Strategically Scalable Centers. The network effect created by the Equinix IBX model requires strategic scalability to support the dynamic IBX growth environment. Our expansion plans are designed to meet the growth of our customers. Our IBX centers will both stimulate and support the efficient growth of our customers. From a facility perspective, we construct our IBX centers to be large enough to accommodate our customers' short term needs, and our plan is to maintain sufficient available expansion space to meet their long-term growth needs where possible.

Expand Globally and Capitalize on First Mover Advantage. We believe that capitalizing on our first mover advantage is essential to establishing leadership in the rapidly developing neutral Internet business exchange market. As a result, we currently plan to open additional IBX centers in the United States and internationally. We believe the demand for our international IBX centers and services will be significant due to the early stage of Internet infrastructure deployment outside of the U.S.

Establish Equinix as the Leading Brand for IBX Centers. We plan to establish Equinix as the industry standard for the highest quality business to business Internet exchanges. Through brand awareness and promotion we intend to create a strong following among all top content providers, ASPs and e-commerce companies. We believe that this strong brand awareness, combined with our ability to provide the highest quality business to business marketplace facilities and professional services will provide us with a competitive advantage in our market.

Leverage Blue-Chip Equity Owners. Our stockholders are some of the most influential companies driving the development, operation and utilization of the Internet. They provide us with invaluable technical and business insight, industry contacts and customer relationships to help expedite the expansion of our business. These stockholders include Artemis S.A., Bechtel Corp., Benchmark Capital, the Carlyle Group, Cisco Systems and Reuters.

Customers

Customers typically sign renewable contracts of one to three years in length, often with options on additional space. Our current customers, including Cable & Wireless, Concentric Network, Excite@Home, iBeam, InterNAP, MCI WorldCom, NorthPoint Communications Group, Onyx Networks, a wholly-owned subsidiary of Pacific Gateway Exchange, Teleglobe, Storage Networks have collectively reserved space in our Washington DC, New York, and Silicon Valley

metropolitan area IBX centers. Additionally, InterNAP, MCI WorldCom, Northpoint Communications Group, Onyx Networks, Excite@Home, Teleglobe and Storage Networks have signed multi-site agreements.

Historically, Internet businesses have been vertically integrated and provided all services directly to their customers. These services typically include marketing, access and Internet backbone connectivity, server hosting, and other services such as e-mail and usenet newsgroups. Continued rapid growth, innovation, competition and scarce human resources have opened the door for companies to specialize in core Internet services and outsourced other elements of their business or product to suppliers. These specialized players include:

- content providers and e-commerce companies supplying information, education or entertainment content and conducting the sale of goods and services;
- ASPs offering hosted applications over the Internet;
- Internet service providers offering end-users Internet access and customer support;
- bandwidth providers (telecommunications carriers); and
- site and performance management companies which integrate and manage a customer's end-to-end web presence and performance.

We consider these companies to be the core of our customer base and we offer each customer a choice of business partners and solutions that are designed to meet their unique and changing needs.

We believe our IBX centers provide the following benefits to all our customers:

Choice and neutrality are important to companies interested in the growth and reliability of the Internet. Equinix does not compete with its customers and partners and offers choice within each customer segment. We believe all Internet companies benefit from the choice of a wide variety of Internet business partners because their business interaction is greatly enhanced which can translate to new revenue sources, greater efficiency and growth.

Additional Benefits to all Customer Segments:

- Expedited service delivery
- Scalable, flexible, fault-tolerant environment
- Cost savings through aggregating purchases and sales at a single location
- Minimize packet loss and latency, or time that elapses between a request for information and its arrival
- Ability to focus on core competencies
- Centralized market with access to dozens of potential customers and partners
- Proximity to service providers reduces operations, technology and marketing costs, quickens service deployment, and improves performance
- Multiple layers of physical security
- Elimination of capital investment for facilities
- 24X7 on-site Internet and telecommunications-trained staff

We believe our IBX centers offer the following additional benefits to our customers:

Type of Customer:	Benefits:
Content Providers, ASPs and E-Commerce Companies	
	. Direct interconnection with a choice of

	multiple bandwidth providers, Internet service providers, and site and performance management companies. Choice gives participants the ability to decide which suppliers are the most cost-effective and provide the level of service they require. The benefits to content providers, ASPs and e-commerce companies include maximized Web presence, increased revenue streams, greater security and increased customer satisfaction
	. Simplified outsourcing of various component services including DSL, e-mail, Usenet and content distribution
Internet Service Providers	. Direct peering, or traffic exchange, with other ISPs over private high-speed dedicated interconnections
	. Simplified outsourcing of various component services including DSL, e-mail, Usenet and content distribution
	. Expedited, flexible, scalable and cost-efficient bandwidth provisioning
Bandwidth Providers (Carriers)	
	. Economies of scale with reduced capital costs
	. Centralized market with access to dozens of potential customers
Site and Performance Management Companies	
	. Direct interconnection with a choice of multiple bandwidth providers and ISPs. Choice gives site and performance management companies the ability to decide which suppliers are the most cost-effective and provide the level of service they require

Services

Within our IBX centers we provide our customers with a business to business exchange and offer colocation, interconnection and value-added services.

Colocation Services

Within our IBX centers, customers can colocate and interconnect their equipment and networks and connect directly with a choice of Internet companies. Equinix also provides customized solutions for customers looking to resell IBX space component as part of their complete, one-stop shop solution.

Cabinets. Customers have several choices for colocating their equipment. They can place the equipment in an Equinix shared or private cage or customize their space to build their own data center within an IBX center. Cabinets are 84 inches high, suitable for networking and server colocation. Cable trays support cables between and among cabinets. Stationary or slide shelves and enclosed cabinets are available upon request. As a customer's colocation requirements increase, they can expand within their original cage or upgrade into a cage that meets their expanded requirements.

Shared Cages. A shared cage environment is designed for customers needing less than ten full cabinets to house their equipment. Each cabinet in a shared cage is individually secured with an advanced trackable electronic locking system and the cage itself is secured with the biometric hand-geometry system.

Private Cages. Customers that contract for a minimum of five full cabinets can use a private cage to house their equipment. Private cages are also available in larger full cabinet sizes. Each private cage is individually secured with the biometric hand-geometry system.

Data Centers. Customers interested in providing a hosting service or colocation center have the option of outsourcing the design, construction and management of the physical facility to Equinix. Each customer can customize the cabinet configuration within the space they purchase from Equinix in order to satisfy their specific customers' needs.

Interconnection

Physical Cross-Connect. Customers needing to directly connect to another IBX

customer can do so for a set price. Equinix leaves the choice of speed and media type to the participants, based on their needs. Cross connections are installed, delivered and tested by us within twenty-four hours of a customer's request.

Central Switching Fabric. Customers may choose to connect to our central switching fabric rather than purchase a direct physical cross connection. With a connection to this switch, a customer can aggregate multiple interconnects over one physical wire instead of purchasing individual physical cross connects.

Direct Connections. Customers requiring a dedicated communications link may directly connect to each other. Direct connections are Any Mode Any Speed, which means they can include single-mode fiber, multi-mode fiber, and other media upon request, as well as handle any speed required by the customer. These cross connections are customized and terminated per customer instructions and may be implemented within 24 hours of request.

Value-Added Services

Our IBX centers are staffed with Internet and telecommunications specialists who are on-site and available 24 hours per day, 365 days per year. These professionals are trained to perform installations of customer equipment and cross connections and integration and support services.

Core Infrastructure Services. Those customers with a port connection on the central switching fabric have access to multiple core infrastructure services. These services address critical intelligent networking requirements and assist customers in improving the quality of their interconnection and traffic exchange.

"Smart Hands" Services. Our customers can take advantage of our professional "Smart Hands" service, which gives customers access to our IBX staff for a variety of troubleshooting tasks, when their own staff is not on site. These tasks include power cycling, card swapping, and performing emergency equipment replacement. Services are available on-demand or by customer contract.

IBX Design and Staffing

Our IBX centers are designed to provide a state-of-the-art, secure, full-service, neutral operating environment of a minimum of 900 cabinets, or 50,000 square feet, in the first-phase buildout for colocation of customer equipment. The IBX centers are designed to provide specific and compelling improvements over legacy facilities, including scalability to meet our customer's ongoing growth, improved security, redundancy of all key infrastructure systems and improved customer care. An IBX center is divided into six basic functional areas--access, customer care, colocation, telecommunications access, mechanical and power systems and operations.

Access Area. The access area includes a bullet-resistant guard booth; a welcome area, a hand-geometry enrollment station, and a mantrap to further control access to the IBX center. All doors and access ways are secured with biometric hand-geometry readers to ensure absolute identification and authentication. All customers and Equinix employees entering an Equinix IBX center must be cleared through this secured zone.

Customer Care Area. The customer care area includes a seating section, conference rooms, Internet workstations, customer equipment preparation work areas, equipment lockers, a game room, bathrooms, showers and a kitchen.

Colocation Area. The colocation area is divided into large cages to house networking and customer computer equipment that is secured by biometric security access systems. This area includes dual independent AC and DC power distribution systems, full-automated CCTV digital camera security surveillance, and a tamper-proof overhead cable-management system with separate trays for fiber and copper data, AC power and DC power cables. Access to the colocation area is through the customer care area.

Telecommunications Access Area. All IBX centers will have a minimum of two dedicated fiber entry vaults for telecommunications carrier access to the colocation area. In addition, every IBX center has roof space or a separate platform for customers who access the IBX center via wireless devices such as satellite dishes, radio antennae and microwave.

Mechanical and Power Systems Area. The mechanical and power systems area includes machine rooms and space used to house all mechanical, power safety and security equipment. Fully redundant heating, ventilation, air conditioning and power systems, as well as dual electric utility feeds support all areas of the IBX center. Power systems are designed and periodically tested to transparently handle rapid transition from public utility power to back-up power. The AC uninterruptable power supply and DC battery systems are configured to operate a fully occupied IBX center for a minimum of fifteen minutes. If there is a

utility power failure, the on-site generator system could be brought on-line in less than eight seconds through an automatic transfer switch to supply seamless, uninterrupted power to the IBX center. The emergency generators, located in a specially equipped area, supply power to the AC and DC systems. On-site fuel tanks store sufficient fuel to power a fully occupied IBX center for a minimum of 48 hours.

Operations Area. The operations area houses the IBX manager's office, an operations center for staff technicians and office space for visiting Equinix employees. It includes consoles for monitoring all IBX environmental systems and for tracking all activities at the IBX center. In selected IBX centers, this area will house regional operations centers that will monitor the operations of several IBX centers.

Other Specifications

Security System. All access controls and other security functions are connected to a central security computer system that controls access to the interior and exterior perimeters of the IBX centers. An armed

security guard located behind the bullet-resistant security console controls access to the colocation area. The caged sections of the colocation area can only be accessed through hand-geometry readers located on cage doors. CCTV digital cameras connected to a central system at the security console monitor and record all activity within the IBX center, as well as the perimeter and the roof.

Staffing. A typical IBX center is staffed with nine Equinix employees, including one IBX manager and eight technical service personnel who provide 24 hours per day, 365 days per year coverage for customer support needs. In addition, an IBX facility has two armed security guards on duty at all times, a chief engineer and 24-hour technical support.

Other. For security purposes, an Equinix IBX center is anonymous. No indications of center ownership or function are visible from the exterior. In addition, there are no raised floors and all walls are airtight and without windows. Our IBX centers are designed with advanced fire suppression systems, either a FM-200 gas type or a multi-zoned dry-pipe system, both of which are armed with sensory mechanisms to sample the air and raise alarms before pressurization or release. Finally, an Equinix IBX center is designed to withstand a seismic event of 7.5 as measured on the Richter scale.

IBX Rollout Schedule

The objective of our global rollout strategy is to rapidly establish a leadership position in the mission critical Internet and e-commerce market. We intend to open approximately 15 IBX centers in major Internet markets in the U.S. and internationally by the end of 2001. We opened our first IBX center in late 1999 in the Washington, D.C. area, and in December 1999, we opened our second IBX center in the New York metropolitan area and our third IBX center in the Silicon Valley, California area in March 2000. In addition, we are executing major expansions to our Washington, D.C. and Silicon Valley IBX centers. The scalable nature of our IBX model enables us to be flexible in response to changing market opportunities. As a result, the timing and placement of our IBX centers will vary depending on numerous factors, including customer need, technological and other developments.

In November 1999, the Company entered into a definitive agreement with MCI Worldcom, or MCI, whereby MCI agreed to install high-bandwidth local connectivity services to the Company's first seven IBX centers by a pre-determined date in exchange for a warrant to purchase 675,000 shares of common stock of the Company at $0.67 per share (the "MCI Warrant"). The MCI Warrant is immediately exercisable and expires five years from the date of grant. As of March 31, 2000, warrants for 187,500 shares are subject to repurchase at the original exercise price if MCI's performance commitments are not completed.

In November 1999, the Company entered into a master agreement with Bechtel Corporation, or Bechtel, whereby Bechtel agreed to act as the exclusive contractor under a Master Agreement to provide program management, site identification and evaluation, engineering and construction services to build approximately 29 IBX centers over a four year period under mutually agreed upon guaranteed completion dates. As part of the agreement, the Company granted Bechtel a warrant to purchase 352,500 shares of the Company's common stock at $1.00 per share (the "Bechtel Warrant"). The Bechtel Warrant is immediately exercisable and expires five years from date of grant. As of March 31, 2000, warrants for 281,988 shares are subject to repurchase at the original exercise price, if Bechtel's performance commitments are not complete.

Sales and Marketing

Sales

We use a direct sales force to market our services to Internet and e-

commerce related businesses. We are organizing our sales force by customer segments as well as establishing a sales presence in diverse geographic regions, which will enable efficient servicing of the customer base from a network of regional offices. A regional office is comprised of a manager, sales representatives and technical support personnel. We also have

reseller agreements with several large customers. These distribution channels will account for a smaller portion of our business by design. In addition, our sales team will work closely with each customer to foster the natural network effect of our IBX model, resulting in access to a wider potential customer base via our existing customers. As a result of the IBX interconnection model, IBX participants encourage their customers, suppliers and business partners to also come into the IBX. These customers, suppliers and business partners also, in turn, encourage their business partners to locate in IBX centers resulting in additional customer growth. This network effect significantly reduces Equinix's customer acquisition costs.

Before opening an IBX center, we will focus on securing key anchor customers and generating sales commitments for at least 20% of the available capacity. Our sales strategy is to focus our efforts on the top 25 companies in our customer segments, which include content providers, ASPs, e-commerce companies, carriers, ISPs and site and performance management companies. Momentum in the selling process and the presence of anchor customers are important to attracting additional potential customers who see the IBX center as an opportunity to generate new customers and revenues. We expect a substantial number of customers to contract for services at multiple IBX centers and have already received orders from such customers. At each IBX center, our sales representatives will screen prospective customers and will manage the population of the IBX center to ensure an appropriate mix of customer types.

Marketing

To support our sales effort and to actively promote and solidify the Equinix brand, we plan to conduct comprehensive marketing programs. Our marketing strategies will include an active public relations campaign, print advertisements, online advertisements, trade shows, speaking engagements, strategic partnerships and on-going customer communications programs. We are focusing our marketing effort on business and trade publications, online media outlets, industry events and sponsored activities. We participate in a variety of Internet, computer and financial industry conferences and encourage our officers and employees to pursue speaking engagements at these conferences. In addition to these activities, we intend to build recognition through sponsoring or leading industry technical forums and participating in Internet industry standard-setting bodies.

Competition

Our market is new, rapidly evolving, and likely to have an increasing number of competitors. To be successful in this emerging market, we must be able to sufficiently differentiate our IBX model from existing colocation and web hosting companies. We may also face competition from persons seeking to replicate our IBX concept. We may not be successful in differentiating ourselves or achieving widespread market acceptance of our business. Furthermore, enterprises that have already invested substantial resources in peering arrangements may be reluctant or slow to adopt our approach that may replace, limit or compete with their existing systems. If we are unable to complete our IBX centers in a timely manner, other companies will be able to attract the same customers that we are targeting. Once the customers are located in our competitors' facilities, it will be very difficult, if not impossible, to convince them to relocate to our IBX centers.

We may encounter competition from a number of sources, some of which may also be our customers, including:

- vertically integrated Web site hosting, colocation and ISP companies such as AboveNet, Exodus, Frontier GlobalCenter and Globix;
- established communications carriers such as AT&T, Level 3, MCI WorldCom and Qwest; and
- emerging colocation service providers such as Colo.com, and Telehouse.

Potential competitors may bundle their products or incorporate colocation services in a manner that is more attractive to our potential customers than purchasing cabinet space in our IBX centers and utilizing our

services. Furthermore, new competitors or alliances among competitors may emerge and rapidly acquire significant market share. Our competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements than we can.

Some of our potential competitors have longer operating histories and significantly greater financial, technical, marketing and other resources than we do. In particular, carriers and several hosting and colocation companies have extensive customer bases and broad customer relationships that they can leverage, including relationships with many of our potential customers. These companies also have significantly greater customer support and professional service capabilities than we do. Because of their greater financial resources, some of these companies have the ability to adopt aggressive pricing policies. As a result, in the future we may have to adopt pricing strategies that compete with such competitors to attract and retain customers. Any such pricing pressures would adversely affect our ability to generate revenues.

Employees

As of March 31, 2000, we had 136 full-time employees and 21 full-time consultants. We had 104 employees based at our corporate headquarters in Redwood City, California and our regional sales offices in New York, NY and Reston, VA. Of those employees, 28 were in engineering and operations, 48 were in sales and marketing and 28 were in management and finance. In addition, we had 32 employees based at our Washington, D.C. Newark, N.J. and San Jose IBX centers.

Properties

Our executive offices are currently located in Redwood City, CA and after August 2000 will be located in Mountain View, CA. We have entered into lease commitments for IBX centers in Ashburn, VA, Newark, NJ, San Jose and Los Angeles, CA, Chicago, IL and Dallas, TX and Amsterdam, The Netherlands. Relating to future IBX centers, we do not intend to own real estate or buildings but rather continue to enter into lease agreements with a minimum term of ten years, renewal options and rights of first refusal on space for expansion.

Legal Proceedings

We are currently not involved in any litigation.

MANAGEMENT

Officers, Key Employees and Directors

Our officers, key employees and directors, and their ages as of May 8, 2000, are as follows:

Name	Age	Position
Albert M. Avery, IV	56	President, Chief Executive Officer and Director
Jay S. Adelson	29	Vice President, Engineering, Chief Technology Officer and Director
Philip J. Koen	48	Chief Financial Officer and Secretary
Marjorie S. Backaus	38	Vice President, Marketing
Roy A. Earle	43	Vice President, IBX Development
Peter T. Ferris	42	Vice President, Worldwide Sales
Renee F. Lanam	37	General Counsel
Gregory F. McHugh	51	Vice President, Operations
William B. Norton	36	Director of Business Development
Andrew S. Rachleff	41	Director
John G. Taysom	46	Director
Michelangelo Volpi	33	Director

Albert M. Avery, IV, one of our founders, has served as Equinix's president, chief executive officer and a director since our inception in June 1998. During the period from February 1996 to June 1998, Mr. Avery was general manager of the Palo Alto Internet Exchange, or PAIX, of Digital Equipment Corporation, or DEC, a division of Compaq. During the period from March 1994 to February 1996, Mr. Avery served as chief of staff to the vice president of research and advanced development at DEC. Before holding this position, Mr. Avery held a variety of sales, business and engineering management roles at DEC, which he joined in 1968. Mr. Avery holds a B.S. in electrical engineering from Lafayette College and an M.S. in computing from the University of California at Los Angeles.

Jay S. Adelson, one of our founders, has served as Equinix's vice president, engineering, chief technology officer and a director since our inception in June 1998. During the period from February 1997 to June 1998, Mr. Adelson was operations manager at PAIX. Before joining PAIX, Mr. Adelson was a founding member of Netcom On-Line Communications, Inc., an Internet services corporation, where, during the period from January 1994 to February 1997, he

managed both access and network operations. Mr. Adelson holds a B.S. in communications from Boston University.

Philip J. Koen has served as Equinix's chief financial officer and secretary since July 1999. Before joining Equinix, Mr. Koen was employed at PointCast, Inc., an Internet company, where he served as chief executive officer during the period from March 1999 to June 1999; chief operating officer during the period from November 1998 to March 1999; and chief financial officer and executive vice president responsible for software development, network operations, finance, information technology, legal and human resources during the period from July 1997 to November 1998. From December 1993 to May 1997, Mr. Koen was vice president of finance and chief financial officer of Etec Systems, Inc., a semi-conductor equipment company. Mr. Koen currently serves as a director of Zitel Corporation and of Centura Software Corp., both public companies. Mr. Koen holds a B.A. in economics from Claremont McKenna University and an M.B.A. from the University of Virginia.

Marjorie S. Backaus has served as Equinix's vice president, marketing since November 1999. During the period from August 1996 to November 1999, Ms. Backaus was vice president of marketing at Global One, a telecommunications company. From November 1987 to August 1996, Ms. Backaus served in various positions at AT&T, including that of division manager, DirecTV. Ms. Backaus holds a B.B.A.A. in accounting from Kennesaw State University and an M.B.A. from Emory University.

Roy A. Earle has served as Equinix's vice president, IBX development since November 1999. Before joining Equinix, Mr. Earle was employed at Etec Systems, a semiconductor equipment company where he served as vice president and general manager of display products from September 1997 to November 1999 and as vice president for operations from October 1995 to September 1997. From July 1994 to October 1995, Mr. Earle served as chief operating officer and plant manager at Temic Siliconix, a semiconductor company. Mr. Earle holds a B.S. in chemistry from the University College in Dublin, Ireland and an M.S. in materials science from the University of Sheffield in the United Kingdom.

Peter T. Ferris has served as Equinix's vice president, worldwide sales since July 1999. During the period from June 1997 to July 1999, Mr. Ferris was vice president of sales for Frontier Global Center, a provider of complex web site hosting services. From June 1996 to June 1997, Mr. Ferris served as vice president, eastern sales at Genvity Inc., an Internet services provider. From December 1993 to June 1996, Mr. Ferris was vice president, mid-Atlantic sales at MFS DataNet Inc., a telecommunications services provider. Mr. Ferris holds a B.A. in economics from Ohio Wesleyan University.

Renee F. Lanam has served as Equinix's general counsel and assistant secretary since April 2000. Before joining Equinix, Ms. Lanam was employed at the law firm of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP ("Gunderson Dettmer"), where she was an associate from January 1996 to January 2000 and a partner from January 2000 to April 2000. Prior to joining Gunderson Dettmer, Ms. Lanam was associate at the law firms of Jackson, Tufts, Cole & Black and Brobeck, Phleger & Harrison, LLP. Ms. Lanam holds a B.A. in political science from the University of California at Los Angeles and a J.D. from the University of Notre Dame.

Gregory F. McHugh has served as Equinix's vice president, operations since March 1999. During the period from February 1996 to March 1999, Mr. McHugh was a principal at Pittiglio, Rabin, Todd & McGrath, a high-technology consulting firm. During the period from September 1993 to November 1995, Mr. McHugh was vice president of operations for Cadence Design Systems, an electronic design firm. Mr. McHugh has held a number of executive roles in information systems for such companies as Quantum, Analog Devices, National Semiconductor and Motorola. He also has experience managing service operations and Internet services at Pacific Bell. Mr. McHugh holds a B.S. in engineering from San Francisco State University and an M.S.E.E. in electrical engineering from Stanford University.

William B. Norton, one of our founders, has served as Equinix's director of business development since October 1998. During the period from October 1987 to September 1998, Mr. Norton, an industry-recognized speaker and panelist, was manager of Internet engineering at Merit Network, Inc., a not-for-profit corporation in support of higher education networks, and led the North American Network Operators Group, the Internet network operations forum for the United States and Canada. Mr. Norton holds a B.A. in computer science from the State University of New York, Potsdam and an M.B.A. from the University of Michigan School of Business Administration.

Andrew S. Rachleff has served as a director of Equinix since September 1998. Mr. Rachleff has served as a general partner of Benchmark Capital, a Menlo Park-based venture capital firm, since its founding in May 1995. Since May 1986, Mr. Rachleff has served as a general partner of Merrill, Pickard, Anderson & Eyre. Mr. Rachleff currently serves as a director of several privately held companies and of NorthPoint Communications, Inc., a public

company and one of our stockholders. Mr. Rachleff holds a B.S. from the University of Pennsylvania and an M.B.A. from the Stanford Graduate School of Business.

John G. Taysom has served as a director of Equinix since March 2000. Mr. Taysom has been employed by Reuters Plc., a global television and news agency, since 1982, most recently as managing director of the Reuters Greenhouse Fund. Mr. Taysom currently serves as a director of Tibco Software Inc., Digimarc Corp., and several privately held companies. Mr. Taysom holds a B.Sc. in economics from Bath University in the United Kingdom.

Michelangelo Volpi has served as a director of Equinix since November 1999. Mr. Volpi has served in various capacities at Cisco Systems, a data communications equipment manufacturer, since 1994, most recently as chief strategy officer. Mr. Volpi holds a B.S. and an M.S. in mechanical engineering from Stanford University and an M.B.A. from the Stanford Graduate School of Business.

Director Compensation

Directors do not receive compensation for services provided as a director or for participation on any committee of the board of directors. Directors are not reimbursed for their out-of-pocket expenses in serving on the board of directors or any committee of the board of directors. Directors are eligible for option grants under our 1998 Stock Plan.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between any member of our board of directors and any member of the board of directors or compensation committee of any other company, and no such interlocking relationship has existed in the past. Currently, we do not have a compensation committee. Instead, compensation related decisions are made by the entire board of directors.

Indemnification

To the fullest extent permitted by applicable law, our amended and restated certificate of incorporation authorizes us to provide indemnification of, and advancement of expenses to, our agents and any other persons to whom the Delaware General Corporation Law permits us to provide indemnification, in excess of the indemnification and advancement otherwise permitted by the Delaware General Corporation Law. Our authorization is subject only to limits created by the Delaware General Corporation Law relating to actions for breach of duty to Equinix, our stockholders and others.

Our bylaws provide for mandatory indemnification of our directors to the fullest extent permitted by Delaware law and for permissive indemnification of any person, other than a director, made party to any action, suit or proceeding by reason of the fact that he or she is or was our officer or employee.

We have also entered into indemnification agreements with our officers and directors containing provisions that may require us to indemnify such officers and directors against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of a culpable nature, and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Executive Compensation

The following table sets forth compensation information for the period from June 1998 through December 31, 1999 paid by us for services by our chief executive officer and our other highest-paid executive officers whose total annualized salary and bonus for such fiscal year exceeded $100,000:

Summary Compensation Table

<TABLE>
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	Annual Compensation		Long-Term Compensation Awards
Name and Principal Position	Salary($)	Bonus($)	Securities Underlying Options(#)
<S>	<C>	<C>	<C>
Albert M. Avery, IV..... President, Chief Executive Officer and Director	$ 178,020		0(1)
Jay S. Adelson..... Vice President, Engineering, Chief	$ 173,754		0(1)

Technology Officer and Director
Peter T. Ferris..... $ 187,583 510,000
Vice President, Worldwide Sales
</TABLE>
- --------
(1) Each of Messrs. Avery and Adelson purchased 3,030,000 shares of restricted stock on June 22, 1998 in accordance with a Stock Purchase Agreement. Each agreed to amend their stock purchase agreement on July 30, 1998 to subject 2,727,000 of the shares to vesting restrictions. Pursuant to the amendment, the 2,727,000 shares will vest in 48 monthly installments from June 22, 1998. The purchaser will also vest in 25% of the shares if his employment is involuntarily terminated and will vest in all of the shares if his employment is involuntarily terminated within 12 months following a change in control of Equinix. As of December 31, 1999, Messrs. Avery and Adelson had each vested in 1,022,625 of the restricted shares and the restricted shares had a value of $4,549,829, which represents 1,704,375 shares valued at $2.67 per share less $0.0003, the price paid per share.

Option Grants in Last Fiscal Year

The following table sets forth the only grant of stock options made during the fiscal year ended December 31, 1999 to the named executive officers. We have not granted stock appreciation rights. The option listed in the table is immediately exercisable. The shares purchasable thereunder are subject to repurchase by Equinix at the original exercise price paid per share upon the optionee's cessation of service prior to vesting in such shares. The repurchase right on his option lapses and he vests as to 25% of the option shares upon completion of one year of service from the date of grant and the balance in a series of equal monthly installments over the next 36 months of service thereafter. Mr. Ferris' option will vest in 12 months worth of stock upon a change in control of Equinix. The exercise price for each option was equal to the fair market value of our common stock as determined by our board of directors on the date of grant. The exercise price may be paid in cash, in shares of our common stock valued at fair market value on the exercise date or through a cashless exercise procedure involving a same-day sale of the purchased shares. We may also finance the option exercise by loaning the optionee sufficient funds to pay the exercise price for the purchased shares, together with any federal and state income tax liability incurred by the optionee in connection with such exercise. We have calculated the potential realizable value based on the term of the option at the time of grant (ten years) and we assumed stock price appreciation of 5% and 10% in accordance with the rules promulgated by the Securities and Exchange Commission; this does not represent our prediction of our stock price performance. The potential realizable values at 5% and 10% appreciation are calculated by assuming that the exercise price on the date of grant appreciates at the indicated rate for the entire term of the option and that the option is exercised at the exercise price and sold on the last day of its term at the appreciated price.

<TABLE>
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	Individual Grants					
					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	Number of Securities Underlying Options Granted(#)	% of Total Options to Employees in Fiscal Year	Exercise Price ($/Sh)	Expiration Date	5%($)	10%($)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Albert M. Avery, IV.....	0	--	--	--	--	--
Jay S. Adelson.....	0	--	--	--	--	--
Peter T. Ferris.....	510,000	8.4%	0.067	6/30/09	21,382	54,187

</TABLE>

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

None of the named executive officers exercised options during the fiscal year ended December 31, 1999. The following table sets forth for each of the named executive officers the number and value of securities underlying unexercised options that are held by the named executive officers as of December 31, 1999. Since our options are immediately exercisable at grant, any shares purchased under those options will be subject to repurchase by us, at the original exercise price paid per share, upon the optionee's cessation of service with Equinix, prior to vesting in such shares. Accordingly, we have chosen to report the number of the underlying shares that are vested and the

number unvested as of December 31, 1999. The heading "Vested" refers to shares no longer subject to repurchase; the heading "Unvested" refers to shares subject to repurchase as of December 31, 1999. Our board has determined that the fair market value of our common stock on December 31, 1999 was $2.67 per share.

<TABLE>
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	Number of Securities Underlying Unexercised Options at December 31, 1999 (#)		Value of Unexercised in-the-Money Options at December 31, 1999 ($)	
Name	Vested	Unvested	Vested	Unvested
<S>	<C>	<C>	<C>	<C>
Albert M. Avery, IV.....	0	0	0	0
Jay S. Adelson.....	0	0	0	0
Peter T. Ferris.....	0	510,000	0	1,327,530

</TABLE>

Employee Benefit Plan

1998 Stock Plan

Share Reserve. Our board of directors adopted our 1998 Stock Plan on September 10, 1998. Our stockholders have also approved this plan. We have reserved 15,012,810 shares of our common stock for issuance under the 1998 Stock Plan. In general, if options or shares awarded under the 1998 Stock Plan are forfeited, then those options or shares will again become available for awards under the 1998 Stock Plan.

Administration. Our board of directors administers the 1998 Stock Plan. The board has the complete discretion to make all decisions relating to the interpretation and operation of our 1998 Stock Plan. The board has the discretion to determine who will receive an option, what type of option it will be, how many shares will be covered by the option, what the vesting requirements will be, if any, and what the other features and conditions of each option will be. The board may also reprice outstanding options and modify outstanding options in other ways.

Eligibility. The following groups of individuals are eligible to participate in the 1998 Stock Plan:

- Employees;
- Non-employee members of our board of directors; and
- Consultants.

Types of Awards. The 1998 Stock Plan provides for the following types of awards:

- Incentive stock options to purchase shares of our common stock;
- Nonstatutory stock options to purchase shares of our common stock; and
- Restricted stock.

Options. An optionee who exercises an incentive stock option may qualify for favorable tax treatment under Section 422 of the Internal Revenue Code of 1986. However, nonstatutory stock options do not qualify for such favorable tax treatment. The exercise price for incentive stock options granted under the 1998 Stock Plan may not be less than 100% of the fair market value of our common stock on the option grant date. In the case of nonstatutory stock options, the minimum exercise price is 85% of the fair market value of our common stock on the option grant date. Optionees may pay the exercise price by using:

- Cash;
- Shares of common stock that the optionee already owns;
- An immediate sale of the option shares through a broker designated by us; or
- A loan from a broker designated by us, secured by the option shares.

Options vest at the time or times determined by our board of directors. In most cases, our options will vest over a four-year period following the date of grant. Options generally expire 10 years after they are granted, however they generally expire earlier if the optionee's service terminates earlier.

Restricted Shares. Restricted shares may be awarded under the 1998 Stock Plan in return for:

- Cash;
- Services previously provided to us; and
- Services to be provided to us in the future, except that the par value of such shares, if newly issued, shall be paid in cash.

Restricted shares vest at the time or times determined by the board.

Change in Control. If a change in control of Equinix occurs, an option or restricted stock award under the 1998 Stock Plan will generally become fully vested. However, if the surviving corporation assumes the option stock award or option or replaces it with a comparable option, then vesting will not accelerate. An option or stock award will become fully exercisable and fully vested if the holder's employment or service is involuntarily terminated within 12 months following the change in control. A change in control includes:

- A merger or consolidation of Equinix with or into another entity or any other corporate reorganization, if persons who were not our shareholders immediately before the transaction own immediately after the transaction 50% or more of the voting power of the outstanding securities of each of (a) the continuing or surviving entity and (b) any direct or indirect parent corporation of such continuing or surviving entity; after which our own stockholders own 50% or less of the surviving corporation, or its parent company; or
- A sale of all or substantially all of our assets.

Amendments or Termination. Our board of directors may amend or terminate the 1998 Stock Plan at any time. If our board amends the plan, stockholder approval is not required unless such approval is otherwise required under applicable law. The 1998 Stock Plan will continue in effect until September 9, 2008, unless the board decides to terminate the plan earlier.

Employment Agreements and Change of Control Arrangements

The board of directors, as plan administrator of the 1998 Stock Plan, has the authority to provide for accelerated vesting of the shares of common stock subject to outstanding options held by our officers and any other person in connection with certain changes in control of Equinix. In connection with our adoption of the 1998 Stock Plan, we have provided that upon a change in control of Equinix, each outstanding option and all shares of restricted stock will generally become fully vested unless the surviving corporation assumes the option or award or replaces it with a comparable award.

Except for Mr. Ferris, none of the executive officers have employment agreements with Equinix, and their employment may be terminated at any time. Equinix has entered into an agreement with Mr. Ferris, our Vice President of Sales, dated June 28, 1999 which provides that his salary shall be $190,000 per year and he is eligible for a target bonus of $60,000. The agreement provides for the grant of an option to purchase 510,000 shares of common stock at the fair market value on the grant date vesting over 4 years. The agreement also provides that we will extend a loan to Mr. Ferris of up to $750,000. Should Equinix be acquired before an initial public offering of its equity securities, we have agreed to pay Mr. Ferris a cash bonus equal to the difference between $1,000,000 and the amount Mr. Ferris receives for his shares of Equinix stock. The agreement also provides for acceleration of vesting of option shares as if Mr. Ferris remained employed for one additional year if there are certain changes in control of Equinix. We also agreed to indemnify Mr. Ferris for any claims brought by his former employer under an employment and non-compete agreement he had with this employer.

RELATED-PARTY TRANSACTIONS

Since inception, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are to be a party in which the amount involved exceeds $60,000 and in which any director, executive officer or holder of more than 5% of our common stock, on an as converted basis, or an immediate family member of any of these individuals or entities, had or will have a direct or indirect interest other than:

- compensation arrangements, which are described where required under "Management;" and
- the transactions described below.

Sale of Common Stock. In June 1998, we issued and sold 3,030,000 shares of our common stock to Albert M. Avery, IV, our president, chief executive officer

and director, at a per share purchase price of $0.0003, which accounts for a 2.02 for one stock split on August 31, 1998 and a three for two stock split on January 19, 2000.

In June 1998, we issued and sold 3,030,000 shares of our common stock to Jay S. Adelson, our vice president, engineering and site development, chief technology officer and director, at a per share purchase price of $0.0003, which accounts for a 2.02 for one stock split on August 31, 1998 and a three for two stock split on January 19, 2000.

Series A Preferred Stock Financing. In September 1998, we issued and sold 7,522,500 shares of our Series A preferred stock to Benchmark Capital Partners II, L.P., a 5% stockholder of us, at a per share purchase price of $0.67 which accounts for a three for two stock split on January 19, 2000. One of our directors, Andrew S. Rachleff, is a general partner of Benchmark Capital, the general partner of Benchmark Capital Partners II, L.P.

In September 1998, we issued and sold 5,775,000 shares of our Series A preferred stock to Cisco Systems, Inc., a 5% stockholder of us, at a per share purchase price of $0.67. One of our directors, Michelangelo Volpi, is a senior vice president of Cisco Systems, Inc. which accounts for a three for two stock split on January 19, 2000.

In January 1999, we issued and sold 3,000,000 shares of our Series A preferred stock to Microsoft Corporation, a 5% stockholder of us, at a per share purchase price of $0.67 which accounts for a three for two stock split on January 19, 2000.

Series B Preferred Stock Financing. In August through November 1999, we issued and sold 1,012,500 shares of our Series B preferred stock to Benchmark Capital Partners II, L.P., at a per share purchase price of $5.33 which accounts for a three for two stock split on January 19, 2000.

In September 1999, we issued and sold 684,375 shares of our Series B preferred stock to Cisco Systems, Inc., at a per share purchase price of $5.33 which accounts for a three for two stock split on January 19, 2000.

In September 1999, we issued and sold 356,250 shares of our Series B preferred stock to Microsoft Corporation, at a per share purchase price of $5.33 which accounts for a three for two stock split on January 19, 2000.

In September 1999, we issued and sold 937,500 shares of our Series B preferred stock to NorthPoint Communications, Inc. at a per share purchase price of $5.33 which accounts for a three for two stock split on January 19, 2000. One of our directors, Andrew S. Rachleff, is also a director of NorthPoint Communications, Inc.

Lease Agreement with Entity Affiliated with 5% Stockholder. In March 1999, we entered into an equipment lease facility with Cisco Systems Credit Corporation, an entity affiliated with Cisco Systems, Inc., under which we leased $137,293 of equipment for a 24-month term. See "Description of Other Indebtedness--Cisco Systems Credit Corporation Lease Facility" for a description of this lease facility.

Warrants to Purchase Common Stock. In August 1999, we issued warrants to purchase 338,145 shares of our common stock, at a purchase price of $0.53 per share, to NorthPoint Communications, Inc. in connection with a strategic agreement which accounts for a three for two stock split on January 19, 2000.

Loans to Executive Officers In September 1999, we loaned an aggregate of $750,000 to Peter Ferris, one of our executive officers, to purchase a principal residence. The non-interest bearing note is secured by a second deed of trust on the residence, a promissory note and a stock pledge agreement, and has a term of five years. In January 2000, we loaned an aggregate of $250,000 to Marjorie Backaus, one of our executive officers, to purchase a principal residence. The non-interest bearing note is secured by a second deed of trust on the residence, a promissory note and a stock pledge agreement, and has a term of five years. In addition, in December 1999 we loaned Ms. Backaus $112,500. This amount was repaid in full in January 2000.

Relocation Allowance to Executive Officers. In July 1999, we granted a relocation allowance in the amount of $60,000 to Peter Ferris. The full amount of the allowance has been paid to Peter Ferris. In November 1999, we granted a relocation allowance in the amount of $60,000 to Marjorie Backaus. To date, Marjorie Backaus has not received any amount under the allowance.

Founders' Registration Rights. We have entered into an investors' rights agreement that provides for registration rights in favor of Albert M. Avery, IV and Jay S. Adelson if there are public issuances of our common stock.

Option Grants. In the past, we have granted options to our executive officers. We may grant options to our directors and executive officers in the

future. See "Management--Option Grants in Last Fiscal Year."

Indemnification. We have entered into an indemnification agreement with each of our officers and directors. See "Management--Indemnification" for a description of the indemnification available to our officers and directors under these indemnification agreements.

PRINCIPAL STOCKHOLDERS

The table below presents selected information regarding beneficial ownership of our outstanding common stock, on an as converted basis, as of March 31, 2000 for:

- each person known by us to own beneficially more than five percent, in the aggregate, of the outstanding shares of our common stock on an as converted basis;
- each of our directors, our chief executive officer and our four other highest-paid executive officers; and
- all of our directors and executive officers as a group.

Under the rules of the Securities and Exchange Commission, beneficial ownership includes sole or shared voting or investment power over securities and includes the shares issuable under stock options that are exercisable within 60 days of March 31, 2000. Shares issuable under stock options exercisable within 60 days are considered outstanding for computing the percentage of the person holding the options but are not considered outstanding for computing the percentage of any other person.

Percentage ownership calculations are based on 46,418,629 shares of common stock outstanding as of March 31, 2000, as adjusted to reflect the conversion of all outstanding shares of preferred stock into common stock. Unless otherwise indicated, the address for each listed stockholder is c/o Equinix, Inc., 901 Marshall Street, Redwood City, California 94063. To our knowledge, except as indicated in the footnotes to this table and under applicable community property laws, the persons or entities identified in this table have sole voting and investment power relating to all shares of stock shown as beneficially owned by them.

<TABLE>
<CAPTION>

Name of Beneficial Owner	Number of Beneficially Owned Shares	Percentage Beneficially Owned
<S>	<C>	<C>
Albert M. Avery, IV(1)	2,580,000	5.6%
Jay S. Adelson (2)	2,986,734	6.4
Philip J. Koen (3)	660,000	1.4
Peter T. Ferris (4)	510,000	1.1
Andrew S. Rachleff (5) 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	8,535,000	18.4
John G. Taysom (6) 85 Fleet Street London EC4P 4AJ England	--	--
Michelangelo Volpi (7) 170 West Tasman Drive San Jose, CA 95134	--	--
Entities affiliated with Benchmark Capital (8) 2480 Sand Hill Road, Suite 200 Menlo Park, CA 94025	8,535,000	18.4
Cisco Systems, Inc. (9) 170 West Tasman Drive San Jose, CA 95134	6,459,375	13.9
Microsoft Corporation One Microsoft Way Redmond, WA 98052	3,356,250	7.2
All directors and executive officers as a group (10 persons) (10)	16,509,234	35.1

</TABLE>

(1) Includes 1,590,750 shares subject to a right of repurchase by us as of March 31, 2000.

(2) Includes 1,590,750 shares subject to a right of repurchase by us as of March 31, 2000. Also includes 6,474 shares held as custodian for Rowan Sharon Adelson. Mr. Adelson disclaims beneficial ownership of these

shares.

(3) Includes 467,501 shares subject to a right of repurchase by us as of March 31, 2000.

(4) Includes 510,000 shares subject to a right of repurchase by us as of March 31, 2000.

(5) Includes shares held by Benchmark Capital Partners II, L.P., Benchmark Founders' Fund II, L.P., Benchmark Founders' Fund II-A, L.P., and Benchmark Members' Fund II, L.P. Mr. Rachleff is a managing member of Benchmark Capital Management Co. II, L.L.C., which is the general partner of Benchmark Capital Partners II, L.P., Benchmark Founders' Fund II, L.P., Benchmark Founders' Fund II-A, L.P., and Benchmark Members' Fund II, L.P. Mr. Rachleff shares voting and dispositive power relating to the shares held by each such entity and disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest in Benchmark Capital Management Co. II, L.L.C., arising from his general partnership interest.

(6) Mr. Taysom is employed by Reuters Plc., an entity affiliated with Reuters Holding Switzerland SA which holds 937,500 shares of Equinix.

(7) Mr. Volpi is chief strategy officer of Cisco Systems, Inc., which beneficially holds 6,459,375 shares of Equinix.

(8) Includes shares held by Benchmark Capital Partners II, L.P., Benchmark Founders' Fund II, L.P., Benchmark Founders' Fund II-A, L.P., and Benchmark Members' Fund II, L.P.

(9) Represents 5,775,000 shares held of record by Coastdock & Co., a wholly-owned subsidiary of Cisco Systems, Inc., and 684,375 shares held of record by Cisco Systems, Inc.

(10) Includes the shares described in Notes 1 through 7. Also includes 675,000 shares subject to options that are exercisable within 60 days of March 31, 2000 and 478,125 shares subject to a right of repurchase by us as of March 31, 2000.

DESCRIPTION OF OTHER INDEBTEDNESS

Venture Lending & Leasing Equipment Acquisition Loan Facility

In August 1999, we entered into a $10.0 million equipment acquisition loan facility with Venture Lending & Leasing, Inc. II, as the agent and principal lender. The facility lenders will make advances up to:

- 85% of the acquisition cost of the equipment and tenant improvements for our Newark, New Jersey IBX center; and
- 100% of the acquisition cost, to the extent that such cost does not exceed $1.0 million, of certain customer acquisition and serving software that we acquire for our headquarters.

Our obligations under the facility are secured by a first priority security interest against the assets financed with the facility advances and the customer acquisition and serving software that the facility lenders have agreed to finance. We can request facility advances until June 2000. As of March 31, 2000 we have drawn the entire $10.0 million against this loan facility.

Interest will accrue on the facility advances at the annual rate of 8.5%, and the advances will be repaid in 42 equal monthly installments. In connection with the last installment we will pay a final amount equal to 15% of the original advance amount. We will have the right to prepay the advances, in whole or in part, provided that we pay a prepayment premium equal to the following percentage of the principal prepaid:

<TABLE>
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Month of Term of Advance Prepaid	Percentage
<S>	<C>
1-6	8%
7-12	7%
13-18	6%
19-24	5%
25-30	4%
31-36	3%
37-42	2%

</TABLE>

In connection with this facility, we issued to the lenders warrants to purchase Series A preferred stock at an exercise price of $3.00 per share. In

total, 300,000 shares can be acquired under the warrants, for an aggregate exercise price equal to 9% of the facility commitment. The fair value of these warrants, as determined using an option pricing model, has been recorded as a deferred debt facility cost and will be amortized to interest expense on a straight-line basis over the term of the facility.

The facility contains customary covenants that restrict our operations relating to, among other things, incurring debt, granting security interests, merging or consolidating with other entities, making loans and investments, entering into affiliate transactions and changing our business. It does not have any financial covenants. The facility contains customary events of default, including non-payment of amounts due under the facility, default under certain of our other obligations, breach of covenants set forth in the facility, the existence of certain unstayed or undischarged judgments, the making of materially false or misleading representations or warranties, the commencement of reorganization, bankruptcy, insolvency or similar proceedings, the occurrence of certain ERISA events or certain change of control events.

Comdisco Equipment Lease Facility

In May 1999, we entered into a $1.0 million equipment lease finance facility with Comdisco, Inc. In August 1999, Comdisco amended this facility and increased its total lease financing commitment by $5.0 million.

Under the original $1.0 million commitment, which we can draw down through May 2000, Comdisco will lease to us equipment, software and tenant improvements for our corporate headquarters, on the condition that the dollar amount of the software and tenant improvements financed does not exceed 20% of this commitment. Each lease schedule under this commitment is for 42 months, with monthly lease payments in the amount of

2.698% of the acquisition cost of the leased property, for an implied annual interest rate of 16.2%. When the term for a schedule covering equipment expires, we will have the option of returning the leased property to Comdisco, negotiating with Comdisco for an extension of the lease term or purchasing the property at its then fair market value, to the extent that such value does not exceed 15% of the equipment's original acquisition cost. When the term for a schedule covering software and tenant improvements expires, we must make a final payment equal to 15% of the original acquisition cost of the software and tenant improvements. As of March 31, 2000, we have leased a total of $661,000 in equipment under this facility.

Under the $5.0 million increased commitment, which we can draw down until August 2000, Comdisco will lease to us equipment, software and tenant improvements for our San Jose, California IBX center, provided that the dollar amount of the software and tenant improvements financed does not exceed 57% of this commitment. Each lease schedule under this commitment is for 42 months, with monthly lease payments in the amount of 2.742% of the acquisition cost of the leased property, for an implied annual interest rate of 8.5%. Upon executing a lease schedule, we must pay the first and last months rent in advance. When the term for a schedule covering the San Jose IBX center expires, we must make a final payment equal to 15% of the original acquisition cost of the property financed under the schedule. To date, we have not leased any amount under this commitment.

In connection with the original $1.0 million lease commitment, we issued to Comdisco a warrant to acquire 30,000 shares of Series A preferred stock at a purchase price of $1.67 per share, as adjusted to reflect a three-for-two forward split of our capital stock effected on January 19, 2000. In connection with the $5.0 million increase in the facility commitment, we issued to Comdisco a warrant to acquire 150,000 shares of Series A preferred stock at a purchase price of $3.00 per share, as adjusted to reflect a three-for-two forward split of our capital stock effected on January 19, 2000. The fair value of these warrants, as determined using an option pricing model, has been recorded as a deferred debt facility cost and will be amortized on a straight-line basis to interest expense over the term of the facility.

The facility restricts our ability to merge or consolidate with another entity. It does not contain any financial covenants. The facility contains customary equipment lease events of default, including non-payment of amounts due under the facility, breach of covenants set forth in the facility, the making of materially false or misleading representations or warranties under the facility, and the commencement of reorganization, bankruptcy, insolvency or similar proceedings involving us.

Comdisco Equipment Loan Facility

In March 1999, Equinix-DC, Inc., our wholly owned subsidiary and the operator of our Washington, D.C. IBX center, entered into a $7.0 million equipment acquisition loan facility with Comdisco, Inc. Until March 2000, Comdisco will make advances up to 100% of the acquisition cost of equipment, tenant improvements and software for our Washington, D.C. IBX center, provided

that no more than 57% of the loan commitment may be used to finance tenant improvements and software. Comdisco holds a first priority security interest in all of Equinix-DC's assets as collateral for the facility obligations.

Advances that finance equipment acquisitions will accrue interest at the annual rate of 7.5% and will be repaid in 42 monthly installments, and in connection with the last installment we will pay a final amount equal to 15% of the original advance amount. Advances that finance tenant improvements and software acquisitions will accrue interest at the annual rate of 9% and will be repaid in 36 monthly installments. In connection with the last installment, we will pay a final amount equal to 15% of the original advance amount. We will have the right to prepay the advances, in whole or in part, without paying any penalty or premium. As at March 31, 2000, we have borrowed a total of $5.5 million under this facility. The remaining portion of the facility was drawn in April 2000.

In connection with this facility, we issued to Comdisco a warrant to acquire 765,000 shares of our Series A preferred stock at a purchase price of $0.67 per share, as adjusted to reflect a three-for-two forward split of our capital stock effected on January 19, 2000. The fair value of these warrants, as determined using an

option pricing model, has been recorded as a deferred debt facility cost and will be amortized on a straight-line basis to interest expense over the term of the facility.

The facility contains covenants that restrict Equinix-DC's right to, among other things, grant security interests, declare dividends, dispose of a material portion of its assets, and enter into settlements with customers relating to outstanding accounts. It does not have any financial covenants. The facility contains customary events of default, including non-payment of amounts due under the facility, default by Equinix-DC relating to certain of its other obligations, breach of covenants set forth in the facility, the existence of certain unstayed or undischarged judgments against Equinix-DC, the making of materially false or misleading representations or warranties under the facility, and the commencement of reorganization, bankruptcy, insolvency or similar proceedings involving Equinix-DC.

Fore Financial Services Equipment Lease Facility

In June 1999, we entered into an equipment lease facility with Fore Financial Services. Under the first lease schedule, we leased $197,440 in equipment and software for our corporate headquarters. We are required to make 36 monthly lease payments of $5,943. Upon expiration of the initial lease term, the term can be extended for another 6 months, or we can purchase the leased property at its then fair market value. Under the second lease schedule, we leased $208,298 in equipment and software for the Washington, D.C. IBX center. We are required to make 36 monthly lease payments of $6,270. Upon expiration of the initial lease term, the term can be extended for another 6 months, or we can purchase the leased property at its then fair market value. Under the third lease schedule, we leased $210,300 in equipment and software for our Newark, New Jersey IBX center, effective November 1999. We are required to make 36 monthly lease payments of $6,379. Upon the expiration of the initial lease term, the term can be extended for another 6 months, or we can purchase the lease property at its then fair market value. Under the fourth lease schedule, we leased $195,500 in equipment and software for our Silicon Valley, California IBX center, effective December 1999. We are required to make 36 monthly lease payments of $6,037. Upon the expiration of the initial lease term, the term can be extended for another 6 months, or we can purchase the lease property at its then fair market value.

The facility restricts our ability to merge or consolidate with another entity or to sell all or substantially all of our assets, by treating such events as defaults. It does not contain any financial covenants. The facility contains customary equipment lease events of default, including non-payment of amounts due under the facility, breach of covenants set forth in the facility, the making of materially false or misleading representations or warranties under the facility, and the commencement of reorganization, bankruptcy, insolvency or similar proceedings involving us.

Cisco Systems Credit Corporation Lease Facility

In March 1999, we entered into an equipment lease facility with Cisco Systems Credit Corporation. Under this facility, we have leased, for a 24-month term, $137,293 in Cisco and Cisco-related equipment for our corporate headquarters. We paid the first and last months' rent payments upon signing the lease schedule. Each rent payment is $5,463. When the term expires, we will have the option to purchase the leased property at its then fair market value. The option will terminate, however, if default occurs during the term. If we do not purchase the leased property, we will have the right to extend the lease term in one-year increments with the same monthly payments.

The facility contains customary equipment lease events of default, including

non-payment of amounts due under the facility, breach of covenants set forth in the facility and the commencement of reorganization, bankruptcy, insolvency or similar proceedings involving us.

THE EXCHANGE OFFER

Purpose of the Exchange Offer

Under the registration rights agreement, we are required to use our reasonable best efforts to file not later than February 29, 2000, 90 days following the date of original issuance of the initial notes, the registration statement of which this prospectus is a part for a registered exchange offer relating to an issue of new notes. The date of the original issuance of the initial notes is also referred to as the "closing date". The new notes will be substantially identical in all material respects to the initial notes except that the new notes will be registered under the Securities Act, will not bear legends restricting their transfer and will not be entitled to registration rights under the registration rights agreement. This summary of provisions of the registration rights agreement does not purport to be complete and we refer you to the provisions of the registration rights agreement, which has been filed as an exhibit to the registration statement of which this prospectus is a part and a copy of which is available as described under the heading "Available Information."

Under the registration rights agreement, we are required to:

- use our reasonable best efforts to cause the registration statement to be declared effective no later than June 28, 2000, 210 days after the closing date;
- use our reasonable best efforts to consummate the exchange offer within 30 days of the registration statement being declared effective; and
- keep the exchange offer effective for not less than 30 days, or longer if required by applicable law, after the date that notice of the exchange offer is mailed to holders of the initial notes.

The exchange offer being made here, if commenced and consummated within the time periods described in this paragraph, will satisfy those requirements under the registration rights agreement.

This prospectus, together with the letter of transmittal, is being sent to all record holders of initial notes as of , 2000.

Based on interpretations by the staff of the Securities and Exchange Commission, as set forth in no-action letters issued to third parties, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred by each holder of exchange notes, other than a broker-dealer who acquires the initial notes directly from Equinix for resale under Rule 144A under the Securities Act or any other available exemption under the Securities Act, and other than any holder that is an "affiliate," as defined in Rule 405 under the Securities Act, of Equinix, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such holder:

- is acquiring the exchange notes in the ordinary course of its business;
- is not participating in, and does not intend to participate in, a distribution of such exchange notes within the meaning of the Securities Act and has no arrangement or understanding with any person to participate in a distribution of the exchange notes within the meaning of the Securities Act; and
- is not an affiliate, as defined in Rule 405 under the Securities Act, of Equinix.

By tendering the initial notes in exchange for exchange notes, each holder, other than a broker-dealer, will be required to make representations to that effect. If a holder of initial notes is participating in or intends to participate in, a distribution of the exchange notes, or has any arrangement or understanding with any person to participate in a distribution of the exchange notes to be acquired in the exchange offer, such holder may be deemed to have received restricted securities and may not rely on the applicable interpretations of the staff of the Securities and Exchange Commission. Any such holder will have to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any secondary resale transaction.

Each broker-dealer that receives exchange notes for its own account in exchange for initial notes may be deemed to be an "underwriter" within the meaning of the Securities Act and must acknowledge that it will

deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with offers to resell, resales and other transfers of exchange notes received in exchange for initial notes which were acquired by such broker-dealer as a result of market making or other trading activities. We have agreed that we will make this prospectus available to any broker-dealer for a period of time not to exceed 180 days after the consummation of the exchange offer for use in connection with any such offer to resell, resale or other transfer. Please refer to the section in this prospectus entitled "Plan of Distribution."

Shelf Registration Statement

In the event that:

- because of any change in law or its applicable interpretations by the staff of the Securities and Exchange Commission, we are not permitted to effect the exchange offer;

- for any other reason, the exchange offer is not consummated within 210 days from the closing date; or

- any holder of initial notes notifies us within 20 business days following the consummation of the exchange offer that (a) such holder was prohibited by law of policy of the Securities and Exchange Commission from participating in the exchange offer, or (b) such holder may not resell the exchange notes acquired by it in the exchange offer to the public without delivering a prospectus and this prospectus is not appropriate or available for such resale, or (c) such holder is a broker-dealer and holds notes acquired directly from us or any of our affiliates, within the meaning of the Securities Act;

we will be obligated, at our sole expense, to:

- use our reasonable best efforts, as promptly as practicable and in no event more than 30 days following such request, to file with the Securities and Exchange Commission a shelf registration statement covering resales of the initial notes;

- use our reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act within 90 days after the date we are required to file a shelf registration statement; and

- use our reasonable best efforts to keep the shelf registration statement continuously effective, supplemented and amended as required by the Securities Act to permit the prospectus which is a part of such shelf registration statement to be usable by holders for a period of two years after the shelf registration statement is declared effective or such shorter period of time that will terminate when all of the applicable initial notes have been sold thereunder.

We will, in the event that a shelf registration statement is filed, provide to each holder of the initial notes being registered copies of the prospectus that is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the initial notes being registered. A holder that sells initial notes under the shelf registration statement will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such a holder, including certain indemnification rights and obligations.

Liquidated Damages

In the event that:

- we do not file the registration statement or the shelf registration statement, as the case may be, with the Securities and Exchange Commission on or before the dates specified above for such filings;

- the registration statement or the shelf registration statement, as the case may be, is not declared effective on or before the dates specified above for such effectiveness;

- the exchange offer is not consummated within 30 days of the registration statement being declared effective; or

- the shelf registration statement is filed and declared effective but thereafter ceases to be effective or usable in connection with its intended purpose;

each such event a "Registration Default," then we will be obligated to pay to each holder of transfer restricted securities, as defined in the registration rights agreement, liquidated damages. Liquidated damages will accrue and be payable semi-annually on the initial notes and the exchange notes, in addition to the stated interest on the initial notes and the exchange notes, in an amount equal to 0.50% per year during the first 90-day period, which will increase by 0.50% per year for each subsequent 90-day period, but in no event will such rate exceed 1.50% per year in the aggregate, regardless of the number of registration defaults. Liquidated damages will accrue from the date a registration default occurs until the date on which:

- the registration statement is filed;

- the registration statement or shelf registration statement is declared effective and the exchange offer is consummated;

- the shelf registration statement is declared effective; or

- the shelf registration statement again becomes effective or made usable, as the case may be.

Following the cure of all registration defaults, the accrual of liquidated damages will cease.

Upon consummation of the exchange offer, subject to certain exceptions, holders of initial notes who do not exchange their initial notes for exchange notes in the exchange offer will no longer be entitled to registration rights and will not be able to offer or sell their initial notes, unless such initial notes are subsequently registered under the Securities Act, which, subject to certain limited exceptions, we will have no obligation to do, or under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Please refer to the section in this prospectus entitled "Risk Factors--There could be negative consequences to you if you do not exchange your initial notes for exchange notes."

Expiration of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on , 2000. The expiration date will be at least 30 days after the commencement of the exchange offer in accordance with Rule 14e-1(a) under the Securities Exchange Act of 1934 and the registration rights agreement.

Procedures for Tendering Initial Notes

To tender your initial notes in the exchange offer, you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signatures thereon guaranteed if required by the letter of transmittal, and mail or otherwise deliver the letter of transmittal or the facsimile, or an agent's message, as defined below, together with the certificates representing the initial notes being tendered and any other required documents, to the exchange agent on or before 5:00 p.m., New York City time, on the expiration date. Alternatively, you may either:

- send a timely confirmation of a book-entry transfer of such initial notes, if such procedure is available, into the exchange agent's account at The Depository Trust Company, or DTC, following the procedure for book-entry transfer described below, on or before 5:00 p.m. on the expiration date; or

- comply with the guaranteed delivery procedures described below.

The term "agent's message" means a message, transmitted by DTC to, and received by, the exchange agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering initial notes which are the subject of such book-entry confirmation that such participant has received and agrees to be bound by the terms of the letter of transmittal, and that we may enforce such agreement against such participant.

The method of delivery of the initial notes, the letter of transmittal and all other required documents is at your election and risk. Instead of delivery by mail, we recommend that you use an overnight or hand-delivery service. If such delivery is by mail, we recommend that you use registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. You should not send any letters of transmittal or initial notes to us. You must deliver all documents to the exchange agent at its address set forth below. You may also request your respective brokers, dealers, commercial banks, trust companies or nominees to

effect such tender on your behalf.

Your tender of initial notes will constitute an agreement between you and us in accordance with the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal.

Only a holder of initial notes may tender such initial notes in the exchange offer. The term "holder" relating to the exchange offer means any person in whose name initial notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

If you are the beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes, you should contact such registered holder promptly and instruct such registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal and delivering your initial notes, either make appropriate arrangements to register ownership of the initial notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Signatures on a letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc., a commercial bank or trust company having an office or correspondent in the United States or an "eligible guarantor" institution within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, each, an "eligible institution", unless the initial notes are tendered:

- by a registered holder, or by a participant in DTC whose name appears on a security position listing as the owner, who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal if the exchange notes are being issued directly to such registered holder, or deposited into the participant's account at DTC; or

- for the account of an eligible institution.

If the letter of transmittal is signed by the recordholder(s) of the initial notes tendered, the signature must correspond with the name(s) written on the face of the initial notes without alteration, enlargement or any change whatsoever. If the letter of transmittal is signed by a participant in DTC, the signature must correspond with the name as it appears on the security position listing as the holder of the initial notes.

If the letter of transmittal is signed by a person other than the registered holder of any initial notes listed, such initial notes must be endorsed or accompanied by bond powers and a proxy that authorize such person to tender the initial notes on behalf of the registered holder in satisfactory form to us as determined in our sole discretion, in each case as the name of the registered holder or holders appears on the initial notes.

If the letter of transmittal or any initial notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or

representative capacity, such persons should so indicate when signing. Unless waived by us, evidence satisfactory to us of their authority to so act must also be submitted with the letter of transmittal.

A tender will be deemed to have been received as of the date when the tendering holder's duly signed letter of transmittal accompanied by the initial notes tendered, or a timely confirmation received of a book-entry transfer of initial notes into the exchange agent's account at DTC with an agent's message, or a notice of guaranteed delivery from an eligible institution is received by the expiration date. Issuances of exchange notes in exchange for initial notes tendered under a notice of guaranteed delivery by an eligible institution will be made only against delivery of the letter of transmittal, and any other required documents, and the tendered initial notes, or a timely confirmation received of a book-entry transfer of initial notes into the exchange agent's account at DTC with an agent's message, with the exchange agent.

All questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of the tendered initial notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all initial notes not properly tendered or any initial notes which, if accepted, would, in our opinion or our counsel's opinion, be unlawful. We also reserve the absolute right to waive any conditions of the exchange offer or irregularities or defects in tender as to particular initial notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of initial notes must

be cured within such time as we shall determine. We, the exchange agent or any other person will be under no duty to give notification of defects or irregularities relating to tenders of initial notes. None of us or the exchange agent will incur any liability for failure to give such notification. Tenders of initial notes will not be deemed to have been made until such irregularities have been cured or waived. Any initial notes received by the expiration date that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost by the exchange agent to the tendering holders of such initial notes, unless otherwise provided in the letter of transmittal, as promptly as practicable following the expiration date.

In addition, we reserve the right in our sole discretion, subject to the provisions of the indenture, to:

- purchase or make offers for any initial notes that remain outstanding after the expiration date, or, as set forth under "--Expiration Date", to terminate the exchange offer in accordance with the terms of the registration rights agreement; and

- to the extent permitted by applicable law, purchase initial notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the exchange offer.

Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes

Upon satisfaction or waiver of all of the conditions to the exchange offer, we will accept all initial notes properly tendered, promptly after the expiration date, and will issue the exchange notes promptly after the expiration date and acceptance of the initial notes. Please refer to the section of this prospectus entitled "--Conditions" below. For purposes of the exchange offer, initial notes will be deemed to have been accepted as validly tendered for exchange when, as and if we had given oral or written notice to the exchange agent.

In all cases, issuance of exchange notes for initial notes that are accepted for exchange in the exchange offer will be made only after timely receipt by the exchange agent of certificates for such initial notes or a timely book-entry confirmation of such initial notes into the exchange agent's account at the book-entry transfer facility, a properly completed and duly executed letter of transmittal or an agent's message and all other required documents, in each case, in form satisfactory to us and the exchange agent. If any tendered initial notes are not accepted for any reason set forth in the terms and conditions of the exchange offer or if initial notes are submitted for a greater principal amount than the holder desires to exchange, such unaccepted or non-exchanged initial notes will be returned without expense to the tendering holder, or, in the case

of initial notes tendered by book-entry transfer procedures described below, such non-exchanged initial notes will be credited to an account maintained with such book-entry transfer facility, as promptly as practicable after withdrawal, rejection of tender, the expiration date or earlier termination of the exchange offer.

Book-Entry Transfer

The exchange agent will make a request to establish an account relating to the initial notes at DTC for purposes of the exchange offer. Any financial institution that is a participant in DTC's systems may make book-entry delivery of initial notes by causing DTC to transfer such initial notes into the exchange agent's account at DTC in accordance with DTC's procedures for transfer.

However, although delivery of initial notes may be effected through book-entry transfer into the exchange agent's account at DTC, an agent's message or the letter of transmittal or facsimile of the letter of transmittal with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by the exchange agent at the address set forth below under "--Exchange Agent" on or before the expiration date or the guaranteed delivery procedures described below must be complied with. Delivery of documents to DTC does not constitute delivery to the exchange agent. All references in the prospectus to deposit of initial notes will be deemed to include DTC's book-entry delivery method.

Guaranteed Delivery Procedure

If you are a registered holder of initial notes and desire to tender such initial notes, and the initial notes are not immediately available, or time will not permit your initial notes or other required documents to reach the exchange agent before the expiration date, or the procedures for book-entry transfer cannot be completed on a timely basis and an agent's message delivered, you may still tender in the exchange offer if:

- you tender through an eligible institution;

- before the expiration date, the exchange agent receives from such eligible institution a properly completed and duly executed letter of transmittal, or facsimile of the letter of transmittal, and notice of guaranteed delivery, substantially in the form provided by us, by facsimile transmission, mail or hand delivery, setting forth your name and address as holder of the initial notes and the amount of initial notes tendered, stating that the tender is being made thereby and guaranteeing that within five business days after the expiration date the certificates for all tendered initial notes, in proper form for transfer, or a book-entry confirmation with an agent's message, as the case may be, and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

- the certificates for all tendered initial notes, in proper form for transfer, or a book-entry confirmation as the case may be, and all other documents required by the letter of transmittal are received by the exchange agent within five business days after the expiration date.

Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw tenders of initial notes at any time before 5:00 p.m., New York City time, on the expiration date.

For a withdrawal to be effective, you must send a written or facsimile transmission notice of withdrawal to the exchange agent before 5:00 p.m., New York City time, on the expiration date at the address set forth below under "--Exchange Agent" and before acceptance for exchange by us. Any such notice of withdrawal must:

- specify the name of the person, or "depositor", having tendered the initial notes to be withdrawn ;

- identify the initial notes to be withdrawn, including, if applicable, the registration number or numbers and total principal amount of such initial notes;

- be signed by the depositor in the same manner as the original signature on the letter of transmittal by which such initial notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to permit the trustee relating to the initial notes to register the transfer of such initial notes into the name of the depositor withdrawing the tender;

- specify the name in which any such initial notes are to be registered, if different from that of the depositor; and

- if applicable because the initial notes have been tendered following the book-entry procedures, specify the name and number of the participant's account at DTC to be credited, if different than that of the depositor.

All questions as to the validity, form and eligibility, including time of receipt, of such notices will be determined by us and our determination will be final and binding on all parties. Any initial notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any initial notes which have been tendered for exchange which are not exchanged for any reason will be returned to their holder without cost to such holder, or, in the case of initial notes tendered by book-entry transfer into the exchange agent's account at DTC following the book-entry transfer procedures described above, such initial notes will be credited to an account maintained with DTC for the initial notes, as promptly as practicable after withdrawal, rejection of tender, expiration date or earlier termination of the exchange offer. Properly withdrawn initial notes may be retendered by following one of the procedures described under "--Procedures for Tendering" and "--Book-Entry Transfer" above at any time on or before the expiration date.

Conditions

Notwithstanding any other term of the exchange offer, we will not be required to accept initial notes for exchange, or issue exchange notes in exchange for any initial notes, if:

- a change in the current interpretation of the staff of the Securities and Exchange Commission has occurred which current interpretation permits the exchange notes issued in the exchange offer in exchange for the initial notes to be offered for resale, resold or otherwise transferred by their holders, other than in certain circumstances; or

- a law has been adopted or enacted which, in our judgment, would

reasonably be expected to impair our ability to proceed with the exchange offer.

These conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us, in whole or in part, at any time and from time to time, before the expiration date, if we determine in our reasonable discretion that any of the foregoing events or conditions has occurred or exists or has not been satisfied, subject to applicable law. Our failure at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right and each such right will be deemed an ongoing right which we may assert at any time and from time to time before the expiration date.

If we determine that we may terminate the exchange offer, as provided above, we may:

- refuse to accept any initial notes and return any initial notes that have been tendered to their holders;

- extend the exchange offer and retain all initial notes tendered before the expiration date, subject to the rights of such holders of tendered initial notes to withdraw their tendered initial notes; or

- waive such termination event relating to the exchange offer and accept all properly tendered initial notes that have not been withdrawn or otherwise amend the terms of the exchange offer in any respect as provided under the section in this prospectus entitled "--Expiration Date; Extensions; Amendments; Termination."

The exchange offer is not conditioned upon any minimum principal amount of initial notes being tendered for exchange.

We have no obligation to, and will not knowingly, permit acceptance of tenders of initial notes from our affiliates, within the meaning of Rule 405 under the Securities Act, or from any other holder or holders who are not eligible to participate in the exchange offer under applicable law or its interpretations by the Securities and Exchange Commission, or if the exchange notes to be received by such holder or holders of initial notes in the exchange offer, upon receipt, will not be tradable by such holder without restriction under the Securities Act and the Securities Exchange Act of 1934 and without material restrictions under the "blue sky" or securities laws of substantially all of the states of the United States.

Accounting Treatment

We will record the exchange notes at the same carrying value as the initial notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes. We will amortize the costs of the exchange offer and the unamortized expenses related to the issuance of the exchange notes over the term of the exchange notes.

Exchange Agent

We have appointed State Street Bank and Trust Company of California, N.A. as exchange agent for the exchange offer. All questions and requests for assistance and requests for additional copies of this prospectus or the letter of transmittal should be directed to the exchange agent as follows:

By Mail:
State Street Bank and Trust Company of California, N.A.
c/o State Street Bank and Trust Company
P.O. Box 778
Boston, MA 02101-0778
ATTN: Ralph Jones

By Hand/Overnight Delivery:
State Street Bank and Trust Company of California, N.A.
c/o State Street Bank and Trust Company
2 Avenue de Layfayette
Corporate Trust Window, 5th Floor
Boston, MA 02111-1724
ATTN: Ralph Jones

Facsimile Transmission: (617) 662-1452
Confirm by Telephone: (617) 662-1548

Fees and Expenses

We will bear the expenses of soliciting tenders in the exchange offer. The principal solicitation for tenders in the exchange offer is being made by mail; however, our offices and regular employees may make additional solicitations by telegraph, telephone, telecopy or in person.

We will not make any payments to brokers, dealers or other persons soliciting acceptances of the exchange offer. However, we will pay the exchange agent reasonable and customary fees for its services and will reimburse the exchange agent for its reasonable out-of-pocket expenses in connection with the exchange offer. We may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus, letters of transmittal and related documents to the beneficial owners of the initial notes, and in handling or forwarding tenders for exchange.

We will pay the expenses incurred in connection with the exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses.

We will pay all transfer taxes, if any, applicable to the exchange of initial notes in the exchange offer. However, the amount of any such transfer taxes, whether imposed on the registered holder or any other persons, will be payable by the tendering holder if:

- certificates representing exchange notes or initial notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the initial notes tendered;

- tendered initial notes are registered in the name of any person other than the person signing the letter of transmittal; or

- a transfer tax is imposed for any reason other than the exchange of initial notes in the exchange offer.

If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

The Failures to Participate in the Exchange Offer will have Adverse Consequences

If you do not exchange your initial notes for exchange notes in the exchange offer, you will not be able to resell, offer to resell or otherwise transfer the initial notes unless they are registered under the Securities Act or unless you resell them, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act. In addition, you will no longer be able to obligate us to register the initial notes under the Securities Act except in the limited circumstances provided under the registration rights agreement. The restrictions on transfer of your initial notes arise because we issued the initial notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, if you want to exchange your initial notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities, and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. To the extent the initial notes are tendered and accepted in the exchange offer, the trading market, if any, for the initial notes would be adversely affected. Please refer to the section in this prospectus entitled "Risk Factors."

DESCRIPTION OF THE EXCHANGE NOTES

General

The form and terms of the exchange notes are the same as the form and terms of the initial notes, except that the exchange notes have been registered under the Securities Act and therefore will not bear legends restricting their transfer. We issued the initial notes and will issue the exchange notes under an indenture, dated as of December 1, 1999, between Equinix and State Street Bank and Trust Company of California, N.A., as trustee. The terms of the exchange notes will include those stated in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended. The exchange notes will be subject to all such terms, and holders are referred to the indenture and the Trust Indenture Act for a statement of those terms. Except as otherwise indicated, the following summary description of the material provisions of the indenture relates both to the initial notes and the exchange notes. We urge you to read the indenture because it, and not this description, defines your rights as holder of the exchange notes. We have filed copies of the indenture, escrow agreement and registration agreement as exhibits to the registration statement which includes this prospectus. The definitions of certain terms used in the following summary are set forth below under "--Certain Definitions." For purposes of this summary, the term "Equinix" refers only to Equinix, Inc. and not to any of its subsidiaries. Also, in this

description "initial notes" and "exchange notes" are collectively referred to as the "notes."

As of the Issue Date, all of our Subsidiaries will be Restricted Subsidiaries. Under certain circumstances, we will be able to designate existing or future Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to many of the restrictive covenants contained in the indenture.

Overview

The notes will mature on December 1, 2007. Interest on the notes will be payable semi-annually in arrears on each June 1 and December 1, commencing on June 1, 2000. The exchange notes will bear interest from the most recent date to which interest has been paid on the initial notes.

We have deposited with an escrow agent cash to acquire U.S. government securities totaling approximately $37.0 million that, together with the proceeds from their investment, will be sufficient to pay, when due, the first three interest payments on the notes, with us retaining any balance. The notes will be collateralized by a first priority security interest in the escrow account. Except for the security interest in the escrow account, the notes will be general unsecured obligations and will rank without preference with all of our other existing and future senior unsecured indebtedness. The notes will also be effectively subordinated to all our existing and future secured indebtedness to the extent of the value of the assets that secure such indebtedness and to all of our subsidiaries' existing or future indebtedness, whether or not secured.

Generally, we may not redeem the notes before December 1, 2003. On or after December 1, 2003, we may redeem the notes, in whole or in part, at any time, at the redemption prices set forth below under "Option Redemption" together with accrued and unpaid interest, if any, to the redemption date.

Absent special circumstances, we cannot be required to redeem the notes. However, in the event of a "Change of Control" as defined below, each holder will have the right to require us to repurchase its notes at a repurchase price equal to 101% of the aggregate principal amount of such notes, plus accrued and unpaid interest, if any, through the date of repurchase.

The indenture will limit:

- the selling of our assets or the stock of our subsidiaries;
- the payment of dividends on, and repurchase or redemption of, our capital stock and our subsidiaries' capital stock and the repurchase or redemption of our subordinated obligations;
- our making of investments;
- the incurrence of additional indebtedness or preferred stock by us and our subsidiaries;

- the incurrence of additional liens;
- our ability to permit restrictions to exist on the ability of our subsidiaries to pay dividends or make payments to us;
- our ability to engage in consolidations, mergers and transfers of all or substantially all of our assets; and
- transactions with our affiliates.

All of these limitations and prohibitions are subject to a number of important qualifications and exceptions. See "Certain Covenants."

In addition, the indenture defines certain events of default. See "Events of Default and Remedies." In the event of default, the trustee or the holders of at least 25% in principal amount of the then outstanding notes may declare all principal of, premium, if any, on, and interest on the notes to be due and payable immediately.

Terms of Notes

Except as set forth under "--Escrow Account; Disbursement of Funds," the notes will be our senior unsecured obligations, ranking equally in right of payment with all our other existing and future senior debt and senior to all our existing and future subordinated debt. Holders of our secured Indebtedness, however, will have claims that are before the claims of the holders relating to the assets securing such other debt, except to the extent the notes are equally and ratably secured by such assets. The indenture will permit us to incur certain secured debt.

The notes will be effectively subordinated to all Indebtedness and other liabilities and commitments, including trade payables and lease obligations, of our subsidiaries, including any Guarantees of such subsidiaries. Any right of ours to receive assets of any of our subsidiaries in the event of its liquidation or reorganization, and the consequent right of the holders to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors. To the extent that we are recognized as a creditor of such subsidiary, our claims would still be subordinate to any secured claim to the assets of such subsidiary and any Indebtedness of such subsidiary that is senior to that held by us.

Principal, Maturity and Interest

The notes will be limited in aggregate principal amount to $200,000,000 and will mature on December 1, 2007. Interest on the notes will accrue at the rate of 13% per annum and will be payable semi-annually in arrears on June 1 and December 1, commencing on June 1, 2000, to holders as of the immediately preceding May 15 and November 15. Interest on the notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Principal, premium, if any, and interest on the notes will be payable at the office or agency of Equinix maintained for such purpose in New York city or, at the option of Equinix, payment of interest on the notes may be made by check mailed to the holders at their respective addresses set forth in the register of holders. Until otherwise designated by Equinix, Equinix's office or agency in New York will be the office of the trustee maintained for such purpose. The notes will be issued in denominations of $1,000 and integral multiples of $1,000. The trustee initially will be paying agent and registrar under the indenture. We may also act as paying agent or registrar under the indenture.

Escrow Account; Disbursement of Funds

The notes will be collateralized, pending disbursement, under an escrow agreement dated as of December 1, 1999, among Equinix, the trustee and State Street Bank and Trust Company of California, N.A., as escrow agent, by a pledge of the escrow account referred to in the escrow agreement. The escrow account will initially

contain approximately $37.0 million of the net proceeds from the sale of the notes. These funds, together with the proceeds from their investment, will be sufficient to pay interest on the notes for three scheduled interest payments. The funds will not be sufficient to pay any liquidated damages described under "The Exchange Offer; Liquidated Damages."

The escrow agreement provides for the grant by Equinix to the trustee, for the benefit of the holders, of a first priority security interest in the escrow collateral. All such security interests will collateralize the payment and performance when due of all our obligations under the indenture and the notes, as provided in the escrow agreement. The Liens created by the escrow agreement will be first priority security interests in the Escrow Collateral. The ability of holders to realize upon any such funds or securities may be subject to certain bankruptcy law limitations if there is a bankruptcy of Equinix.

Under the escrow agreement, funds may be disbursed from the escrow account only to pay interest on the notes. If a portion of the notes has been retired by Equinix, funds representing the lesser of:

- the excess of the amount sufficient to pay interest through and including June 1, 2001 on the notes not so retired; and

- the interest payments which have not previously been made on such retired notes for each interest payment date through and including the interest payment date to occur on June 1, 2001;

shall be paid to Equinix if no default then exists under the indenture.

Pending such disbursements, all funds contained in the escrow account will be invested in U.S. Government Securities. Interest earned on the U.S. Government Securities will be placed in the escrow account. Upon the acceleration of the maturity of the notes, the escrow agreement will provide for the foreclosure by the trustee upon the net proceeds of the escrow account. Under the terms of the indenture, the proceeds of the escrow account shall be applied, first, to amounts owing to the trustee in respect of fees and expenses of the trustee and, second, to all obligations under the notes and the indenture. Under the escrow agreement, assuming that we make the first three scheduled interest payments on the notes in a timely manner with funds or U.S. Government Securities held in the escrow account, any remaining U.S. Government Securities will be released from the escrow account.

Optional Redemption

Except as set forth below, the notes will not be redeemable at our option

before December 1, 2003. On or after December 1, 2003, the notes will be subject to redemption at any time at our option, in whole or in part, upon not less than 30 nor more than 60 days' notice. The notes may be redeemed at the redemption prices, expressed as percentages of principal amount, below, plus accrued and unpaid interest to the applicable redemption date. This right is subject to the right of holders as of the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the twelve-month period beginning on December 1 of the years indicated below.

<TABLE>
<CAPTION>

Year	Percentage
<S>	<C>
2003	106.500%
2004	103.250%
2005 and thereafter	100.000%

</TABLE>

Selection and Notice

If less than all of the notes are to be redeemed at any time, selection of notes for redemption will be made by the trustee in compliance with the requirements of the principal national securities exchange, if any, on which the notes are then listed, or, if the notes are not so then listed, on a pro rata basis, by lot or by such

method as we shall deem fair and appropriate. No notes of $1,000 or less shall be redeemed in part. Notices of redemption shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address. Notices of redemption may not be conditional. If any note is to be redeemed in part only, the notice of redemption that relates to such note shall state the portion of the principal amount of the note to be redeemed. A new note in principal amount equal to its unredeemed portion will be issued in the name of its holder upon cancellation of the original note. Notes called for redemption will become due on the date fixed for redemption. On and after the redemption date, interest will cease to accrue on notes or portions of notes called for redemption unless we default in their payment.

Mandatory Redemption

Except as provided under "--Repurchase at the Option of Holders," we will not be required to make mandatory redemption or sinking fund payments relating to the notes.

Repurchase at the Option of Holders

Change of Control

Upon the occurrence of a Change of Control, each holder will have the right to require us to purchase all or any part, equal to $1,000 or an integral multiple of $1,000, of such holder's notes in the offer described below at a purchase price in cash equal to 101% of the aggregate principal amount of the note, plus accrued and unpaid interest and liquidated damages, if any, to the date of purchase. This right is subject to the right of holders as of a record date to receive interest due on the relevant interest payment date. However, we shall not be obligated to repurchase notes in a Change of Control offer in the event that we have exercised our rights to redeem all of the notes under the indenture. Within 30 days following any Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute the Change of Control and offering to purchase notes on the date specified in such notice, which date shall be no earlier than 30 and no later than 60 days from the date such notice is mailed, in accordance with the procedures required by the indenture and described in such notice.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable in connection with the purchase of notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with any of the provisions of this covenant, we will comply with the applicable securities laws and regulations and will be deemed not to have breached our obligations under this covenant by virtue of such compliance.

On the Change of Control payment date, we will, to the extent lawful:

- accept for payment all notes or portions of notes properly tendered in the Change of Control offer;
- deposit with the paying agent an amount equal to the Change of Control payment plus accrued and unpaid interest and liquidated damages, if any, in respect of all notes or portions of notes so tendered; and

. deliver or cause to be delivered to the trustee notes so accepted together with an Officers' Certificate stating the aggregate principal amount of notes or portions of notes being purchased by us.

The paying agent will promptly mail or deliver to each holder of notes so tendered the Change of Control payment plus accrued and unpaid interest and liquidated damages, if any, for such notes, and the trustee will promptly authenticate and mail or deliver, or cause to be transferred by book entry, to each holder a new note equal in principal amount to any unpurchased portion of notes surrendered, if any. Each such new note will be in a principal amount of $1,000 or an integral multiple of $1,000. We will publicly announce the results of the Change of Control offer on or as soon as practicable after the Change of Control payment date.

The Change of Control provisions described above will be applicable whether or not any other provisions of the indenture are applicable. Except as described above relating to a Change of Control, the indenture will not contain provisions that permit the holders to require that we purchase or redeem the notes if there is a takeover, recapitalization or similar transaction. Our ability to purchase notes upon a Change of Control may be limited by our then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any such required purchases. We shall not be required to make a Change of Control offer if a third party makes the Change of Control offer in the manner, at the times and otherwise in compliance with the requirements of the indenture and purchases all notes validly tendered and not withdrawn. See "Risk Factors--We may not have sufficient funds to purchase the exchange notes as required upon a change of control."

Asset Sales

We will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, consummate any Asset Sale, unless:

. we, or such Restricted Subsidiary, as the case may be, receive consideration at the time of such Asset Sale at least equal to the fair market value, as determined in good faith by our board of directors and set forth in an Officer's Certificate delivered to the trustee, of the assets or Equity Interests issued or sold or otherwise disposed of;

. at least 75% of the consideration is in the form of cash and/or Cash Equivalents or Qualified Consideration; and

. the Net Cash Proceeds received by Equinix, or such Restricted Subsidiary, as the case may be, from such Asset Sale are applied within 360 days following the receipt of such Net Cash Proceeds, to the extent Equinix, or such Restricted Subsidiary, as the case may be, elects:

(a) to the redemption or repurchase of outstanding Indebtedness, (1) that is either (A) secured Indebtedness or (B) Indebtedness of Equinix that ranks equally with the notes but has an earlier maturity date, in either case other than Subordinated Indebtedness, or (2) that is Indebtedness of a Restricted Subsidiary; and/or

(b) to reinvest such Net Cash Proceeds, or any portion, in properties or assets, including Equity Interests of a person that will become a Restricted Subsidiary as a result of such investment, that will be used in a Permitted Business.

The balance of such Net Cash Proceeds, after the application of such Net Cash Proceeds as described in the immediately preceding clauses (a) and (b), shall constitute Excess Proceeds.

When the aggregate amount of Excess Proceeds equals or exceeds $10 million, taking into account income earned on such Excess Proceeds, we will be required to make a pro rata offer to all holders of notes and equally-ranking Indebtedness with comparable provisions requiring such Indebtedness to be purchased with the proceeds of such Asset Sale, called an Asset Sale Offer. We must offer to purchase the maximum principal amount, or accreted value in the case of Indebtedness issued with an original issue discount, of notes and equally-ranking Indebtedness that may be purchased out of the Excess Proceeds, at a purchase price in cash in an amount equal to 100% of the principal amount or the accreted value of the note, as applicable, plus accrued and unpaid interest thereon to the date of purchase, subject to the right of holders as of the relevant record date to receive interest due on the relevant interest payment date, in accordance with the procedures set forth in the indenture and the agreements governing such equally-ranking Indebtedness. To the extent that any Excess Proceeds remain after consummation of an Asset Sale Offer, Equinix may use such Excess Proceeds for any purpose not otherwise prohibited by the indenture. If the aggregate principal amount of notes and equally-ranking Indebtedness tendered in such Asset Sale Offer surrendered by their holders exceeds the amount of Excess Proceeds, the trustee shall select the notes and

equally-ranking Indebtedness to be purchased on a pro rata basis in proportion to the respective principal amounts, or accreted values in the case of Indebtedness

issued with an original issue discount, of the notes and such other Indebtedness. On completion of such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero for purposes of the first sentence of this paragraph.

The amount of:

- any liabilities, as shown on Equinix's or such Restricted Subsidiary's, as the case may be, most recent balance sheet, other than Subordinated Indebtedness, of Equinix or any Restricted Subsidiary, that are assumed by the transferee of any such assets under an agreement that immediately releases Equinix and all of the Restricted Subsidiaries from all liability in respect of such liabilities;

- Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, if Equinix and all of the Restricted Subsidiaries are immediately released from all Guarantees of payment of such Indebtedness and such Indebtedness is no longer the liability of Equinix or any of the Restricted Subsidiaries; and

- any securities, notes or other obligations received by Equinix, or such Restricted Subsidiary, as the case may be, from such transferee that are converted by Equinix, or such Restricted Subsidiary, as the case may be, into cash and/or Cash Equivalents within 90 days of the date of such Asset Sale, to the extent of the cash and/or Cash Equivalents received;

will be deemed to be cash and/or Cash Equivalents for purposes of this provision.

Notwithstanding any provision of this covenant, its provisions will not apply to any transaction constituting a Restricted Payment that is permitted by the Restricted Payments covenant or that otherwise constitutes a Permitted Investment.

Certain Covenants

Restricted Payments

We will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly make any of the following Restricted Payments:

- declare or pay any dividend or make any other payment or distribution on account of Equinix's Equity Interests or to the direct or indirect holders of Equinix's Equity Interests in their capacity as stockholders, other than dividends or distributions payable in Equity Interests, other than Disqualified Stock of Equinix or to Equinix or a Restricted Subsidiary of Equinix;

- purchase, redeem or otherwise acquire or retire for value any Equity Interests of Equinix or any direct or indirect parent of Equinix, other than any such Equity Interests owned by Equinix or any Restricted Subsidiary of Equinix;

- make any payment on or relating to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Indebtedness, except a payment of interest or principal at any Stated Maturity; or

- make any Restricted Investment;

unless:

- at the time of and after giving effect to such Restricted Payment, no default or Event of Default shall have occurred and be continuing;

- Equinix would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable period, have been permitted to incur at least $1.00 of additional Indebtedness as described below under "Incurrence of Indebtedness and Issuance of Preferred Stock"; and

- such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by Equinix and the Restricted Subsidiaries on or after the Issue Date, is less than the sum, without duplication, of

  (a) the amount of Equinix's (1) Cumulative Consolidated Cash Flow determined at the time of such Restricted Payment less (2) 150% of the cumulative consolidated interest expense, determined for the

period commencing on the first day of the fiscal quarter which includes the Issue Date and ending on the last day of the last fiscal quarter preceding the date on which such Restricted Payment is to be made for which reports have been filed with the Commission or provided to the trustee according to the "Reports" covenant; plus

(b) 100% of the aggregate Net Cash Proceeds received by Equinix after the Issue Date as a Capital Contribution or from the issue or sale, other than to a Subsidiary of Equinix, of Equity Interests of Equinix, other than Disqualified Stock, or from the issue or sale, other than to a Subsidiary of Equinix, of Disqualified Stock or debt securities of Equinix that have been converted or exchanged into such Equity Interests, plus the amount of Net Cash Proceeds received by Equinix upon such conversion or exchange, other than a conversion or exchange by a Subsidiary of Equinix; plus

(c) the aggregate amount equal to the net reduction in Restricted Investments in Unrestricted Subsidiaries on or after the Issue Date resulting from (1) dividends, distributions, interest payments, return of capital, repayments of Restricted Investments or other transfers of assets to Equinix or any Restricted Subsidiary from any Unrestricted Subsidiary and not otherwise included in the calculation of Cumulative Consolidated Cash Flow required by (a) above, (2) proceeds realized by Equinix or any Restricted Subsidiary upon the sale of such Restricted Investment to a person other than Equinix or any Subsidiary of Equinix, or (3) the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary, not to exceed in the case of any of the immediately preceding clauses (1), (2) or (3) the aggregate amount of Restricted Investments made by Equinix or any Restricted Subsidiary in such Unrestricted Subsidiary on or after the Issue Date; plus

(d) to the extent that any Restricted Investment that was made on or after the Issue Date is sold for cash or otherwise liquidated or repaid for cash, the lesser of, to the extent paid to Equinix or a Restricted Subsidiary, (1) the cash return of capital relating to such Restricted Investment, less any cost of disposition and (2) the initial amount of such Restricted Investment; minus

(e) 50% of the cumulative aggregate principal amount of any outstanding Indebtedness incurred according to the second clause of the first paragraph of the covenant described below under "Incurrence of Indebtedness and Issuance of Preferred Stock."

So long as no default or Event of Default shall have occurred and be continuing, the foregoing provisions will not prohibit:

- the payment of any dividend within 60 days after the date it is declared, if at the time it is declared such payment would have complied with the foregoing provisions;

- the redemption, repurchase, retirement, defeasance or other acquisition of any Subordinated Indebtedness or Equity Interests of Equinix in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale, other than to a Subsidiary of Equinix, of, Equity Interests of Equinix, other than any Disqualified Stock; provided that the amount of any such Net Cash Proceeds that are utilized for, and the Equity Interests issued or exchanged for, any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from the third clause of the preceding paragraph and each other clause of this paragraph;

- the defeasance, redemption, retirement, repurchase or other acquisition of Subordinated Indebtedness with the Net Cash Proceeds from, or issued in exchange for, a substantially concurrent incurrence of

Permitted Refinancing Indebtedness; provided that the amount of any such Net Cash Proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from the third clause of the preceding paragraph and each other clause of this paragraph;

- the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of Equinix held by any member of Equinix's or a Restricted Subsidiary's management; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests shall not exceed $3 million in any fiscal year;

- Restricted Investments not to exceed the aggregate fair market value, measured on the date each such Restricted Investment was made or returned, as applicable, when taken together with all other Restricted Investments made according to this clause that are at the time

outstanding, the sum of (a) $30 million, plus (b) the amount then available for the making of Restricted Payments according to the third clause of the preceding paragraph without giving effect to its subclause (a);

- Restricted Investments the payment for which consists exclusively of Equity Interests, other than Disqualified Stock, of Equinix; and

- the repurchase of Equity Interests of Equinix in accordance with, and only to the extent required by, dissenters' rights of appraisal under applicable law.

Each Restricted Payment permitted by the first, fourth, fifth, sixth and seventh clauses above shall be included, and each Restricted Payment permitted by the second, third and sixth clauses above shall be excluded, except as specifically set forth in each such clause, for all purposes when performing the calculation set forth in the last bullet point of the preceding paragraph of this covenant.

Our board of directors may not designate any Subsidiary of Equinix as an Unrestricted Subsidiary, unless:

- no default or Event of Default shall have occurred and be continuing at the time of or after giving effect to such designation; and

- Equinix would not be prohibited under the indenture from making a Restricted Investment at the time of such designation, assuming the effectiveness of such designation for purposes of this covenant, in an amount equal to the fair market value of the net Investment of Equinix and all Restricted Subsidiaries in such Subsidiary on such date.

This prohibition shall not apply to a newly created Subsidiary in which no investment, apart from any de minimis amount required to capitalize the Subsidiary in connection with its organization, has previously been made.

If there is any such designation, all outstanding Investments owned by Equinix and the Restricted Subsidiaries in the Subsidiary so designated will be deemed to be a Restricted Investment made as of the time of such designation and will reduce the amount available for Restricted Payments under the first or second paragraph of this covenant. All such outstanding Investments will be deemed to constitute Restricted Payments in an amount equal to the fair market value of such Investments at the time of such designation.

The indenture also provides that a designation may be revoked and an Unrestricted Subsidiary may thus be redesignated as a Restricted Subsidiary by a resolution of our board of directors delivered to the trustee. However, Equinix will not make any revocation unless:

- no default or Event of Default shall have occurred and be continuing at the time of, or after giving effect to, such revocation; and

- all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such revocation would, if incurred at such time, have been permitted to be incurred at such time for all purposes under the indenture.

The amount of all Restricted Payments, other than cash, shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by Equinix, or such Restricted Subsidiary, as the case may be, under the Restricted Payment. The fair market value of any asset(s) or securities that are required to be valued by this covenant shall be determined in good faith by our board of directors. Their determination shall be supported by the opinion or appraisal of an accounting, appraisal or investment banking firm of national standing if such fair market value would exceed $10 million.

Incurrence of Indebtedness and Issuance of Preferred Stock

We will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable for, contingently or otherwise, including by way of merger, consolidation or acquisition, any Indebtedness and we will not issue or incur any Disqualified Stock and will not permit any of the Restricted Subsidiaries to issue or incur any shares of Preferred Stock. However, we may incur Indebtedness or issue or incur shares of Disqualified Stock and the Restricted Subsidiaries may incur Acquired Debt or Acquired Preferred Stock if either:

- the Consolidated Leverage Ratio at the end of Equinix's most recently ended fiscal quarter, for which a consolidated balance sheet of Equinix which has been filed with the Commission or provided to the trustee,

immediately preceding the date on which such additional Indebtedness is incurred or such Preferred Stock is issued or incurred would have been less than 6.0 to 1.0, determined on a pro forma basis, including a pro forma application of the net proceeds therefrom; or

- the Consolidated Capital Ratio at the end of the most recently ended fiscal quarter, for which a consolidated balance sheet of Equinix has been filed with the Commission or provided to the trustee, would have been less than 2.0 to 1.0 determined on a pro forma basis, including a pro forma application of the net proceeds therefrom.

Notwithstanding the foregoing, the provisions of the paragraph set forth immediately above will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Indebtedness"):

- Permitted Refinancing Indebtedness;

- the incurrence by Equinix of Indebtedness represented by the notes;

- the incurrence of Indebtedness by Equinix owing to any Restricted Subsidiary or Indebtedness of any Restricted Subsidiary owing to Equinix or any other Restricted Subsidiary, such Indebtedness deemed to be incurred upon such Indebtedness being held by any person other than Equinix or such Restricted Subsidiary including upon designation and upon such Restricted Subsidiary otherwise no longer being a Restricted Subsidiary; provided that in the case of Indebtedness of Equinix, such obligations shall be unsecured and subordinated in all respects to Equinix's obligations in accordance with the notes;

- the incurrence by Equinix of Indebtedness in an aggregate amount incurred and outstanding at any time under this clause of up to $30 million;

- the incurrence (a) by Equinix or any Restricted Subsidiary, other than any Foreign Subsidiary, of Senior Debt, including under one or more Permitted Credit Facilities, and (b) by any Foreign Subsidiary of Indebtedness under one or more Permitted Foreign Credit Facilities, in an aggregate amount incurred and outstanding at any time under this clause of up to the sum of (a) $125 million and (b) 85% of the aggregate accounts receivable of Equinix and the Restricted Subsidiaries as of the date of the most recently available balance sheet of Equinix which has been included in a report filed with the Commission or provided to the trustee;

- the incurrence by Equinix or any Foreign Subsidiary of Purchase Money Indebtedness (a) under the terms of any Purchase Money Indebtedness facility existing and as in effect on the Issue Date or (b) constituting not more than 75% of the cost, including shipping, installation and importation costs and

sales, use and similar taxes, collectively "Costs", payable upon acquisition of the subject property, determined in accordance with GAAP in good faith by our board of directors, to Equinix or any such Foreign Subsidiary, as applicable, of the property so purchased, developed, acquired, constructed, improved or leased; provided, that relating to any Purchase Money Indebtedness incurred under clause (b) above, at least 25% of the Costs payable upon acquisition of the subject property shall be funded from Newly Raised Capital; provided, further, that any assets acquired by a Foreign Subsidiary under this clause are acquired for use in the ordinary course of business of such Foreign Subsidiary;

- the incurrence by Equinix or any of the Restricted Subsidiaries of Hedging Obligations that are incurred for the purpose of fixing or hedging interest or foreign currency exchange rate risk relating to any floating rate Indebtedness or foreign currency based Indebtedness, respectively, that is permitted by the terms of the indenture to be outstanding; provided that the notional amount of any such Hedging Obligation does not exceed the amount of Indebtedness or other liability to which such Hedging Obligation relates; and

- the incurrence by Equinix and the Restricted Subsidiaries of Indebtedness solely in respect of bankers acceptances, letters of credit and performance bonds, all in the ordinary course of business.

Indebtedness or Preferred Stock of any person which is outstanding at the time such person becomes a Restricted Subsidiary of Equinix, including upon designation of any Subsidiary or other person as a Restricted Subsidiary or upon a Revocation such that such Subsidiary becomes a Restricted Subsidiary, or is merged with or into or consolidated with Equinix or a Restricted Subsidiary of Equinix, shall be deemed to have been incurred at the time such person becomes such a Restricted Subsidiary of Equinix or is merged with or into or consolidated with Equinix or a Restricted Subsidiary of Equinix, as applicable.

Upon each incurrence, Equinix may designate under which provision of this covenant such Indebtedness is being incurred. Such Indebtedness shall not be deemed to have been incurred by Equinix under any other provision of this covenant, except as stated otherwise in the foregoing provisions or in the next sentence. For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in the clauses above, or is permitted under the first paragraph of this covenant and under one or more of such clauses, Equinix, in our sole discretion, may from time to time reclassify such item of Indebtedness.

Equinix will not, and will not permit any of the Restricted Subsidiaries, other than Foreign Subsidiaries, to, incur any Indebtedness, including Permitted Indebtedness, that is contractually subordinated in right of payment to any other Indebtedness unless such Indebtedness is also contractually subordinated in right of payment to the notes on substantially identical terms. However, no Indebtedness shall be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured.

Liens

We will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind, other than Permitted Liens, to secure Indebtedness upon any of our property or assets or upon any income or profits therefrom unless all payments due under the indenture and the notes are secured, except as provided in the next clause, on an equal and ratable basis with the obligations so secured. No Lien shall be granted or be allowed to exist which secures Subordinated Indebtedness except relating to Acquired Debt, in which case, however, such Liens must be made junior and subordinate to the Liens granted to the holders.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

We will not, and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (a) pay dividends or make any other distributions to Equinix or any of the Restricted Subsidiaries on its Capital Stock or relating to any other interest or participation in, or measured by, its profits, or (b) pay any Indebtedness owed to Equinix or any of the Restricted Subsidiaries;
- make loans or advances to Equinix or any of the Restricted Subsidiaries; or
- transfer any of its properties or assets to Equinix or any of the Restricted Subsidiaries.

The foregoing restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- Existing Indebtedness as in effect on the Issue Date;
- any Permitted Credit Facility or Permitted Foreign Credit Facility, provided that (a) the aggregate outstanding amount of any such Indebtedness does not exceed the amount permitted under the fifth clause of the definition of Permitted Indebtedness, (b) relating to any Permitted Credit Facility, such restrictions apply only if there is a payment default under such Permitted Credit Facility, and (c) the chief financial officer of Equinix determines in good faith that any such restrictions contained in any such Permitted Credit Facility or Permitted Foreign Credit Facilities are no more restrictive, taken as a whole, than those contained in a similar credit facility with terms that are commercially reasonable for a borrower engaged in a business comparable to Equinix that has substantially comparable Indebtedness and that any such restrictions will not materially affect Equinix's ability to make principal, premium or interest payments on the notes;
- applicable law;
- any instrument governing Indebtedness or Capital Stock of a Person or assets acquired by Equinix or any of the Restricted Subsidiaries as in effect at the time of such acquisition, except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person, so acquired; provided, that in the case of Indebtedness, such Indebtedness was permitted by the terms of the indenture to be incurred;

- customary non-assignment provisions in leases entered into in the ordinary course of business;

- purchase money obligations for property acquired in the ordinary course of business that impose restrictions on transfer on the property so acquired, constructed, leased or improved;

- any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition, provided that the consummation of such transaction would not result in an Event of Default or an event that, with the passing of time or giving of notice or both, would constitute an Event of Default, that such restriction terminates if such transaction is not consummated and that the consummation or abandonment of such transaction occurs within one year of the date such agreement was entered into;

- Permitted Refinancing Indebtedness, provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

- Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant governing Liens that limit the right of Equinix or any of the Restricted Subsidiaries to dispose of the assets subject to such Lien; and

- provisions relating to the disposition or distribution of assets or property in joint venture agreements and other similar agreements entered into in the ordinary course of business.

Merger, Consolidation, or Sale of Assets

We may not, directly or indirectly, consolidate or merge with or into, whether or not we are the surviving corporation, or sell, assign, transfer, convey or otherwise dispose of all or substantially all of our properties or assets, in one or more related transactions, to another person, or permit any of the Restricted Subsidiaries to enter into any such transaction or series of transactions, if it would result in such disposition of all or substantially all of the assets of Equinix and the Restricted Subsidiaries on a consolidated basis, unless:

- Equinix is the surviving corporation or the person formed by or surviving any such consolidation or merger, if other than Equinix, or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state or the District of Columbia;

- the person formed by or surviving any such consolidation or merger, if other than Equinix, or the person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of Equinix under the registration agreement, the notes, the exchange notes and the indenture under a supplemental indenture in a form reasonably satisfactory to the trustee;

- no default or Event of Default, or an event that, with the passing of time or giving of notice or both, would constitute an Event of Default, shall exist or shall occur immediately after giving effect on a pro forma basis to such transaction;

- except in the case of a merger of Equinix with or into a Wholly Owned Restricted Subsidiary of Equinix, Equinix or the person formed by or surviving any such consolidation or merger, if other than Equinix, or to which such sale, assignment, transfer, conveyance or other disposition shall have been made will immediately after such transaction and after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable period, be permitted to incur at least $1.00 of additional Indebtedness according to the first paragraph of the "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant;

- if, as a result of any such transaction, property or assets of Equinix would become subject to a Lien subject to the provisions of the indenture described under the "Liens" covenant, Equinix or the successor entity to Equinix shall have secured the notes as required by the covenant; and

- Equinix shall have delivered to the trustee an Officers' Certificate and an opinion of counsel, each stating that such consolidation, merger or transfer and any supplemental indenture comply with the indenture.

The indenture also provides that Equinix may not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other person.

Upon any consolidation or merger or any transfer of all or substantially all of the assets of Equinix in accordance with the foregoing, the successor corporation formed by such consolidation or into which Equinix is merged or to which such transfer is made shall succeed to and be substituted for, and may exercise every right and power of, Equinix under the indenture. The effect will be as if the successor corporation had been named therein as Equinix, and Equinix shall be released from the obligations under the notes and the indenture except relating to any obligations that arise from, or are related to, such transaction. The foregoing shall not apply in the case of a lease.

Transactions with Affiliates

We will not, and will not permit any of the Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of our properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate, each an Affiliate transaction, unless:

- such Affiliate Transaction is on terms that are not materially less favorable to Equinix or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by Equinix or such Restricted Subsidiary with an unrelated person; and

- relating to any Affiliate Transaction or series of related Affiliate Transactions:

  (a) involving aggregate consideration in excess of $5 million, Equinix delivers to the trustee a resolution of the board of directors set forth in an Officers' Certificate that such Affiliate Transaction is approved by a majority of the disinterested members of the board of directors and that such Affiliate Transaction complies with the first clause above and is in the best interests of Equinix or such Restricted Subsidiary; and

  (b) if involving aggregate consideration in excess of $10 million, a favorable written opinion as to the fairness to Equinix of such Affiliate Transaction from a financial point of view is also obtained by Equinix from an accounting, appraisal or investment banking firm of national standing.

Notwithstanding the foregoing, the following items shall not be deemed to be Affiliate Transactions:

- (a) the entering into, maintaining or performance of any employment contract, collective bargaining agreement, benefit plan, program or arrangement, related trust agreement or any other similar arrangement for or with any employee, officer or director heretofore or hereafter entered into in the ordinary course of business, including vacation, health, insurance, deferred compensation, retirement, savings or other similar plans or (b) the payment of compensation, performance of indemnification or contribution obligations, or an issuance, grant or award of stock, options, or other equity-related interests or other securities, to employees, officers or directors in the ordinary course of business;

- transactions between or among Equinix and/or the Restricted Subsidiaries;

- payment of reasonable directors fees;

- any sale or other issuance of Equity Interests, other than Disqualified Stock, of Equinix;

- Affiliate Transactions in effect or approved by the board of directors on the Issue Date, including any amendments thereto, provided that the terms of such amendments are not materially less favorable to Equinix than the terms of such agreement before such amendment; and

- Restricted Payments that are permitted under the Restricted Payments covenant and Permitted Investments described under clause (d) of its definition.

Business Activities

We will not, and will not permit any of the Restricted Subsidiaries to, engage to more than a de minimus extent in any business other than a Permitted Business.

Status as Investment Company

The indenture provides that Equinix will not, and will not permit any of its Subsidiaries or controlled affiliates to, conduct its business in a fashion that would cause Equinix to be required to register as an investment company, as that term is defined in the Investment Company Act of 1940, as amended, or otherwise to become subject to regulation under the Investment Company Act. For purposes of establishing Equinix's

compliance with this provision, any exemption which is or would become available under Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act will be disregarded.

Reports

The indenture provides that at all times from and after the date of the commencement of an exchange offer or the effectiveness of a shelf registration statement relating to the notes, a "Registration", whether or not Equinix is then required to file reports with the Commission, Equinix shall file with the Commission all such reports and other information as it would be required to file with the Commission by Sections 13(a) or 15(d) under the Exchange Act if it were subject thereto. Without cost, Equinix shall supply the applicable trustee and each applicable holder, or shall supply to the applicable trustee for forwarding to each such applicable holder, copies of such reports and other information. At all times before the date of the Registration, Equinix shall, at its cost, deliver to the trustee and each holder of the notes quarterly and annual reports substantially equivalent to those which would be required by the Exchange Act if Equinix were subject thereto. In addition, at all times before the Registration, upon the request of any holder or any prospective purchaser of the notes designated by a holder, Equinix shall supply to such holder or such prospective purchaser the information required under Rule 144A under the Securities Act.

Events of Default and Remedies

The indenture provides that each of the following will constitute an Event of Default:

- default for 30 days in the payment when due of interest on the notes;
- default in the payment when due of the principal of, or premium, if any, on, the notes;
- failure by Equinix or any of the Restricted Subsidiaries to comply with the provisions described above under the captions "--Change of Control," or "--Asset Sales";
- failure by Equinix or any of the Restricted Subsidiaries for 60 days after notice to comply with any of its other agreements in the indenture, the notes or the escrow agreement;
- the default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of Equinix or any of the Restricted Subsidiaries, or the payment of which is Guaranteed by Equinix or any of the Restricted Subsidiaries, whether such Indebtedness or Guarantee now exists or is created after the Issue Date, and either such Indebtedness is already due and payable or such default results in the acceleration of such Indebtedness before its express maturity and, in each case, the amount of any such Indebtedness, together with the amount of any other such Indebtedness the maturity of which has been so accelerated or which is already due and payable, aggregates $10 million or more;
- one or more judgments, orders or decrees for the payment of money in excess of $10 million, individually or in the aggregate, net of applicable insurance coverage which is acknowledged in writing by the insurer, shall be entered against Equinix or any Restricted Subsidiary or any of their respective properties and shall not be discharged and there shall have been a period of 60 days or more during which a stay of enforcement of such judgment or order, by reason of pending appeal or otherwise, shall not be in effect;
- Equinix shall assert or acknowledge in writing that the escrow agreement is invalid or unenforceable; or
- certain events of bankruptcy or insolvency relating to Equinix or any of its Significant Subsidiaries.

If any Event of Default occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding notes may declare all principal of, premium, if any, on and interest on the notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of

Default arising from certain events of bankruptcy or insolvency relating to Equinix or a Significant Subsidiary, all outstanding notes will become due and payable without further action or notice.

Holders may not directly enforce the indenture or the notes except as provided in the indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding notes may direct the trustee in its exercise of any trust or power.

Holders of a majority in aggregate principal amount of the then outstanding notes, by notice to the trustee, may, on behalf of all holders, waive any existing default or Event of Default and its consequences under the indenture, except a continuing default or Event of Default in the payment of principal of, premium, if any, or interest on the notes.

We will be required to deliver to the trustee annually a statement regarding compliance with the indenture, and we will be required upon becoming aware of any default or Event of Default to deliver to the trustee a statement specifying such default or Event of Default. The trustee may withhold from holders notice of any continuing default or Event of Default, except a default or Event of Default relating to the payment of principal of, premium, if any, or interest on, the notes, if it determines that withholding notice is in their interest.

No Personal Liability of Directors, Officers, Employees, Incorporators or Shareholders

No director, officer, employee, incorporator or shareholder of Equinix, as such, will have any liability for any obligations of Equinix relating to the notes or the indenture, or for any claim based on, or in respect or by reason of, such obligations or their creation. Each holder of notes by accepting a note will waive and release any and all such liability. Such waiver and release are part of the consideration for issuance of the notes. Such waiver may not be effective to waive liabilities under federal securities laws and it is the view of the Commission that such a waiver is against public policy.

Legal Defeasance and Covenant Defeasance

The indenture provides that Equinix may, at its option and at any time, elect to have all of its obligations discharged relating to the outstanding notes, called legal defeasance, except for:

- the rights of holders to receive payments in respect of the principal of, premium, if any, and interest on such notes when such payments are due from the trust referred to below;
- Equinix's obligations relating to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- the rights, powers, trusts, duties and immunities of the trustee, and Equinix's obligations in connection therewith; and
- the legal defeasance provisions of the indenture.

In addition, Equinix may, at its option and at any time, elect to have its obligations released relating to certain covenants that are contained in the indenture, called covenant defeasance, and, thereafter, any omission to comply with such obligations will not constitute a default or Event of Default. In the event covenant defeasance occurs, certain events, but not including non-payment, bankruptcy, receivership, rehabilitation or insolvency events, described under "--Events of Default and Remedies" will no longer constitute an Event of Default.

To exercise either legal defeasance or covenant defeasance:

- Equinix must irrevocably deposit, or cause to be deposited, with the trustee, in trust, for the benefit of the holders, cash in U.S. dollars, non-callable Government Securities, or any combination, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding notes on its stated maturity or on the applicable redemption date, as the case may be, and Equinix must specify whether the notes are being defeased to maturity or to a particular redemption date;

- in the case of legal defeasance, Equinix must deliver to the trustee an opinion of United States counsel reasonably acceptable to the trustee confirming that, since the Issue Date, Equinix has received from, or

there has been published by, the Internal Revenue Service a ruling, or there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such legal defeasance, and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

- in the case of covenant defeasance, Equinix must deliver to the trustee an opinion of counsel in the United States reasonably acceptable to the trustee confirming that the holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such covenant defeasance, and such holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

- no default or Event of Default shall have occurred and be continuing on the date of such deposit, other than a default or Event of Default resulting from the borrowing of funds to be applied to such deposit;

- such legal defeasance or covenant defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument, other than the indenture, to which Equinix or any of the Restricted Subsidiaries is a party or by which Equinix or any of the Restricted Subsidiaries is bound;

- Equinix must deliver to the trustee an Officers' Certificate stating that the deposit was not made by Equinix with the intent of preferring the holders over other creditors of Equinix, or with the intent of defeating, hindering, delaying or defrauding creditors of Equinix or others; and

- Equinix must deliver to the trustee an Officers' Certificate and an opinion of United States counsel reasonably acceptable to the trustee, each stating that the conditions precedent provided for or relating to legal defeasance or covenant defeasance, as applicable, in the case of the Officers' Certificate, in the first through sixth clauses and, in the case of the opinion of counsel, in the first clause, relating to the validity and perfection of the security interest, and the second and third clauses of this paragraph, have been complied with.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect, except as to surviving rights or registration of transfer or exchange of notes, as to all outstanding notes when either:

- all such notes theretofore authenticated and delivered, except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by Equinix and thereafter repaid to Equinix or discharged from such trust, have been delivered to the trustee for cancellation; or

- (a) all such notes not theretofore delivered to the trustee for cancellation have become due and payable and Equinix has irrevocably deposited or caused to be deposited with the trustee as trust funds in trust for the purpose an amount of money sufficient to pay and discharge the entire indebtedness on the notes not theretofore delivered to the trustee for cancellation, for principal amount, premium, if any, and accrued interest to the date of such deposit; (b) Equinix has paid all sums payable by it under the indenture; and (c) Equinix has delivered irrevocable instructions to the trustee to apply the deposited money toward the payment of the notes at Stated Maturity or on the redemption date, as the case may be.

In addition, Equinix must deliver an Officers' Certificate and an opinion of counsel stating that all conditions precedent to satisfaction and discharge have been complied with.

Transfer and Exchange

A holder may transfer or exchange notes in accordance with the procedures set forth in the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and Equinix may require a holder to pay any taxes and fees required by law or permitted by the indenture. Equinix will not be required to transfer or exchange any note selected for redemption. Also, Equinix will not be required to transfer or exchange any note for a period of 15 days before:

- a selection of notes to be redeemed;
- an interest payment date; or
- the mailing of notice of a Change of Control Offer or Asset Sale Offer.

The registered holder of a note will be treated as the owner of it for all purposes under the indenture.

Amendment, Supplement and Waiver

With the consent of the holders of not less than a majority in aggregate principal amount of the notes at the time outstanding, Equinix and the trustee are permitted to amend or supplement the indenture or any supplemental indenture or modify the rights of the holders. However, that no such modification may, without the consent of each holder affected thereby:

- reduce the principal amount of, change the fixed maturity of, or alter the redemption provisions of, the notes;
- change the currency in which any notes or amounts owing thereon is payable;
- reduce the percentage of the aggregate principal amount outstanding of notes which must consent to an amendment, supplement or waiver or consent to take any action under the indenture or the notes;
- impair the right to institute suit for the enforcement of any payment on or relating to the notes;
- waive a default in payment relating to the notes;
- reduce the rate or change the time for payment of interest on the notes;
- following the occurrence of a Change of Control or an Asset Sale, alter Equinix's obligation to purchase the notes as a result of such Change of Control or Asset Sale in accordance with the indenture or waive any default in its performance;
- affect the ranking of the notes in a manner adverse to the holder of the notes; or
- release any Liens created by the escrow agreement except in accordance with the terms of the escrow agreement.

Notwithstanding the foregoing, without the consent of any holder of notes, Equinix and the trustee may amend or supplement the indenture or the notes;

- to cure any ambiguity, defect or inconsistency;
- to provide for uncertificated notes in addition to or in place of certificated notes;
- to provide for the assumption of Equinix's obligations to holders in the case of a merger or consolidation or sale of all or substantially all of Equinix's assets in accordance with the terms of the indenture;
- to make any change that would provide any additional rights or benefits to the holders or that does not adversely affect the legal rights under the indenture of any such holder; or
- to comply with the requirements of the Commission to effect or maintain the qualification of the indenture under the Trust Indenture Act.

Concerning the Trustee

The indenture contains certain limitations on the rights of the trustee, should it become a creditor of Equinix, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The trustee will be permitted to engage in other transactions. However, if it acquires any conflicting interest, it must eliminate such conflict within 90 days, apply to the Commission for permission to continue, or resign.

Holders of a majority in principal amount of the then outstanding notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the trustee, subject to certain exceptions. In case an Event of Default shall occur which is not cured, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of their own affairs. Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder, unless such

holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Governing Law

The indenture and the notes will be governed by and construed in accordance with the laws of the State of New York.

Equinix will submit to the jurisdiction of the U.S. federal and New York state courts located in the Borough of Manhattan, City and State of New York for purposes of all legal actions and proceedings instituted in connection with the notes and the indenture.

Certain Definitions

Set forth below are certain defined terms used in the indenture. Reference is made to the indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"Acquired Debt" or "Acquired Preferred Stock" means, relating to any specified person, Indebtedness or Preferred Stock of any other person existing at the time such other person is merged with or into or became a Subsidiary of such specified person, including by designation or revocation, provided such Indebtedness or Preferred Stock is not incurred in connection with, or in contemplation of, such other person merging with or into or becoming a Subsidiary of such specified person.

"Affiliate" of any specified person means any other person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified person. For purposes of this definition, "control", including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with", as used relating to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the Voting Stock of a person shall be deemed to be control.

"Asset Acquisition" means:

- any capital contribution, by means of transfers of cash or other property to others or payments for property or services for the account or use of others, or otherwise, by Equinix or any Restricted Subsidiary in any other person, or any acquisition or purchase of Capital Stock of any other person by Equinix or any Restricted Subsidiary, in either case by which such person shall (a) become a Restricted Subsidiary or (b) shall be merged with or into Equinix or any Restricted Subsidiary; or

- any acquisition by Equinix or any Restricted Subsidiary of the assets of any person which constitute substantially all of an operating unit or line of business of such person or which is otherwise outside of the ordinary course of business.

"Asset Sale" means:

- the sale, lease, transfer, conveyance or other disposition of any property, asset or right, including, without limitation, by way of a sale and leaseback, other than leases of space in an Exchange Facility entered into in the ordinary course of business, of Equinix or any Restricted Subsidiary; and

- the issue or sale by Equinix or any of the Restricted Subsidiaries of Equity Interests of any Subsidiary.

Notwithstanding the foregoing, the following items shall not be deemed to be Asset Sales:

- any disposition of properties and assets of Equinix subject to the "Merger, Consolidation or Sale of Assets" covenant, provided that any properties, assets or rights that are not included in any such dispositions shall be deemed to have been sold in a transaction constituting an Asset Sale;

- a transfer of properties, assets or rights by Equinix to a Restricted Subsidiary or by a Subsidiary to Equinix or to a Restricted Subsidiary;

- a disposition of obsolete or worn out equipment or equipment that is no longer useful in the conduct of a Permitted Business of Equinix and the Restricted Subsidiaries;

- the surrender or waiver by Equinix or any of the Restricted Subsidiaries

of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind by Equinix or any of the Restricted Subsidiaries or the grant by Equinix or any of the Restricted Subsidiaries of a Lien not prohibited by the indenture; and

- sales, transfers, assignments and other dispositions of assets, or related assets in related transactions (a) in the ordinary course of business (b) with an aggregate fair market value of less than $500,000 in any fiscal year or (c) constituting the incurrence of a Capital Lease Obligation.

"Board Resolution" means a duly authorized resolution of the board of directors.

"Capital Contribution" means any contribution to the common equity of Equinix from a direct or indirect parent of Equinix for which no consideration other than the issuance of common stock with no redemption rights and no special preferences, privileges or voting rights is given.

"Capital Lease Obligation" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means:

- in the case of a corporation, corporate stock;
- in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock;
- in the case of a partnership or limited liability company, partnership or membership interests, whether general or limited; and
- any other interest or participation that confers on a person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing person.

"Cash Equivalents" means:

- United States dollars;

- securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government, provided that the full faith and credit of the United States is pledged in support of those securities, having maturities of not more than six months from the date of acquisition;
- certificates of deposit and eurodollar time deposits with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any domestic commercial bank having capital and surplus in excess of $500 million and a Thompson Bank Watch Rating of "B" or better;
- repurchase obligations with a term of not more than seven days for underlying securities of the types described in the second clause above entered into with any financial institution meeting the qualifications specified in the third clause above;
- commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Group and in each case maturing within six months after the date of acquisition; and
- money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described above, provided that relating to any Foreign Subsidiary, Cash Equivalents shall also mean those investments that are comparable to the above clauses in such Foreign Subsidiary's country of organization or country where it conducts business operations.

"Change of Control" means the occurrence of any of the following:

- any "person" or "group," other than a Permitted Holder, is or becomes the "beneficial owner", as such terms are used in Section 13(d)(3) of the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time, directly or indirectly, of 35% or more of the Voting Stock, measured by voting power rather than number of shares, of Equinix and the Permitted Holders own, in the aggregate, a lesser percentage of the total Voting Stock, measured by voting power rather

than by number of shares, of Equinix than such person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of Equinix;

- during any period of two consecutive years, Continuing Directors cease for any reason to constitute a majority of the board of directors of Equinix;

- Equinix consolidates or merges with or into any other person or Equinix and/or any Restricted Subsidiaries sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets and properties of Equinix and the Restricted Subsidiaries on a consolidated basis to any other person, other than a Permitted Holder, other than a consolidation or merger or disposition of assets (a) of or by Equinix into or to a Wholly Owned Restricted Subsidiary of Equinix or (b) subject to the first clause above, in a transaction in which the outstanding Voting Stock of Equinix is changed into or exchanged for securities or other property with the effect that the beneficial owners of the outstanding Voting Stock of Equinix immediately before such transaction, beneficially own, directly or indirectly, at least a majority of the Voting Stock, measured by voting power rather than number of shares, of the surviving corporation or the person to whom Equinix's assets are transferred immediately following such transaction; or

- the adoption of a plan relating to the liquidation or dissolution of Equinix.

"Commission" means the Securities and Exchange Commission.

"Consolidated Capital Ratio" means, relating to Equinix as of any date, the ratio of the aggregate amount of Indebtedness of Equinix and the Restricted Subsidiaries then outstanding to the Consolidated Equity Capital of Equinix and the Restricted Subsidiaries as of such date. For the purposes of calculating the "Consolidated Capital Ratio";

- any Subsidiary of Equinix that is a Restricted Subsidiary on the Transaction Date shall be deemed to have been a Restricted Subsidiary at the end of the most recently ended fiscal quarter, called the Reference Date; and

- any Subsidiary of Equinix that is not a Restricted Subsidiary on the Transaction Date shall be deemed not to have been a Restricted Subsidiary on the Reference Date.

In addition to, and without limiting the foregoing, for the purposes of the foregoing, "Consolidated Equity Capital" shall be calculated after giving effect on a pro forma basis as of the Reference Date for, without duplication:

- any Asset Sales or Asset Acquisitions, including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of Equinix or one of the Restricted Subsidiaries, including any person who becomes a Restricted Subsidiary as the result of the Asset Acquisition, incurring, assuming or otherwise being liable for Acquired Debt, occurring during the period commencing on the Reference Date to and including the Transaction Date, as if such Asset Sale or Asset Acquisition occurred on the Reference Date;

- any issue or sale of Equity Interests, other than Disqualified Stock but including Equity Interests, other than Disqualified Stock, issued upon the exercise of options, warrants or rights to purchase such Equity Interests, of Equinix or any conversion of Disqualified Stock or debt securities of Equinix into Equity Interests, other than Disqualified Stock, occurring during the period commencing on the Reference Date to and including the Transaction Date, as if such issue, sale or conversion occurred on the Reference Date; and

- any Restricted Payments made by Equinix, and any sale, disposition or repayment of any Restricted Investment constituting a Restricted Payment, since the Reference Date to and including the Transaction Date, as if such Restricted Payment occurred on the Reference Date.

"Consolidated Cash Flow" means, relating to Equinix for any period, the Consolidated Net Income of Equinix and the Restricted Subsidiaries for such period plus:

- to the extent that any of the following items were deducted in computing such Consolidated Net Income, but without duplication, (a) provision for taxes based on income or profits of Equinix and the Restricted Subsidiaries for such period, plus (b) consolidated interest expense of Equinix and the Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized, including, without limitation, amortization of debt issuance costs and original issue discount, non-

cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments, if any, in Hedging Obligations, plus (c) depreciation, amortization, including amortization of goodwill and other intangibles, but excluding amortization of prepaid cash expenses that were paid in a prior period, and other non-cash expenses, excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period; of Equinix and the Restricted Subsidiaries for such period; minus

- non-cash items increasing such Consolidated Net Income for such period, other than items that were accrued in the ordinary course of business, in each case, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the foregoing, the provision for taxes on the income or profits of, and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of Equinix shall be added to Consolidated Net Income to compute Consolidated Cash Flow of Equinix only to the extent that a corresponding amount would be permitted at the date of determination to be dividended or otherwise distributed to Equinix by such

Restricted Subsidiary without prior governmental approval, that has not been obtained, and without direct or indirect restriction under the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its shareholders.

"Consolidated Equity Capital" means, relating to Equinix as of any date, the sum, without duplication, of

- the additional paid-in capital of the common shareholders reflected on the consolidated balance sheet of Equinix and the Restricted Subsidiaries as of such date; plus

- the respective amounts reported on Equinix's balance sheet as of such date relating to any series of Capital Stock, other than Disqualified Stock, not included in the first clause above; less

- (a) all write-ups, other than write-ups resulting from foreign currency translations and write-ups of tangible assets of a going concern business made within 12 months after the acquisition of such business, after the Issue Date in the book value of any asset owned by Equinix or a Restricted Subsidiary, (b) all outstanding net Investments as of such date in persons that are not Restricted Subsidiaries, without giving effect to any write-down or write-off, and (c) the aggregate amount of all Restricted Payments declared or made on or after the Issue Date other than (1) Investments in persons that are not Restricted Subsidiaries and (2) Restricted Payments made according to the third clause of the second paragraph of the "Restricted Payments" covenant.

"Consolidated Leverage Ratio" means, relating to Equinix, as of any date, the ratio of:

- the aggregate consolidated amount of Indebtedness of Equinix and the Restricted Subsidiaries then outstanding; to

- the annualized Consolidated Cash Flow of Equinix and the Restricted Subsidiaries for the most recently ended fiscal quarter.

For purposes of calculating "Consolidated Cash Flow" for any fiscal quarter for purposes of this definition:

- any Subsidiary of Equinix that is a Restricted Subsidiary on the Transaction Date shall be deemed to have been a Restricted Subsidiary at all times during such fiscal quarter; and

- any Subsidiary of Equinix that is not a Restricted Subsidiary on the Transaction Date shall be deemed not to have been a Restricted Subsidiary at any time during such fiscal quarter.

In addition to and without limitation of the foregoing, for purposes of this definition, "Consolidated Cash Flow" shall be calculated after giving effect on a pro forma basis for the applicable fiscal quarter to, without duplication, any Asset Sales or Asset Acquisitions, including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of Equinix or one of the Restricted Subsidiaries, including any person who becomes a Restricted Subsidiary as a result of the Asset Acquisition, incurring, assuming or otherwise being liable for Acquired Debt, occurring during the period commencing on the first day of such fiscal

quarter to and including the Transaction Date, as if such Asset Sale or Asset Acquisition occurred on the first day of such fiscal quarter.

"Consolidated Net Income" means, relating to Equinix for any period, the aggregate of the Net Income of Equinix and the Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; provided that:

- the Net Income, but not loss, of any person that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to Equinix or a Restricted Subsidiary of Equinix by such person but not in excess of Equinix's Equity Interests in such person;

- the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not

  at the date of determination permitted without any prior governmental approval, that has not been obtained, or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders, except that Equinix's equity in the net income of any such Restricted Subsidiary for such period may be included in such Consolidated Net Income (a) up to the aggregate amount of cash that could have been distributed by such Restricted Subsidiary during such period to Equinix as a dividend and (b) if the only restriction on the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is a restriction of the type described in the second clause of the second paragraph of the "Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" covenant;

- the Net Income of any person acquired in a pooling of interests transaction for any period before the date of such acquisition shall be excluded;

- the equity of Equinix or any Restricted Subsidiary in the net income, if positive, of any Unrestricted Subsidiary shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Unrestricted Subsidiary during such period to Equinix or a Restricted Subsidiary as a dividend or other distribution, but not in excess of the amount of the Net Income of such Unrestricted Subsidiary for such period;

- the cumulative effect of a change in accounting principles shall be excluded;

- all extraordinary, unusual or nonrecurring gains or losses, net of fees and expenses relating to the transaction giving rise thereto, shall be excluded;

- any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan shall be excluded; and

- gains or losses in respect of any Asset Sales, net of fees and expenses relating to the transaction giving rise thereto, shall be excluded.

"Consolidated Tangible Assets" of Equinix as of any date means the total amount of assets of Equinix and the Restricted Subsidiaries, less applicable reserves, on a consolidated basis at the end of the fiscal quarter immediately preceding such date, as determined in accordance with GAAP, less:

- unamortized debt and debt issuance expenses, deferred charges, goodwill, patents, trademarks, copyrights, and all other items which would be treated as intangibles on the consolidated balance sheet of Equinix and the Restricted Subsidiaries prepared in accordance with GAAP; and

- appropriate adjustments on account of minority interests of other Persons holding equity investments in Restricted Subsidiaries;

in the case of each of the clauses above, as reflected on the consolidated balance sheet of Equinix and the Restricted Subsidiaries.

"Continuing Directors" means individuals who at the beginning of the period of determination constituted the board of directors of Equinix, together with any new directors whose election by the board of directors or whose nomination for election by the shareholders of Equinix was approved by a vote of a majority of the directors of Equinix then still in office who were either directors at the beginning of the period or whose election or nomination for election was previously so approved or is the designee of any one of the Permitted Holders, or any combination of Permitted Holders, or was nominated or elected by any such Permitted Holder(s) or any of their designees.

"Cumulative Consolidated Cash Flow" means, as of any date of determination, the cumulative Consolidated Cash Flow realized during the period commencing on the first day of the fiscal quarter which includes the Issue Date and ending on the last day of the last fiscal quarter for which reports have been filed

with the Commission or provided to the trustee preceding the date of the event requiring such calculation to be made.

"Currency Agreement" means, relating to any person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such person is a party or beneficiary.

"Disqualified Stock" means any Equity Interest that, by its terms, or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of its holder, or upon the happening of any event, matures or is mandatorily redeemable, under a sinking fund obligation or otherwise, or redeemable at the option of its holder, in whole or in part, on or before the date that is 91 days after the date on which the notes mature; provided, however, that any Equity Interest that would constitute Disqualified Stock solely because its holders have the right to require Equinix to repurchase such Equity Interest upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of such Equity Interest provide that Equinix may not repurchase or redeem any such Equity Interest under such provisions unless such repurchase or redemption complies with the covenant described above under the "Restricted Payments" covenant.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock, but excluding any debt security that is convertible into, or exchangeable for, Capital Stock.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Exchange Facility" means a facility providing equipment colocation, direct high-speed connections, switched interconnections and related services to third party internet related businesses and operations.

"Existing Indebtedness" means Indebtedness of Equinix and the Restricted Subsidiaries in existence on the Issue Date, until such amounts are repaid.

"Foreign Subsidiary" means any Restricted Subsidiary of Equinix which:

- is not organized under the laws of the United States, any state or the District of Columbia; and
- conducts substantially all of its business operations outside the United States of America.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date.

"Government Securities" means securities that are:

- direct obligations, or certificates representing an ownership interest in such obligations, of the United States of America, including any government agency or instrumentally, the payment of which the full faith and credit of the United States of America is pledged;
- obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America; or
- obligations of a person the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America.

"Guarantee" means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Indebtedness of any other person:

- to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise; or

- entered into for purposes of assuring in any other manner the obligee of such Indebtedness of its payment of indebtedness or to protect such obligee against any loss, in whole or in part;

provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Hedging Obligations" means, relating to any person, the obligations of such person under any Interest Rate Agreement or Currency Agreement.

"Indebtedness" means, relating to any person, any indebtedness of such person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit, or related reimbursement agreements, or banker's acceptances or representing Capital Lease Obligations or the balance of the deferred and unpaid purchase price of any property or representing any Hedging Obligations, except any such balance that constitutes an accrued expense or trade payable, if and to the extent any of the foregoing, other than letters of credit, or related reimbursement agreements, banker's acceptances and Hedging Obligations, would appear as a liability upon a balance sheet of such person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of such person, whether or not such Indebtedness is assumed by such person, Disqualified Stock of such person and Preferred Stock of such person's Restricted Subsidiaries and, to the extent not otherwise included, the Guarantee by such person of any Indebtedness of any other person. The amount of any Indebtedness outstanding as of any date shall be:

- its accreted value, in the case of any Indebtedness issued with original issue discount, but the accretion of original issue discount in accordance with the original terms of Indebtedness issued with an original issue discount will not be deemed to be an incurrence; or

- its principal amount, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

Notwithstanding the foregoing, money borrowed and set aside at the time of the incurrence of any Indebtedness to prefund the payment of interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest.

"Interest Rate Agreement" means, relating to any person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such person is a party or beneficiary.

"Investments" means, relating to any person, all investments by such person in other persons, including affiliates, in the forms of direct or indirect loans, including Guarantees of Indebtedness or other obligations, advances or capital contributions, excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If Equinix or any of the Restricted Subsidiaries sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such person is no longer a Restricted Subsidiary, Equinix shall be deemed to have made an Investment on the date of any such sale or disposition equal to the

fair market value of the Equity Interests of such Restricted Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the "Restricted Payments" covenant.

"Issue Date" means the date of first issuance of the notes under the indenture.

"Lien" means, relating to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any related lease, any option or other agreement to sell or give a security interest in, and any filing of or agreement to give any financing statement under the Uniform Commercial Code, or equivalent statutes, of any jurisdiction.

"Net Cash Proceeds" means the aggregate amount of cash or Cash Equivalents received by Equinix in the case of a sale, or Capital Contribution in respect, of Capital Stock and by Equinix and the Restricted Subsidiaries in respect of an Asset Sale plus, in the case of an issuance of Capital Stock upon any exercise, exchange or conversion of securities, including options, warrants, rights and convertible or exchangeable debt, of Equinix that were issued for

cash on or after the Issue Date, the amount of cash originally received by Equinix upon the issuance of such securities, including options, warrants, rights and convertible or exchangeable debt, less, in each case, the sum of all payments, fees, commissions and reasonable and customary expenses, including, without limitation, the fees and expenses of legal counsel and investment banking fees and expenses, incurred in connection with such Asset Sale or sale of Capital Stock, and, in the case of an Asset Sale only, less the amount, estimated reasonably and in good faith by Equinix, of income, franchise, sales and other applicable federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability by Equinix or any of its respective Restricted Subsidiaries in connection with such Asset Sale in the taxable year that such sale is consummated or in the immediately succeeding taxable year, the computation of which shall take into account the reduction in tax liability resulting from any available operating losses and net operating loss carryovers, tax credits and tax credit carryforwards, and similar tax attributes.

"Net Income" means, relating to any person, the net income (loss) of such person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however:

- any gain, but not loss, together with any related provision for taxes on such gain, but not loss, realized in connection with (a) any Asset Sale or (b) the disposition of any securities by such person or any of the Restricted Subsidiaries; and

- any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Newly Raised Capital" means funds raised by Equinix and the Restricted Subsidiaries after the Issue Date.

"Non-Recourse Debt" means Indebtedness:

- as to which neither Equinix nor an Restricted Subsidiary (a) provides any Guarantee or credit support of any kind, including any undertaking, guarantee, indemnity, agreement or instrument that would constitute Indebtedness or (b) is directly or indirectly liable, as a guarantor or otherwise; and

- no default relating to which, including any rights that its holders may have to take enforcement action against an Unrestricted Subsidiary, would permit, upon notice, lapse of time or both, any holder of any other Indebtedness of Equinix or any Restricted Subsidiary to declare a default under such other Indebtedness or cause its payment to be accelerated or payable before its Stated Maturity.

"Officer" means the President, the Chief Executive Officer, the Chief Financial Officer and any vice president of Equinix.

"Officers' Certificate" means a certificate signed by two Officers.

"Permitted Business" means the business of designing, constructing, owning, operating and leasing space within Exchange Facilities together with any other activity reasonably related thereto.

"Permitted Credit Facility" means any senior commercial term loan and/or revolving credit facility, including any letter of credit subfacility, entered into principally with commercial banks and/or other persons typically party to commercial loan agreements.

"Permitted Foreign Credit Facility" means any senior commercial term loan and/or revolving credit facility, including any letter of credit subfacility, entered into principally with commercial banks and/or other persons typically party to commercial loan agreements having only Foreign Subsidiaries as obligors thereunder; provided that Equinix may be a guarantor of any such Permitted Foreign Credit Facility.

"Permitted Holder" means Benchmark Capital Partners II, L.P., Cisco Systems, Inc., Microsoft Corporation, News Corp., Albert M. Avery, IV, Jay S. Adelson and their respective Related Persons.

"Permitted Investments" means:

- any Investment in Equinix or in a Restricted Subsidiary of Equinix that is engaged entirely or substantially entirely in a Permitted Business;

- any Investment in Cash Equivalents;

- any Investment by Equinix or any of the Restricted Subsidiaries in a person, if as a result of such Investment (a) such person becomes a Restricted Subsidiary of Equinix that is engaged entirely or substantially entirely in a Permitted Business or (b) such person is

merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Equinix or a Restricted Subsidiary of Equinix that is engaged entirely or substantially entirely in a Permitted Business;

- loans or advances to employees of Equinix or any Restricted Subsidiary in an amount not to exceed $5 million at any time outstanding;

- any Investment made as a result of the receipt of non-cash consideration from an Asset Sale made in compliance with the "Asset Sales" covenant; and

- Investments in securities of trade creditors or customers received under any plan of reorganization or similar arrangement arising out of the bankruptcy or insolvency of such trade creditors or customers.

"Permitted Liens" means:

- Liens to secure Indebtedness (a) permitted by the sixth and seventh clauses of the second paragraph of the "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, provided that relating to Liens to secure Indebtedness permitted by the seventh clause of the covenant or any Permitted Refinancing Indebtedness of such Indebtedness, such Lien must cover only the assets acquired with such Indebtedness, and (b) incurred under a Permitted Credit Facility or a Permitted Foreign Credit Facility and permitted by the fifth clause of the second paragraph of the "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant;

- Liens in favor of Equinix or any Restricted Subsidiary;

- Liens on property of a person existing at the time such person is merged with or into or consolidated with Equinix or any of the Restricted Subsidiaries, provided that such Liens were in existence before the contemplation of such merger or consolidation and do not extend to any assets other than those of the person merged into or consolidated with Equinix or such Restricted Subsidiary;

- Liens on property existing at the time of its acquisition by Equinix or any of the Restricted Subsidiaries, provided that such Liens were in existence before the contemplation of such acquisition;

- Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;

- Liens existing on the Issue Date;

- Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, provided that any reserve or other appropriate provision as shall be required in conformity with GAAP shall have been made therefor;

- zoning restrictions, rights-of-way, easements and similar charges or encumbrances incurred in the ordinary course which in the aggregate do not detract from the value of the property;

- Liens securing the notes;

- Liens incurred in the ordinary course of business of Equinix or any of the Restricted Subsidiaries relating to obligations that do not exceed 5% of Equinix's Consolidated Tangible Assets at any one time outstanding and that (a) are not incurred in connection with the borrowing of money or the obtaining of advances or credit, other than trade credit in the ordinary course of business and (b) do not in the aggregate materially detract from the value of the property or materially impair its use in the operation of business by Equinix or such Restricted Subsidiary; and

- Liens securing money borrowed, or any securities purchased therewith, which is, or are, in the case of securities, set aside at the time of the incurrence of any Indebtedness permitted to be incurred under the "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant to prefund the payment of interest on such Indebtedness.

"Permitted Recourse Debt" means Indebtedness as to which Equinix is contingently liable as a guarantor or indemnitor or as to which Equinix has agreed to otherwise provide credit support, in any such case to the extent that the maximum possible liability of Equinix in respect of any such Indebtedness, at the time of its incurrence by Equinix is permitted to be incurred as Permitted Indebtedness under the fourth clause of its definition.

"Permitted Refinancing Indebtedness" means any Indebtedness of Equinix or

any of the Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of Equinix or any of the Restricted Subsidiaries, other than Indebtedness incurred under the third, fourth, fifth, seventh or eighth clauses of the definition of Permitted Indebtedness; provided that:

- the principal amount, or accreted value, if applicable, of such Permitted Refinancing Indebtedness does not exceed the principal amount of, or accreted value, if applicable, plus accrued interest on, the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded, plus the amount of any premium required to be paid in connection with such refinancing under the terms of such Indebtedness or otherwise reasonably determined by Equinix to be necessary and reasonable expenses incurred in connection therewith;

- such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

- if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the notes, such Permitted Refinancing Indebtedness is expressly subordinated in right of payment to, the notes on terms at least as favorable to the holders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

- if such Permitted Refinancing Indebtedness refinances Indebtedness of a Restricted Subsidiary, such Permitted Refinancing Indebtedness is incurred either by Equinix or by the Restricted Subsidiary who is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and

- such Permitted Refinancing Indebtedness is secured only by the assets, if any, that secured the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Preferred Stock" means any Equity Interest of any class or classes of a person, however designated, which is preferred as to payments of dividends, or as to distributions upon any liquidation or dissolution, over Equity Interests of any other class of such person.

"Purchase Money Indebtedness" means Indebtedness, including Acquired Debt, in the case of Capital Lease Obligations, mortgage financings and purchase money obligations, incurred for the purpose of financing all or any part of the cost of the engineering, construction, installation, importation, acquisition, lease, development or improvement of any assets used by Equinix or any Restricted Subsidiary in a Permitted Business, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, as the same may be amended, supplemented, modified or restated from time to time. Equinix in its sole discretion shall determine whether any item of Indebtedness or portion of Indebtedness meeting the foregoing criteria shall be classified as Purchase Money Indebtedness for the purposes of the covenant "Incurrence of Indebtedness and Issuance of Preferred Stock."

"Qualified Consideration" means all assets, rights, contractual or otherwise, and properties, whether tangible or intangible, used or intended for use in a Permitted Business and the Equity Interests of a person engaged entirely or substantially entirely in a Permitted Business.

"Related Person" means any person who controls, is controlled by or is under common control with a Permitted Holder; provided, that for purposes of this definition "control" means the beneficial ownership of more than 50% of the total voting power of a person normally entitled to vote in the election of directors managers or trustees, as applicable, of a person; provided, further, that relating to any natural person, each member of such person's immediate family shall be deemed to be a Related Person of such person.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" of a person means any Subsidiary of the referent person that is not an Unrestricted Subsidiary. Unless the context specifically requires otherwise, Restricted Subsidiary includes a direct or indirect Restricted Subsidiary of Equinix.

"Senior Debt" means all Indebtedness of Equinix which is not expressly by its terms, subordinate or junior in right of payment to the notes.

"Significant Subsidiary" means any Restricted Subsidiary that would be a

"significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated under the Act, as such Regulation is in effect on the Issue Date.

"Stated Maturity" means, relating to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal before the date originally scheduled for its payment.

"Subordinated Indebtedness" means Indebtedness of Equinix that is subordinated in right of payment by its terms or the terms of any document or instrument or instrument relating thereto to the notes, in any respect.

"Subsidiary" means, relating to any person:

- any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled, without regard to the occurrence of any contingency, to vote in the election of directors, managers or trustees of the entity, is at the time owned or controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of that person, or a combination; and

- any partnership (a) the sole general partner or the managing general partner of which is such person or a Subsidiary of such person or (b) the only general partners of which are such person or one or more Subsidiaries of such person, or any combination.

"Transaction Date" means the date of the transaction giving rise to the need to calculate the Consolidated Leverage Ratio or the Consolidated Capital Ratio, as the case may be.

"Unrestricted Subsidiary" means any Subsidiary of Equinix that is designated by the board of directors as an Unrestricted Subsidiary by a Board Resolution; but only to the extent that such Subsidiary at the time of such designation:

- has no Indebtedness other than Non Recourse Debt and Permitted Recourse Debt;

- is a person relating to which neither Equinix nor any of the Restricted Subsidiaries has any direct or indirect obligation to maintain or preserve such person's financial condition or to cause such person to achieve any specified levels of operating results; and

- has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Equinix or any of the Restricted Subsidiaries.

Any such designation by the board of directors shall be evidenced by filing with the trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by the "Restricted Payments" covenant. The board of directors of Equinix may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of Equinix of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if:

- such Indebtedness is permitted under the "Incurrence of Indebtedness and Issuance of Preferred Stock" covenant, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and

- no default or Event of Default would be in existence following such designation.

"U.S. Government Securities" means securities that are direct obligations of the United States of America for the payment of which its full faith and credit is pledged.

"Voting Stock" of any person as of any date means the Capital Stock of such person that is at the time entitled to vote in the election of the board of directors of such person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years, calculated to the nearest one-twelfth, that will elapse between such date and the

making of such payment; by

- the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Restricted Subsidiary" of any person means a Restricted Subsidiary of such person all of the outstanding Capital Stock or other ownership interests of which, other than directors' qualifying shares, shall at the time be owned by such person or by such person and one or more Wholly Owned Restricted Subsidiaries of such person or by one or more Wholly Owned Restricted Subsidiaries of such person.

BOOK-ENTRY; DELIVERY AND FORM

Except as described below, we will initially issue the exchange notes in the form of one or more registered exchange notes in global form without coupons. We will deposit each global note on the date of the closing of the exchange offer with, or one behalf of, DTC in New York, New York, and register the exchange notes in the name of DTC or its nominee, or will leave such notes in the custody of the trustee.

Depository Procedures

The descriptions of the operations and procedures of DTC, Euroclear and Cedel set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. Equinix takes no responsibility for these operations or procedures, and you are urged to contact the relevant system or its participants directly to discuss these matters.

DTC has advised us that it is:

- a limited purpose trust company organized under the laws of the State of New York;
- a "banking organization" within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the Uniform Commercial Code, as amended; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's participants include securities brokers and dealers, including the initial purchasers, banks and trust companies, clearing corporations and various other organizations. Indirect access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies, as indirect participants, that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Investors who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants.

Equinix expects that under procedures established by DTC:

- upon deposit of each global note, DTC will credit the accounts of participants designated by the initial purchasers with an interest in such global note; and
- ownership of the notes will be shown on, and the transfer of their ownership will be effected only through, records maintained by DTC, relating to the interests of participants, and the records of participants and the indirect participants, relating to the interests of persons other than participants.

The laws of some jurisdictions may require that purchasers of securities take physical delivery of such securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to such persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer such interest to persons or entities that do not participate in DTC's system, or to otherwise take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

So long as DTC or its nominee is the registered owner of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global note for all purposes under the

indenture. Except as provided below, owners of beneficial interests in a global note will not

be entitled to have notes represented by such global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes, and will not be considered as owners or holders under the indenture for any purpose, including relating to the giving of any direction, instruction or approval to the trustee thereunder. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if such holder is not a participant or an indirect participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights of a holder of notes under the indenture or such global note. Equinix understands that under existing industry practice, in the event that Equinix requests any action of holders of notes, or a holder that is an owner of a beneficial interest in a global note desires to take any action that DTC, as the holder of such global note, is entitled to take, DTC would authorize the participants to take such action and the participants would authorize holders owning through such participants to take such action or would otherwise act upon the instruction of such holders. Neither Equinix nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to such notes.

Payments relating to any notes, including relating to the principal of, and premium, if any, liquidated damages, if any, and interest on, any notes, represented by a global note registered in the name of DTC or its nominee on the applicable record date will be payable by the trustee, as applicable, to or at the direction of DTC or its nominee in its capacity as the registered holder of the global note representing such notes under the indenture. Under the terms of the indenture, Equinix and the trustee may treat the persons in whose names the notes, including the global notes representing such notes, are registered as their owners for the purpose of receiving payment on the notes and for any and all other purposes whatsoever. Accordingly, neither Equinix nor the trustee has or will have any responsibility or liability for the payment of such amounts to owners of beneficial interests in a global note (including principal, premium, if any, liquidated damages, if any, and interest on any notes). Payments by the participants and the indirect participants to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of the participants or the indirect participants and DTC.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Cedel will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Cedel participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Cedel, as the case may be, by its respective depositary; however, such crossmarket transactions will require delivery of instructions to Euroclear or Cedel, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines, Brussels time, of such system. Euroclear or Cedel, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Cedel participants may not deliver instructions directly to the depositories for Euroclear or Cedel.

Because of time zone differences, the securities account of a Euroclear or Cedel participant purchasing an interest in a global note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Cedel participant, during the securities settlement processing day, which must be a business day for Euroclear and Cedel, immediately following the settlement date of DTC. Cash received in Euroclear or Cedel as a result of sales of interest in a global note by or through a Euroclear or Cedel participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Cedel cash account only as of the business day for Euroclear or Cedel following DTC's settlement date.

Although DTC, Euroclear and Cedel have agreed to the foregoing procedures to facilitate transfers of interests in the global notes among participants in DTC, Euroclear and Cedel, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. Neither Equinix nor the trustee will have any responsibility for the performance by DTC, Euroclear or Cedel or their respective participants or

indirect participants of their respective obligations under the rules and procedures governing their operations.

DTC and Year 2000 Problems. DTC's management is aware that some computer applications, systems, and the like for processing data that are dependent upon calendar dates, including dates before, on or after January 1, 2000, may encounter "Year 2000 problems." DTC has informed participants and other members of the financial community that it has developed and is implementing a program so that its systems, as the same relate to the timely payment of distributions, including principal and income payments, to securityholders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames. However, DTC's ability to perform its services properly is also dependent upon other parties, including but not limited to Equinix and its agents, as well as third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others. DTC has informed the financial community that it is contacting, and will continue to contact, third party vendors from whom DTC acquires services to impress upon them the importance of such services being Year 2000 compliant, and to determine the extent of their efforts for Year 2000 remediation and, as appropriate, testing of their services. In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information relating to DTC has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Certificated Notes

If:

- Equinix notifies the trustee in writing that DTC is no longer willing or able to act as a depositary or DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days of such notice or cessation;

- Equinix, at its option, notifies the trustee in writing that they elect to cause the issuance of the notes in certificated form under the indenture; or

- upon the occurrence of other events as provided in the indenture;

then, upon surrender by DTC of such global notes, Certificated Securities will be issued to each person that DTC identifies as the beneficial owner of the notes represented by such global notes. Upon any such issuance, the trustee is required to register such certificated securities in the name of such person or persons, or the nominee of any person or persons, and cause the same to be delivered to such person or persons.

Neither the Equinix nor the trustee shall be liable for any delay by DTC or any participant or indirect participant in identifying the beneficial owners of the related notes and each such person may conclusively rely on, and shall be protected in relying on, instructions from DTC for all purposes, including relating to the registration and delivery, and the respective principal amounts, of the notes to be issued.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material United States federal income tax considerations relevant to the exchange of the initial notes for exchange notes pursuant to the exchange offer and to the ownership and disposition of the exchange notes. The discussion is based upon the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury Regulations, Internal Revenue Service ("IRS") rulings and pronouncements and judicial decisions all in effect as of the date hereof, all of which are subject to change at any time, and any such change may be applied retroactively in a manner that could adversely affect a holder of the initial notes or the exchange notes. The discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder's particular circumstances or to holders subject to special tax rules, such as certain financial institutions, insurance companies, dealers in securities or currencies, tax-exempt organizations and persons holding the initial notes or exchange notes as part of a "straddle," "hedge" or "conversion transaction." Moreover, the effect of any applicable state, local or foreign tax laws is not discussed. The discussion below assumes that the initial notes and exchange notes are held as "capital assets" within the meaning of Section 1221 of the Code. For purposes of this summary, the term "Equinix" refers only to Equinix, Inc. and not to any of its subsidiaries. Also, in this description the term "notes" refers to the "initial notes" and "exchange notes" collectively.

As used herein, "U.S. holder" means a beneficial owner of an exchange note who or that (i) is a citizen or resident of the United States, (ii) is a corporation, partnership or other entity created or organized in or under the laws of the United States, or political subdivision of the United States, (iii) is an estate the income of which is subject to U.S. federal income taxation regardless of its source, (iv) is a trust if (A) a U.S. court is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. fiduciaries have authority to control all substantial decisions of the trust, or (v) is otherwise subject to U.S. federal income tax on a net income basis in respect of the exchange notes. As used herein, a "non-U.S. holder" means a holder who or that is not a U.S. holder.

Persons considering exchanging their initial notes for exchange notes should consult their own tax advisors with regard to the application of the united states federal income tax considerations discussed below to their particular situations as well as the application of any state, local, foreign or other tax laws, including gift and estate tax laws and any applicable tax treaty.

Federal Income Tax Consequences of the Exchange Offer

The exchange of the initial notes for the exchange notes in accordance with the exchange offer should not be treated as an exchange for federal income tax purposes because the exchange notes should not be considered to differ materially in kind or in extent from the initial notes. Rather, the exchange notes received by a holder should be treated as a continuation of the initial notes in the hands of such holder. As a result, there should be no federal income tax consequences to holders exchanging the initial notes for exchange notes in accordance with the exchange offer, and the federal income tax consequences of holding and disposing of the exchange notes should be the same as the federal income tax consequences of holding and disposing of the initial notes. Accordingly, the holder must, among other things, continue to include original issue discount ("OID") in income as if the exchange had not occurred. See below, "--The Exchange Notes--Original Issue Discount", for a description of the OID rules applicable to the exchange notes.

U.S. Holders

The Exchange Notes

Interest. The stated interest on the exchange notes generally will be taxable to a U.S. holder as ordinary income at the time that it is paid or accrued, in accordance with the U.S. holder's method of accounting for

federal income tax purposes. Failure of Equinix to continue to cause the registration statement of which this prospectus is a part to continue to be effective or useable in connection with its intended purpose under the registration rights agreement as described under "The Exchange Offer; Purpose of the Exchange Offer" may result in the payment of predetermined liquidated damages in the manner described therein, which payments will be treated as additional interest on the notes. According to Treasury Regulations, the possibility of a change in the interest rate will not affect the amount of interest income recognized by a U.S. holder (or the timing of such recognition) if the likelihood of the change, as of the date the initial notes were issued, was remote. Equinix believes that as of the date the initial notes were issued, the likelihood of a change in the interest rate on such notes was remote and has not and does not intend to treat the possibility of a change in the interest rate as affecting the yield to maturity of any initial notes or exchange notes. There can be no assurance that the IRS will agree with such position.

Original Issue Discount. The initial notes were issued as part of an investment unit comprised of $1,000 principal amount of initial notes and one warrant to purchase shares of the common stock of Equinix. Equinix and the initial purchasers of the initial notes (the "Initial Purchasers") allocated in the purchase agreement for the initial notes a purchase price of $909.96 to each $1,000 principal amount at maturity of initial notes. This allocation reflected Equinix's and the Initial Purchasers' judgement as to the relative values of the initial notes and warrants at the time of issuance but is not binding on the IRS.

Equinix's and the Initial Purchaser's allocation of the issue price of the units will be binding on U.S. holders of exchange notes who acquire such notes in the exchange offer in exchange for initial notes that were in turn acquired by such holder directly from Equinix, unless the U.S. holder discloses the use of a different allocation in a statement attached to its timely federal income tax return for the year in which the unit was acquired. If a U.S. holder acquired a unit at a price different from that on which Equinix's and the Initial Purchaser's allocation is based, such holder may be treated as having acquired the initial notes for an amount greater or less than the amount allocated to such notes as set forth above thereby resulting in market discount or bond premium, as discussed below. U.S. holders considering the use of an issue price allocation different from that described above should consult their

tax advisors as to the consequences thereof.

The initial notes will have OID in an amount equal to the excess of the stated redemption price at maturity over the issue price of such initial notes (as discussed above) and the exchange notes that are acquired in the exchange offer will have the same amount of OID. U.S. holders will be required to include OID in ordinary income over the period that they hold the exchange notes in advance of the receipt of cash attributable thereto. The amount of OID to be included in income will be an amount equal to the sum of the daily portions of OID for each day during the taxable year in which the exchange notes are held.

The daily portions of OID are determined by allocating to each day in an accrual period (which may be of any length and may vary over the term of the exchange notes, at the option of the holder, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest on the exchange notes occurs on the first or last day of an accrual period) the pro rata portion of the OID allocable to the accrual period. The amount of OID that is allocable to an accrual period generally will be the excess of the product of the adjusted issue price of the exchange note at the beginning of the accrual period (the issue price of the exchange note determined as described above, generally increased by all prior accruals of OID) and the yield to maturity of the exchange note (calculated on a constant yield basis appropriately adjusted for the length of the accrual period) over the stated interest paid during the accrual period or on the first day of the succeeding accrual period. In general, the constant yield method will result in a greater portion of such discount being included in income in the later part of the term of the exchange note. Any amount of OID included in income will increase a U.S. holder's tax basis in the exchange notes.

Equinix is required to furnish certain information to the IRS, and will furnish annually to record holders of exchange notes, information relating to OID accruing during the calendar year. That information will be based upon the adjusted issue price of the initial notes that were exchanged for the exchange notes as if the holder were the original holder of the initial notes.

A U.S. holder who purchases an exchange note for an amount other than the adjusted issue price of the initial notes and/or on a date other than the end of an accrual period will be required to determine for itself the amount of OID, if any, it is required to include in gross income for U.S. federal income tax purposes.

Optional Redemption. Under the Treasury Regulations, for purposes of computing OID, Equinix will be presumed to exercise its option to redeem the exchange notes if, by utilizing the date of exercise of the call option as the maturity date and the redemption price as the stated redemption price at maturity, the yield on the exchange notes would be lower than such yield would be if the option were not exercised. See "Description of the Exchange Notes--Optional Redemption."

If Equinix's option to redeem the exchange notes were presumed exercised on a given date (the "Presumed Exercise Date"), the exchange notes would bear additional OID in an amount equal to the amount for which the exchange notes could be redeemed (the "Redemption Amount") over their issue price. For purposes of calculating the current inclusion of such discount, the yield on the exchange notes would be computed on their issue date by treating the Presumed Exercise Date as the maturity date of the exchange notes and the Redemption Amount as their stated principal amount due at maturity. If Equinix's option to redeem the exchange notes were presumed exercised but were not exercised in fact on the Presumed Exercise Date, the exchange notes would be treated, for certain purposes, as if the option were exercised and new debt instruments were issued on the Presumed Exercise Date for an amount of cash equal to the Redemption Amount. In such case, it appears that any payment of stated interest due under the exchange notes after the Presumed Exercise Date would constitute qualified stated interest (rather than OID) and would be taxable as ordinary interest income at the time such interest was accrued or was received, in accordance with such U.S. holder's regular method of accounting for tax purposes.

Market Discount and Bond Premium. If a U.S. holder purchases exchange notes or has purchased initial notes for an amount that is less than the adjusted issue price of such exchange notes or initial notes, as the case may be, the amount of difference will generally be treated as market discount for U.S. Federal income tax purposes. In such case, any principal payment on and gain realized on the sale, exchange or retirement of the exchange notes and unrealized appreciation on certain nontaxable dispositions of the exchange notes will be treated as ordinary income to the extent of any market discount that has not previously been included in gross income and that is treated as having accrued on such exchange notes or initial notes that were exchanged for such exchange notes, by the time of such payment or disposition. If a U.S. holder makes a gift of exchange notes, accrued market discount, if any, will be recognized as if such holder has sold such exchange notes for a price equal to their fair market value. In addition, the U.S. holder may be required to defer,

until the maturity of the exchange notes or their earlier disposition in a taxable transaction, the deduction of a portion of the interest expense on any indebtedness incurred or continued to purchase or carry such exchange notes or initial notes that were exchanged for such exchange notes.

Unless the U.S. holder elects to treat market discount as accruing on a constant yield method, market discount will be treated as accruing on a straight-line basis over the remaining term of the exchange notes. An election made to include market discount in income as it accrues will apply to all debt instruments acquired by the U.S. holder on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

If a U.S. holder purchases an exchange note for an amount in excess of all amounts payable on the exchange note after the purchase date, other than payments of stated interest, such excess will be treated as bond premium. In general, a U.S. holder may elect to amortize bond premium over the remaining term of the exchange note on a constant yield method. The amount of bond premium allocable to any accrual period is offset against the stated interest allocable to such accrual period (any excess may be deducted, subject to certain limitations). An election to amortize bond premium applies to all taxable debt instruments held at the beginning of the first taxable year to which such election applies and thereafter acquired by the U.S. holder and may be revoked only with the consent of the IRS.

Sale or Retirement of Exchange Notes. Upon the sale, retirement, redemption or other taxable disposition of exchange notes, a U.S. holder will generally recognize gain or loss in an amount equal to the difference between (a) the amount of cash and the fair market value of other property received in exchange therefor (other than amounts attributable to accrued but unpaid stated interest) and (b) the U.S. holder's adjusted tax basis in such exchange notes. Any gain or loss recognized will generally be capital gain or loss, and such capital gain or loss will generally be long-term capital gain or loss if the exchange notes have been held by the U.S. holder for more than one year (including, in the case of a U.S. holder who acquired the exchange notes in exchange for initial notes, the period of time the initial notes were held by such U.S. holder) and otherwise will be a short-term capital gain or loss.

A U.S. holder's tax basis in an exchange note that was acquired in exchange for an initial note that was in turn acquired in the initial issuance from Equinix will generally be equal to the issue price allocated to such initial note as described above under "--The Exchange Notes--Original Issue Discount", increased by the amount of OID, if any, included in gross income before the date of the disposition, and decreased by the amount of any payment, other than stated interest, on such note before disposition.

U.S. holders should be aware that the resale of the exchange notes may be affected by the market discount rules of the Code as described above under "--The Exchange Notes--Market Discount and Bond Premium" under which a purchaser of an initial note or an exchange note acquiring such note at a market discount generally would be required to include as ordinary income a portion of the gain realized upon the disposition or retirement of such note, to the extent of the market discount that has accrued but not been included in income while such note was held by such purchaser.

Non-U.S. Holders

Interest or redemption proceeds paid to non-U.S. holders of the exchange notes generally will not be subject to U.S. Federal withholding tax provided that (a) the non-U.S. holder does not actually or constructively own 10 percent or more of a total combined voting power of all classes of stock of Equinix entitled to vote, (b) the non-U.S. holder is not a "controlled foreign corporation" (within the meaning of the Code) that is related to Equinix through stock ownership, (c) either (1) the beneficial owner of the exchange notes provides Equinix or its agent with a statement signed under penalties of perjury that includes its name and address and certifies that it is not a United States person or (2) a securities clearing organization, bank, or other financial institution that holds customers' securities in the ordinary course of its business (a "financial institution") certifies to Equinix or its agent, under penalties of perjury, that such a statement has been received from the beneficial owner by it or another financial institution and furnished to Equinix or its agent a copy of the statement and (d) the exchange notes are in registered form. If these requirements cannot be met, a non-U.S. holder will be subject to U.S. withholding tax at a rate of 30 percent (or lower treaty rate, if applicable) on interest payments. Although U.S. tax will also be imposed against OID on the exchange notes before payment, such tax will only be withheld from stated interest payments on the exchange notes. However, such additional withholding may result in U.S. withholding tax on stated interest payments exceeding 30 percent.

In general, any gain realized by any non-U.S. Holder upon the sale, exchange or redemption of an exchange note will not be subject to Federal income or withholding tax unless (i) a non-U.S. holder is an individual and is present in

the U.S. for a total of 183 days or more during the taxable year in which the gain is realized, (ii) the gain is effectively connected with the conduct of a trade or business of the holder in the U.S., or in the case of certain residents of countries which have an income tax treaty in force with the U.S., attributable to a permanent establishment (or in the case of an individual a fixed base) in the U.S. as such terms are defined in the applicable tax treaty, (iii) the holder is subject to tax in accordance with the provisions of U.S. tax law applicable to certain U.S. expatriates (including certain former citizens or residents of the U.S.) or (iv) Equinix is or has been a "United States real property holding corporation" at any time within the shorter of the five-year period preceding such disposition or such holder's holding period. Equinix does not believe that is its currently a "United States real property holding corporation", or that it will become one in the future.

Deductibility of Interest and Original Issue Discount

The Code contains various limitations and restrictions on the deductibility of interest and/or OID. Some of these limitations and restrictions may be applicable to the interest and/or the OID associated with the notes. In such event, some or all of the interest or OID associated with the notes may not be deductible by Equinix.

Information Reporting and Backup Withholding

In general information reporting requirements will apply to OID, payments of principal, premium, if any, and interest on the exchange notes and payments of the proceeds of the sale of the exchange notes, and a 31% backup withholding tax may apply to such payments if the holder either (i) fails to demonstrate that the holder comes within certain exempt categories of holders or (ii) fails to furnish or certify his correct taxpayer identification number to the payer in the manner required, is notified by the IRS that he has failed to report payments of interest and dividends properly, or under certain circumstances, fails to certify that he has not been notified by the IRS that he is subject to backup withholding for failure to report interest and dividend payments. Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a credit against such holder's United States federal income tax and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in the exchange offer where the outstanding exchange notes were acquired as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the consummation of the exchange offer, we will make this prospectus, as amended and supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until , 2000, all dealers effecting transactions in the exchange notes issued in the exchange offer may be required to deliver a prospectus.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. exchange notes received by broker-dealers for their own account in the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or though brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account in the exchange offer and any broker or dealer that participates in a distribution of such exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act, and profit on any such resale of exchange notes issued in the exchange and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the consummation of the exchange offer, we will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer, including the expenses of one counsel for the holders of the exchange notes, other than the commissions or concessions of any broker-dealers and will indemnify the holders of the exchange notes, including any

broker-dealers, against certain liabilities, including liabilities under the Securities Act. We note, however, that, in the opinion of the SEC, indemnification against liabilities arising under federal securities laws is against public policy and may be unenforceable.

LEGAL MATTERS

Legal matters as to the validity of the exchange notes offered by this prospectus will be passed on for us by Dewey Ballantine LLP, New York, New York and Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, Menlo Park, California. As of the date of this prospectus, some partners of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP, our outside corporate counsel, beneficially owned an aggregate of 75,000 shares of our Series A preferred stock and 9,375 shares of our Series B preferred stock.

EXPERTS

The consolidated financial statements of Equinix, Inc. and subsidiary as of December 31, 1998 and 1999 and for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999, have been included herein and in the registration statement in reliance on the report of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon the authority of that firm as experts in accounting and auditing.

EQUINIX, INC. AND SUBSIDIARY

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Equinix, Inc. and Subsidiary:

We have audited the accompanying consolidated balance sheets of Equinix, Inc. and subsidiary (the "Company"), as of December 31, 1998 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Equinix, Inc. and subsidiary as of December 31, 1998 and 1999, and the results of their operations and their cash flows for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999, in conformity with generally accepted accounting principles.

KPMG LLP

Mountain View, California
January 21, 2000, except as to Note 10,

which is as of January 28, 2000.

EQUINIX, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

<TABLE>
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	December 31, 1998	December 31, 1999	March 31, 2000
			(unaudited)
<S>	<C>	<C>	<C>
Assets			
Current assets:			
Cash and cash equivalents	$ 4,164,500	222,973,600	187,675,700
Short-term investments	5,000,000	--	5,943,600
Accounts receivable	--	177,700	285,100
Current portion of restricted cash and short-term investments	--	25,110,400	27,279,900
Prepaids and other current assets	167,600	1,596,900	1,507,500
Total current assets	9,332,100	249,858,600	222,691,800
Property and equipment, net	482,000	31,932,400	53,350,400
Construction in progress	30,700	14,823,700	32,135,400
Restricted cash and short-term investments, less current portion	--	13,498,300	13,773,200
Debt issuance costs, net	--	7,125,800	6,922,800
Other assets	156,400	2,707,100	3,105,500
Total assets	$10,001,200	319,945,900	331,979,100
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 159,200	4,143,200	5,096,300
Accrued construction costs	252,300	9,772,200	23,947,000
Current portion of debt facilities and capital lease obligations	--	4,394,600	4,144,300
Accrued interest payable	--	2,166,700	8,930,300
Other current liabilities	--	204,600	174,000
Total current liabilities	411,500	20,681,300	42,291,900
Debt facilities and capital lease obligations, less current portion	--	8,808,400	7,863,100
Senior notes	--	183,954,700	184,441,100
Other liabilities	--	802,400	1,159,500
Total liabilities	411,500	214,246,800	235,755,600
Commitments and contingencies			
Stockholders' equity:			
Series A convertible preferred stock, $0.001 par value per share; 16,500,000 shares authorized in 1998, 32,000,000 shares authorized in 1999 and 2000; 15,697,500 shares issued and outstanding in 1998; 18,682,500 shares issued and outstanding in 1999 and 2000; liquidation value of $12,455,000	15,700	18,700	18,700
Series B convertible preferred stock, $0.001 par value per share; none authorized in 1998, 36,000,000 shares authorized in 1999 and 2000; none issued and outstanding in 1998; 15,762,373 issued and outstanding in 1999 and 2000; liquidation value of $82,871,000	--	15,800	15,800
Common stock, $0.001 par value per share; 43,500,000 shares authorized in 1998, 132,000,000 shares authorized in 1999 and 2000; 6,150,000, 11,672,196 and 12,540,006 shares issued and outstanding in 1998, 1999 and 2000, respectively	6,200	11,700	12,500
Additional paid-in capital	11,559,300	141,154,600	151,142,000
Deferred stock-based compensation	(971,800)	(13,705,500)	(15,119,400)
Accumulated other comprehensive income (loss)	--	14,100	(27,000)
Accumulated deficit	(1,019,700)	(21,810,300)	(39,819,100)
Total stockholders' equity	9,589,700	105,699,100	96,223,500
Total liabilities and stockholders'			

equity	$10,001,200	319,945,900	331,979,100

</TABLE>

See accompanying notes to consolidated financial statements.

EQUINIX, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
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	Period from June 22, 1998 (inception) to December 31, 1998	Year ended December 31, 1999	Three months ended March 31, 1999	Three months ended March 31, 2000
			(unaudited)	
<S>	<C>	<C>	<C>	<C>
Revenues	$ --	37,100	--	135,600
Costs and operating expenses:				
Cost of revenues (includes stock-based compensation of none and $177,300 for the periods ended December 31, 1998 and 1999 respectively, and none and $105,500 for the three months ended March 31, 1999 and 2000, respectively)	--	3,268,500	43,100	3,320,000
Sales and marketing (includes stock-based compensation of $13,200 and $1,631,000 for the periods ended December 31, 1998 and 1999 respectively, and $28,500 and $1,358,500 for the three months ended March 31, 1999 and 2000, respectively)	47,400	3,948,600	143,800	4,516,100
General and administrative (includes stock-based compensation of $150,700 and $4,819,000 for the periods ended December 31, 1998 and 1999 respectively, and $346,700 and $2,017,700 for the three months ended March 31, 1999 and 2000, respectively)	902,200	12,602,500	1,231,800	6,254,900
Total costs and operating expenses	949,600	19,819,600	1,418,700	14,091,000
Loss from operations	(949,600)	(19,782,500)	(1,418,700)	(13,955,400)
Interest income	149,900	2,138,100	106,000	3,662,300
Interest expense	(220,000)	(3,146,200)	(32,200)	(7,715,700)
Net loss	$(1,019,700)	(20,790,600)	(1,344,900)	(18,008,800)

</TABLE>

See accompanying notes to consolidated financial statements.

EQUINIX, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Period from June 22, 1998 (inception) to March 31, 2000

<TABLE>
<CAPTION>

	Series A	Series B

	convertible preferred stock		convertible preferred stock		Common stock		Additional paid-in	Deferred stock-based	other Accumulated comprehensive
	Shares	Amount	Shares	Amount	Shares	Amount	capital	compensation	income (loss)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Issuance of common stock for cash.....	--	$ --	--	$ --	6,060,000	$ 6,100	(2,100)	--	--
Issuance of common stock upon exercise of common stock options.....	--	--	--	--	90,000	100	5,900	--	--
Issuance of Series A preferred stock.....	15,037,500	15,000	--	--	--	--	9,980,500	--	--
Deferred stock-based compensation....	--	--	--	--	--	--	1,135,700	(1,135,700)	--
Amortization of stock-based compensation....	--	--	--	--	--	--	--	163,900	--
Conversion of debt to Series A preferred stock.....	660,000	700	--	--	--	--	439,300	--	--
Net loss.....	--	--	--	--	--	--	--	--	--
Balances as of December 31, 1998.....	15,697,500	15,700	--	--	6,150,000	6,200	11,559,300	(971,800)	--
Issuance of Series A preferred stock.....	3,000,000	3,000	--	--	--	--	1,997,000	--	--
Repurchase of Series A preferred stock.....	(15,000)	--	--	--	--	--	(10,000)	--	--
Issuance of Series B preferred stock.....	--	--	15,762,373	15,800	--	--	81,690,200	--	--
Issuance of common stock upon exercise of common stock options.....	--	--	--	--	5,522,196	5,500	1,280,100	--	--
Issuance of Series A preferred stock warrants.....	--	--	--	--	--	--	3,095,800	--	--
Issuance of common stock warrants.....	--	--	--	--	--	--	22,181,200	--	--
Deferred stock-based compensation....	--	--	--	--	--	--	19,361,000	(19,361,000)	--
Amortization of stock-based compensation....	--	--	--	--	--	--	--	6,627,300	--
Comprehensive income (loss):									
Net loss.....	--	--	--	--	--	--	--	--	--
Unrealized appreciation on short-term investments.....	--	--	--	--	--	--	--	--	14,100
Net comprehensive loss.....	--	--	--	--	--	--	--	--	14,100
Balances as of December 31, 1999.....	18,682,500	18,700	15,762,373	15,800	11,672,196	11,700	141,154,600	(13,705,500)	14,100

Issuance of common stock upon exercise of common stock options (unaudited).....	--	--	--	--	680,904	700	710,600	--	--	
Issuance of common stock upon exercise of common stock warrants (unaudited).....	--	--	--	--	352,500	300	352,200	--	--	
Issuance of common stock warrants (unaudited).....	--	--	--	--	--	--	4,039,800	--	--	
Repurchase of common stock (unaudited).....	--	--	--	--	(165,594)	(200)	(10,800)	--	--	
Deferred stock-based compensation (unaudited).....	--	--	--	--	--	--	4,895,600	(4,895,600)	--	
Amortization of stock-based compensation (unaudited).....	--	--	--	--	--	--	--	3,481,700	--	
Comprehensive loss (unaudited):										
Net loss (unaudited).....	--	--	--	--	--	--	--	--	--	
Unrealized depreciation on short-term investments (unaudited).....	--	--	--	--	--	--	--	--		(41,100)
Net comprehensive loss (unaudited).....	--	--	--	--	--	--	--	--		(41,100)
Balances as of March 31, 2000 (unaudited).....	18,682,500	$18,700	15,762,373	$15,800	12,540,006	$12,500	151,142,000	(15,119,400)		(27,000)

<CAPTION>

	Accumulated deficit	Total stockholders' equity
<S>	<C>	<C>
Issuance of common stock for cash.....	--	4,000
Issuance of common stock upon exercise of common stock options.....	--	6,000
Issuance of Series A preferred stock.....	--	9,995,500
Deferred stock-based compensation....	--	--
Amortization of stock-based compensation....	--	163,900
Conversion of debt to Series A preferred stock.....	--	440,000
Net loss.....	(1,019,700)	(1,019,700)
Balances as of December 31, 1998.....	(1,019,700)	9,589,700
Issuance of		

Series A preferred stock.....	--	2,000,000
Repurchase of Series A preferred stock.....	--	(10,000)
Issuance of Series B preferred stock.....	--	81,706,000
Issuance of common stock upon exercise of common stock options.....	--	1,285,600
Issuance of Series A preferred stock warrants.....	--	3,095,800
Issuance of common stock warrants.....	--	22,181,200
Deferred stock-based compensation....	--	--
Amortization of stock-based compensation....	--	6,627,300
Comprehensive income (loss):		
Net loss.....	(20,790,600)	(20,790,600)
Unrealized appreciation on short-term investments.....	--	14,100
Net comprehensive loss.....	(20,790,600)	(20,776,500)
Balances as of December 31, 1999.....	(21,810,300)	105,699,100
Issuance of common stock upon exercise of common stock options (unaudited).....	--	711,300
Issuance of common stock upon exercise of common stock warrants (unaudited).....	--	352,500
Issuance of common stock warrants (unaudited).....	--	4,039,800
Repurchase of common stock (unaudited).....	--	(11,000)
Deferred stock-based compensation (unaudited).....	--	--
Amortization of stock-based compensation (unaudited).....	--	3,481,700
Comprehensive loss (unaudited):		
Net loss (unaudited).....	(18,008,800)	(18,008,800)
Unrealized depreciation on short-term investments (unaudited).....	--	(41,100)
Net comprehensive loss		

(unaudited).....	(18,008,800)	(18,049,900)
Balances as of March 31, 2000 (unaudited).....	(39,819,100)	96,223,500

</TABLE>

See accompanying notes to consolidated financial statements.

EQUINIX, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Period from June 22, 1998 (inception) to December 31, 1998	Year ended December 31, 1999	Three months ended March 31, 1999	Three months ended March 31, 2000
				(unaudited)
<S>	<C>	<C>	<C>	<C>
Cash flows from operating activities:				
Net loss.....	$(1,019,700)	(20,790,600)	(1,344,900)	(18,008,800)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation.....	4,200	609,300	51,300	1,636,200
Interest charge on beneficial conversion of convertible debt.....	220,000	--	--	--
Amortization of deferred stock-based compensation...	163,900	6,627,300	375,200	3,481,600
Amortization of senior note discount.....	--	161,900	--	486,400
Amortization of debt facilities and capital lease obligation discount..	--	578,900	32,200	228,100
Amortization of debt issuance costs.....	--	67,600	--	203,000
Amortization of sales acquisition costs.....	--	201,000	--	150,800
Amortization of rent discount.....	--	--	--	1,200
Issuance of common stock warrant.....	--	--	--	--
Changes in operating assets and liabilities:				
Accounts receivable.....	--	(177,700)	--	(107,400)
Prepaids and other current assets.....	(167,600)	(1,429,300)	57,500	96,500
Other assets.....	(156,400)	(1,243,900)	(46,900)	(387,100)
Accounts payable and accrued expenses.....	159,200	2,313,800	129,200	953,100
Accrued interest payable...	--	2,166,700	--	6,763,600
Other current liabilities..	--	204,600	--	(30,600)
Other liabilities.....	--	802,400	--	357,100
Net cash used in operating activities....	(796,400)	(9,908,000)	(746,400)	(4,176,300)
Cash flows from investing activities:				
Purchase of short-term investments.....	(5,000,000)	(28,800,000)	--	(5,984,700)
Sales and maturities of short-term investments.....	--	33,814,100	5,000,000	--
Purchases of property and equipment.....	(486,200)	(31,430,300)	(471,000)	(19,807,200)
Additions to construction in progress.....	(30,700)	(10,956,200)	(181,900)	(16,689,400)
Accrued construction costs..	252,300	9,519,900	20,000	14,174,800
Purchase of restricted cash and short-term investments.....	--	(38,608,700)	--	(2,444,400)
Net cash provided by (used in) investing				

activities.....	(5,264,600)	(66,461,200)	4,367,100	(30,750,900)
Cash flows from financing activities:				
Proceeds from issuance of common stock.....	4,000	--	--	--
Proceeds from exercise of stock options.....	6,000	1,285,600	20,600	1,064,000
Proceeds from issuance of debt facilities and capital lease obligations.....	--	16,114,500	--	--
Repayment of debt facilities and capital lease obligations.....	--	(988,000)	--	(1,423,700)
Proceeds from issuance of promissory notes.....	220,000	--	--	--
Proceeds from senior notes and common stock warrants, net.....	--	193,890,200	--	--
Repurchase of preferred stock.....	--	(10,000)	--	--
Repurchase of common stock..	--	--	--	(11,000)
Proceeds from issuance of convertible preferred stock, net.....	9,995,500	84,886,000	2,000,000	--
Net cash provided by (used in) financing activities.....	10,225,500	295,178,300	2,020,600	(370,700)
Net increase (decrease) in cash and cash equivalents...	4,164,500	218,809,100	5,641,300	(35,297,900)
Cash and cash equivalents at beginning of period.....	--	4,164,500	4,164,500	222,973,600
Cash and cash equivalents at end of period.....	$ 4,164,500	222,973,600	9,805,800	187,675,700
Noncash financing and investing activities:				
Cash paid for taxes.....	$ --	67,500	--	--
Cash paid for interest.....	$ --	153,400	--	365,900
Noncash financing and investing activities:				
Preferred stock warrants issued for financing commitments.....	$ --	3,095,800	1,255,000	--
Common stock warrants issued for strategic agreement....	$ --	1,507,800	--	--
Common stock warrants issued for services.....	$ --	4,466,200	--	170,400
Revaluation of common stock warrants issued for services.....	--	--	--	3,869,300
Conversion of notes payable to convertible preferred stock.....	$ 440,000	--	--	--
Unrealized appreciation/(depreciation) on investments.....	$ --	14,100	--	(41,100)
Assets recorded under capital lease.....	$ --	660,700	--	--
Deferred compensation on grants of stock options....	$ 1,135,700	19,361,000	2,679,600	4,895,600

</TABLE>

See accompanying notes to consolidated financial statements.

EQUINIX, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1)Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Equinix, Inc. ("Equinix" or the "Company") was incorporated as Quark Communications, Inc. in Delaware on June 22, 1998. The Company changed its name to Equinix, Inc. on October 13, 1998. Equinix designs, builds, and operates neutral Internet Business Exchange ("IBX") centers.

For the period June 22, 1998 (inception) through December 31, 1998 and the period ended September 30, 1999, the Company was a development stage enterprise. Subsequent to this period, the Company opened its second IBX center for commercial operation. In addition, the Company began to recognize revenue from its IBX centers. As a result, the Company is no longer a development stage enterprise as of and for the year ended December 31, 1999.

Unaudited Interim Results

The accompanying consolidated balance sheet as of March 31, 2000, the consolidated statements of income and of cash flows for the three months ended March 31, 1999 and 2000 and the consolidated statement of stockholders' equity for the three months ended March 31, 2000 are unaudited.

In the opinion of management, these statements have been prepared on the same basis as the audited financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of March 31, 2000 and the results of its operations and cash flows for the three month periods ended March 31, 1999 and 2000. The data disclosed in notes to the consolidated financial statements for these periods is unaudited.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Equinix and its wholly-owned subsidiary, Equinix-DC, Inc. ("Equinix-DC"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash, Cash Equivalents and Short-Term Investments

The Company considers all highly liquid instruments with a maturity from the date of purchase of three months or less to be cash equivalents. Cash equivalents consist of money market mutual funds and certificates of deposit with financial institutions with maturities of between 7 and 60 days. Short-term investments generally consist of certificates of deposits with maturities of between 90 and 180 days and highly liquid debt and equity securities of corporations, municipalities and the U.S. government. Short-term investments are classified as "available-for-sale" and are carried at fair value based on quoted market prices, with unrealized gains and losses reported in stockholders' equity as a component of comprehensive income. The cost of securities sold is based on the specific identification method.

Restricted Cash and Short-term Investments

Restricted cash and short-term investments as of December 31, 1999 consists of $37,011,500, plus accrued interest of $67,100, deposited with an escrow agent to pay the first three interest payments on the Senior Notes (see Note 4) and restricted cash of $1,530,100 provided as collateral under three separate security agreements for standby letters of credit entered into and in accordance with certain lease agreements. Restricted cash and short-term investments as of March 31, 2000 consists of $37,011,500, plus accrued interest of $554,500, deposited with an escrow agent to pay the first three interest payments on the Senior Notes (see Note 4) and restricted cash of $3,451,200, plus accrued interest of $35,900 for four standby letters of credit and an escrow account entered into and pursuant to certain lease agreements. These agreements expire at various

dates through 2014.

Financial Instruments and Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash, cash equivalents and short-term investments to the extent these exceed federal insurance limits and accounts receivable. Risks associated with cash, cash equivalents and short-term investments are mitigated by the Company's investment policy, which limits the Company's investing to only those marketable securities rated at least A-1 or P-1 investment grade, as determined by independent credit rating agencies.

The Company's customer base is primarily composed of businesses throughout the United States. The Company performs ongoing credit evaluations of its customers.

Property and Equipment

Property and equipment are stated at original cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally two to five years for non-IBX center equipment and seven to ten years for IBX center equipment. Leasehold improvements and assets acquired under capital lease are amortized over the shorter of the lease term or the estimated useful life of the asset or improvement.

Construction in Progress

Construction in progress includes direct and indirect expenditures for the construction of IBX centers and is stated at original cost. The Company has contracted out substantially all of the construction of the IBX centers to independent contractors under construction contracts. Construction in progress includes certain costs incurred under a construction contract including project management services, site identification and evaluation services, engineering and schematic design services, design development and construction services and other construction-related fees and services. In addition, the Company has capitalized certain interest costs during the construction phase. Once an IBX center becomes operational, these capitalized costs are depreciated at the appropriate rate consistent with the estimated useful life of the underlying asset.

Included within construction in progress is the value attributed to the unearned portion of the MCI warrant and the Bechtel warrant totaling $2,639,100 and $1,197,700, respectively, as of December 31, 1999 and $1,802,100 and $2,657,000, respectively, as of March 31, 2000 (See Note 5).

Interest incurred is capitalized in accordance with Statement of Financial Accounting Standards ("SFAS") No. 34, Capitalization of Interest Costs. Total interest cost incurred and total interest capitalized during the year ended December 31, 1999, was $2,791,400 and $177,400, respectively. Total interest cost incurred and total interest capitalized during the three months ended March 31, 2000, was $7,512,800 and $193,600, respectively.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of

In accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, the Company considers the impairment of long-lived assets and certain identifiable intangibles whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment of long-lived assets has been recorded as of December 31, 1998 and 1999.

Revenue Recognition

Revenues consist of monthly recurring fees for colocation and interconnection services at the IBX centers, service fees associated with the delivery of professional services and non-recurring installation fees. Revenues from colocation and interconnection services are billed monthly and recognized ratably over the term of the contract, generally one to

three years. Professional service fees are recognized in the period in which the services were provided and represent the culmination of the earnings process. Non-recurring installation fees are deferred and recognized ratably over the term of the related contract.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce tax assets to the amounts expected to be realized.

Stock-Based Compensation

The Company accounts for its stock-based compensation plans in accordance with SFAS No. 123, Accounting for Stock-Based Compensation. As permitted under SFAS No. 123, the Company uses the intrinsic value-based method of Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, to account for its employee stock-based compensation plans.

The Company accounts for stock-based compensation arrangements with nonemployees in accordance with the Emerging Issues Task Force Abstract ("EITF") No. 96-18, Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services. Accordingly, unvested options and warrants held by nonemployees are subject to revaluation at each balance sheet date based on the then current fair market value.

Unearned deferred compensation resulting from employee and nonemployee option grants is amortized on an accelerated basis over the vesting period of the individual options, in accordance with FASB Interpretation No. 28, Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans ("FASB Interpretation No. 28").

Segment Reporting

The Company has adopted the provisions of SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. SFAS No. 131 establishes annual and interim reporting standards for

operating segments of a company. The statement requires disclosures of selected segment-related financial information about products, major customers and geographic areas.

Comprehensive Income

The Company has adopted the provisions of SFAS No. 130, Reporting Comprehensive Income. SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components; however, the adoption of this statement had no impact on the Company's net loss or stockholders' equity. SFAS 130 requires unrealized gains or losses on the Company's available-for-sale securities to be included in other comprehensive income (loss). Comprehensive income (loss) consists of net loss and other comprehensive income.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133, as amended by SFAS No. 137, Deferral of the Effective Date of FASB Statement No. 133, is effective for all fiscal quarters of fiscal years beginning after September 15, 2000. This statement does not currently apply to the Company as the Company does not have any derivative instruments or hedging activities.

In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") 101, Revenue Recognition, which outlines the basic criteria that must be met to recognize revenue and provides guidance for presentation of revenue and for

disclosure related to revenue recognition policies in financial statements filed with the SEC. The Company believes the adoption of SAB 101 will not have a material impact on the Company's financial position and results of operations.

In March 2000, the FASB issued Interpretation No. 44, ("FIN 44"), Accounting for Certain Transactions Involving Stock Compensation - an Interpretation of APB 25. This Interpretation clarifies (a) the definition of employee for purposes of applying Opinion 25, (b) the criteria for determining whether a plan qualifies as a noncompensatory plan, (c) the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and (d) the accounting for an exchange of stock compensation awards in a business combination. This Interpretation is effective July 1, 2000, but certain conclusions in this Interpretation cover specific events that occur after either December 15, 1998, or January 12, 2000. To the extent that this Interpretation covers events occurring during the period after December 15, 1998, or January 12, 2000, but before the effective date of July 1, 2000, the effects of applying this Interpretation are recognized on a prospective basis from July 1, 2000. The Company has not yet determined the impact, if any, of adopting this interpretation.

(2)Balance Sheet Components

Cash, Cash Equivalents and Short-term Investments

As of December 31, 1998 and 1999, cost approximated market value of cash, cash equivalents and short-term investments; unrealized gains and losses were not significant. As of December 31, 1999, cash equivalents included investments in corporate debt securities with various contractual maturity dates which do not exceed 90 days.

Property & Equipment

Property and equipment is comprised of the following:

<TABLE>
<CAPTION>

	December 31,		
	1998	1999	March 31, 2000
			(unaudited)
<S>	<C>	<C>	<C>
Leasehold improvements	$240,600	20,152,600	37,435,600
IBX plant and machinery	--	8,235,400	8,895,000
Computer equipment and software	77,000	3,126,000	6,880,500
IBX equipment	--	658,700	1,892,300
Furniture and fixtures	168,600	373,200	496,700
	486,200	32,545,900	55,600,100
Less accumulated depreciation	4,200	613,500	2,249,700
	$482,000	31,932,400	53,350,400

</TABLE>

Leasehold improvements and certain computer equipment and software and furniture and fixtures, recorded under capital leases, aggregated none as of December 31, 1998 and $660,700 as of December 31, 1999 and March 31, 2000. Amortization on the assets recorded under capital leases is included in depreciation expense.

Included within leasehold improvements is the value attributed to the earned portion of the MCI Warrant and the Bechtel Warrant totaling $329,000 and $299,500, respectively, as of December 31, 1999 and $3,576,900 and $299,500, respectively, as of March 31, 2000 (see Note 5). Amortization on such warrants is included in depreciation expense.

Restricted Cash and Short-term Investments

Restricted cash and short-term investments consisted of the following;

<TABLE>
<CAPTION>

	December 31, 1999	March 31, 2000

		(unaudited)
United States treasury notes:		
Due within one year	$ 25,110,400	25,439,400
Due after one year through two years	11,968,200	12,126,500
Restricted cash in accordance with security agreements	1,530,100	3,487,200
	38,608,700	41,053,100
Less current portion	(25,110,400)	(27,279,900)
	$ 13,498,300	13,773,200

As of December 31, 1999 and March 31, 2000, cost approximated market value of restricted cash and short-term investments; unrealized gains and losses were not significant.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	December 31,		March 31,
	1998	1999	2000
			(unaudited)
Accounts payable	$ 33,800	1,978,200	3,938,800
Accrued preferred stock issuance costs	--	1,180,000	--
Accrued compensation	23,200	303,000	602,100
Deferred rent	42,400	18,000	8,900
Income taxes payable	39,800	--	--
Accrued debt issuance costs	--	490,200	404,600
Other	20,000	173,800	141,900
	$159,200	4,143,200	5,096,300

(3)Debt Facilities and Capital Lease Obligations

Debt facilities and capital lease obligations consisted of the following as of December 31, 1999:

Comdisco Loan and Security Agreement (net of unamortized discount of $901,000)	$ 4,141,000
Venture Leasing Loan Agreement (net of unamortized discount of $1,034,200)	8,417,400
Comdisco Master Lease Agreement and Addendum (net of unamortized discount of $11,800)	644,600
	13,203,000
Less current portion	(4,394,600)
	$ 8,808,400

Comdisco Loan and Security Agreement

In March 1999, Equinix-DC entered into a $7,000,000 Loan and Security Agreement with Comdisco, Inc. ("Comdisco" and the "Comdisco Loan and Security Agreement"). Under the terms of the Comdisco Loan and Security Agreement, Comdisco may lend the Company up to $3,000,000 for equipment (referred to as the "hard" loan) and up to $4,000,000 for software and tenant improvements ("soft" loan) for the Ashburn, Virginia IBX center buildout. The loans, which are collateralized by the assets of the Ashburn IBX, are available in minimum advances of $1,000,000 and each loan is evidenced by a secured promissory note. The hard and soft loans issued bear interest at rates of 7.5% and 9% per annum, respectively, and are repayable in 42 and 36 equal monthly installments, respectively, plus a final balloon interest payment equal to 15% of the original advance amount due at maturity. The Comdisco Loan and Security Agreement has an effective

interest rate of 18.1% per annum. As of December 31, 1999, $5,042,000 was outstanding under the Comdisco Loan and Security Agreement.

In connection with the Comdisco Loan and Security Agreement, the Company granted Comdisco a warrant to purchase 765,000 shares of the Company's Series A preferred stock at $0.67 per share (the "Comdisco Loan and Security Agreement Warrant"). This warrant is immediately exercisable and expires in ten years from the date of grant. The fair value of the warrant, using the Black-Scholes option pricing model with the following assumptions: deemed fair market value per share of $1.80, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 5.0% and a contractual life of 10 years, was $1,255,000, was recorded as a discount to the applicable debt, and is being amortized to interest expense, using the effective interest method, over the life of the agreement.

Comdisco Master Lease Agreement

In May 1999, the Company entered into a Master Lease Agreement with Comdisco (the "Comdisco Master Lease Agreement"). Under the terms of the Comdisco Master Lease Agreement, the Company sells equipment to Comdisco, which it will then lease back. The amount of financing to be provided is up to $1,000,000. Repayments are made monthly over 42 months with a final balloon interest payment equal to 15% of the balance amount due at maturity. Interest accrues at 7.5% per annum. The Comdisco Master Lease Agreement has an effective interest rate of 14.6% per annum. As of December 31, 1999, $590,600 was outstanding under the Comdisco Master Lease Agreement.

The Company leases certain leasehold improvements, computer equipment and software and furniture and fixtures under capital leases under the Comdisco Master Lease Agreement. These leases were entered into as sales-leaseback transactions. The Company has deferred a gain of $77,700 related to the sale-leaseback in July 1999, which is being amortized in proportion to the amortization of the leased assets.

In connection with the Comdisco Master Lease Agreement, the Company granted Comdisco a warrant to purchase 30,000 shares of the Company's Series A preferred stock at $1.67 per share (the "Comdisco Master Lease Agreement Warrant"). This warrant is immediately exercisable and expires in ten years from the date of grant. The fair value of the warrant using the Black-Scholes option pricing model with the following assumptions: deemed fair market value per share of $3.00, dividend yield 0%, expected volatility of 80%, risk-free interest rate of 5.0% and a contractual life of 10 years, was $79,800 and was recorded as a discount to the applicable capital lease obligation, and is being amortized to interest expense, using the effective interest method, over the life of the agreement.

Comdisco Master Lease Agreement Addendum

In August 1999, the Company amended the Comdisco Master Lease Agreement. Under the terms of the Comdisco Master Lease Agreement Addendum, the Company sells equipment (hard items) and software and tenant improvements (soft items) in its San Jose IBX center to Comdisco, which it then leases back. The amount of financing available under the Comdisco Master Lease Agreement Addendum is up to $2,150,000 for hard items and up to $2,850,000 for soft items. Amounts drawn under this addendum will be collateralized by the underlying hard and soft assets of the San Jose IBX center that were funded under the Comdisco Master Lease Agreement Addendum. Repayments are made monthly over the course of 42 months. Interest accrues at 8.5% per annum, with a final balloon interest payment equal to 15% of the original acquisition cost of the property financed. The Comdisco Master Lease Agreement Addendum has an effective interest rate of 15.3% per annum. As of December 31, 1999, $65,800 was outstanding under the Comdisco Master Lease Agreement Addendum.

In connection with the Comdisco Master Lease Agreement Addendum, the Company granted Comdisco a warrant to purchase 150,000 shares of the Company's Series A preferred stock at $3.00 per share (the "Comdisco Master Lease Agreement Addendum Warrant"). This warrant is immediately exercisable and expires in seven years from the date of grant or three years from the effective date of the Company's initial public offering, whichever is shorter. The fair value of the warrant using the Black-Scholes option pricing model with the following assumptions: deemed fair market value per share of $4.80, dividend yield 0%, expected volatility of 80%, risk-free interest rate of 5.0% and a contractual life of seven years, was $587,000, was recorded as a discount to the applicable capital lease obligation, and is being amortized to interest expense, using the effective interest method, over the life of the agreement.

Venture Leasing Loan Agreement

In August 1999, the Company entered into a Loan Agreement with Venture Lending & Leasing II, Inc. and other lenders ("VLL" and the "Venture Leasing Loan Agreement"). The Venture Leasing Loan Agreement provides financing for equipment and tenant improvements at the Newark, New Jersey IBX

center and a secured term loan facility for general working capital purposes. The amount of financing to be provided is up to $10,000,000, which may be used to finance up to 85% of the projected cost of tenant improvements and equipment for the Newark IBX center and is collateralized by the assets of the Newark IBX. Notes issued bear interest at a rate of 8.5% per annum and are repayable in 42 monthly installments plus a final balloon interest payment equal to 15% of the original advance amount due at maturity and are collateralized by the assets of the New Jersey IBX. The Venture Leasing Loan Agreement has an effective interest rate of 14.7% per annum. As of December 31, 1999, $9,451,600 was outstanding under the Venture Leasing Loan Agreement.

In connection with the Venture Leasing Loan Agreement, the Company granted VLL a warrant to purchase 300,000 shares of the Company's Series A preferred stock at $3.00 per share (the "Venture Leasing Loan Agreement"). This warrant is immediately exercisable and expires on June 30, 2006. The fair value of the warrant using the Black-Scholes option pricing model with the following assumptions: deemed fair market value per share of $4.80, dividend yield 0%, expected volatility of 80%, risk-free interest rate of 5.0% and a contractual life of seven years, was $1,174,000, was recorded as a discount to the applicable debt, and is being amortized to interest expense, using the effective interest method, over the life of the agreement.

Maturities

Combined aggregate maturities for debt facilities and future minimum capital lease obligations are as follows:

<TABLE>
<CAPTION>

	Debt facilities	Capital lease obligations	Total
<S>	<C>	<C>	<C>
2000	$ 4,220,300	231,900	4,452,200
2001	4,596,000	214,100	4,810,100
2002	4,534,600	215,200	4,749,800
2003	1,142,700	169,400	1,312,100
2004	--	--	--
	14,493,600	830,600	15,324,200
Less amount representing interest	--	(174,200)	(174,200)
	14,493,600	656,400	15,150,000
Less amount representing unamortized discount	(1,935,200)	(11,800)	(1,947,000)
	12,558,400	644,600	13,203,000
Less current portion	(4,220,300)	(174,300)	(4,394,600)
	$ 8,338,100	470,300	8,808,400

</TABLE>

(4)Senior Notes and Debt Issuance Costs

On December 1, 1999, the Company issued 200,000 units, each consisting of a $1,000 principal amount 13% Senior Note due 2007 (the "Senior Notes") and one warrant to purchase 16.8825 shares (for an aggregate of 3,376,500 shares) of common stock for $0.0067 per share (the "Senior Note Warrants"), for aggregate net proceeds of $193,400,000, net of offering expenses. Of the $200,000,000 gross proceeds, $16,207,200 was allocated to additional paid-in capital for the deemed fair value of the Senior Note Warrants and recorded as a discount to the Senior Notes. The discount on the Senior Notes is being amortized to interest expense, using the effective interest method, over the life of the debt. The Senior Notes have an effective interest rate of 14.1% per annum. The fair value attributed to the Senior Note Warrants was consistent with the Company's treatment of its other

common stock transactions prior to the issuance of the Senior

Notes. The fair value was based on recent equity transactions by the Company. The amount of the Senior Notes, net of the unamortized discount, is $183,954,700 as of December 31, 1999.

As of December 31, 1999, restricted cash and short-term investments, including accrued interest thereon, includes $37,078,600 deposited with an escrow agent that will be used to pay the first three interest payments. Interest is payable semi-annually, in arrears, on June 1 and December 1 of each year, commencing on June 1, 2000. The Senior Notes are partially collateralized by the restricted cash and short-term investments. Except for this security interest, the notes are unsecured, senior obligations of the Company and are effectively subordinated to all existing and future indebtedness of the Company, whether or not secured.

The Senior Notes are governed by the Indenture dated December 1, 1999, between the Company, as issuer, and State Street Bank and Trust Company of California, N.A., as trustee (the "Indenture"). Subject to certain exceptions, the Indenture restricts, among other things, the Company's ability to incur additional indebtedness and the use of proceeds therefrom, pay dividends, incur certain liens to secure indebtedness or engage in merger transactions.

The costs related to the issuance of the Senior Notes were capitalized and are being amortized to interest expense using the effective interest method, over the life of the Senior Notes. Debt issuance costs, net of amortization, are $7,125,800 as of December 31, 1999.

(5) Stockholders' Equity

Stock Split

In January 2000, the Company's stockholders approved a three-for-two stock split effective January 19, 2000 whereby three shares of common stock and preferred stock were exchanged for every two shares of common stock and preferred stock then outstanding. All share and per share amounts in these financial statements have been adjusted to give effect to the stock split (see Note 10).

Preferred Stock

On September 10, 1998, 15,037,500 shares of Series A preferred stock were issued at a price of $0.67 per share. Concurrent with the issuance of the Series A preferred stock, promissory notes of $220,000 were converted into 660,000 shares of Series A preferred stock. During July 1998, the Company had borrowed $220,000 in the aggregate under a convertible loan arrangement with a number of individual investors. The loans accrued interest of 5.83% per annum while outstanding, which was paid in cash. During the period ended December 31, 1998, the Company recorded a charge of $220,000 to account for the "in the money" conversion right of the convertible loan arrangement. On January 27, 1999, 3,000,000 shares of Series A preferred stock were issued, at a price of $0.67 per share in the second closing of the Series A financing.

In August 1999, the Company amended and restated its Certificate of Incorporation to increase the authorized share capital to 75,000,000 shares of common stock and 30,000,000 shares of preferred stock, of which 14,000,000 has been designated as Series A and 16,000,000 as Series B.

In January 2000, the Company amended and restated its Certificate of Incorporation to increase the authorized share capital to 132,000,000 shares of common stock and 68,000,000 shares of preferred stock, of which 32,000,000 has been designated as Series A and 36,000,000 as Series B (See Note 10).

Between August and December 1999, the Company completed its Series B preferred stock financing. The Company issued 15,762,373 shares of Series B preferred stock, at a price of $5.33 per share.

The rights, preferences, and privileges of the Series A and Series B preferred stock are as follows:

- Dividends are noncumulative and are payable only upon declaration by the Board of Directors at a rate of $0.05 and $0.43 per share for Series A and B, respectively.

- Holders of Series A and B preferred stock have a liquidation preference of $0.67 and $5.33 per share, respectively, plus all declared but unpaid dividends.

- Each share of Series A and B preferred stock is convertible, at the option of the holder, into common stock at a conversion price equal to the respective original preferred stock issue price. The conversion price is subject to adjustment for stock splits and combinations and will automatically convert into common stock in the event of either (i) an underwritten public offering with an aggregate gross offering price of at least $25,000,000 or (ii) upon a vote of the holders of a majority of the then outstanding shares of each class of preferred stock.

- Each share of Series A and Series B preferred stock has voting rights equal to that of common stock on an "as if converted" basis.

- The holders of Series A and B preferred stock are entitled to elect two and one directors, respectively, to the Company's Board of Directors so long as 25% of the shares of Series A and B preferred stock originally issued remain outstanding.

- Series A and B preferred stock is not redeemable at any time.

- Holders of greater than 1,500,000 shares of Series A and/or Series B preferred stock have the right to purchase their pro rata share of securities subsequently sold or otherwise issued by the Company, subject to standard exceptions.

- Holders of Series A and Series B preferred stock have the right to veto:

    - any increase in the number of Series B preferred stock or the issuance of any securities with rights senior to those of the Series B preferred stock;

    - the redemption of any securities by the Company, other than in connection with an employee's termination of employment; and

    - any increase to the size of the Company's board of directors.

- Holders of Series A and Series B preferred stock may require the Company to file a registration statement with the SEC to register the holders' stock, and have the right to force the Company to include their shares in any registered public offering following the Company's initial public offering.

- Holders of Series A and Series B preferred stock have the right to receive financial and other information from the Company.

Common Stock

The Company's founders purchased 6,060,000 shares of stock. Approximately 5,454,000 shares are subject to restricted stock purchase agreements whereby the Company has the right to repurchase the stock upon voluntary or involuntary termination of the founder's employment with the Company at $0.00033 per share. The Company's repurchase right lapses at a rate of 25% per year. As of December 31, 1998 and 1999, and March 31, 2000, 4,888,875, 3,522,375 and 3,180,750 shares are subject to repurchase at a price of $0.00033 per share, respectively.

Upon the exercise of certain unvested stock options, the Company issued to employees common stock which is subject to repurchase by the Company at the original exercise price of the stock option.

This right lapses over the vesting period. As of December 31, 1998 and 1999 and March 31, 2000, there were 45,000, 4,590,735 and 4,883,704 shares, respectively, subject to repurchase.

Stock Option Plan

In September 1998, the Company adopted the 1998 Stock Plan (the "Plan") under which nonstatutory stock options and restricted stock may be granted

to employees, outside directors, and consultants, and incentive stock options may be granted to employees. Accordingly, the Company has reserved a total of 8,262,810 shares of the Company's common stock for issuance upon the grant of restricted stock or exercise of options granted in accordance with the Plan. Options granted under the Plan generally expire 10 years following the date of grant and are subject to limitations on transfer. The Plan is administered by the Board of Directors.

The Plan provides for the granting of incentive stock options at not less than 100% of the fair market value of the underlying stock at the grant date. Nonstatutory options may be granted at not less than 85% of the fair market value of the underlying stock at the date of grant.

Option grants under the Plan are subject to various vesting provisions, all of which are contingent upon the continuous service of the optionee and may not impose vesting criterion more restrictive than 20% per year. Stock options may be exercised at anytime subsequent to grant. Stock obtained through exercise of unvested options is subject to repurchase at the original purchase price. The Company's repurchase right decreases as the shares vest under the original option terms.

Options granted to stockholders who own greater than 10% of the outstanding stock must have vesting periods not to exceed five years and must be issued at prices not less than 110% of the fair market value of the stock on the date of grant as determined by the Board of Directors. Upon a change of control, all shares granted under the Plan shall immediately vest. Unless otherwise terminated by the Board of Directors, the Plan automatically terminates in September 2008.

A summary of the Plan is as follows:

<TABLE>
<CAPTION>

	December 31,					
	1998		1999		March 31, 2000	
					(unaudited)	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of period	--	$ --	2,074,050	$0.07	2,780,988	0.64
Granted	2,164,050	0.07	6,404,040	0.46	952,075	3.97
Forfeited	--	--	(340,500)	0.06	(155,594)	0.07
Exercised	(90,000)	0.07	(5,356,602)	0.24	(680,904)	1.05
Outstanding at end of period	2,074,050	0.07	2,780,988	0.64	2,896,565	1.67
Shares available for future grant	6,098,760		35,220		2,988,739	
Exercisable at end of period	20,001		76,431		83,931	
Weighted-average grant date fair value of options granted to employees during the period at below deemed fair value		0.54		3.19		5.08
Weighted-average grant date fair value of options granted to non-employees during the period at below deemed fair value		0.38		1.75		9.16

</TABLE>

The following table summarizes information about stock options outstanding as of December 31, 1999:

<TABLE>
<CAPTION>

	Outstanding			Exercisable	
Range of exercise prices	Number of shares	Weighted-average remaining contractual life	Weighted-average exercise price	Number of shares	Weighted-average exercise price
<S>	<C>	<C>	<C>	<C>	<C>
$0.01 to $0.13.....	1,548,738	9.23	$0.07	76,431	$0.07
$0.67.....	180,750	9.78	0.67	--	--
$1.00.....	753,000	9.86	1.00	--	--
$2.67.....	298,500	9.93	2.67	--	--
	2,780,988	9.53	0.67	76,431	0.07

</TABLE>

The weighted-average remaining contractual life of options outstanding at December 31, 1999 and March 31, 2000 was 9.53 years and 9.70 years, respectively.

Stock-Based Compensation

Employees

The Company uses the intrinsic-value method prescribed in APB No. 25 in accounting for its stock-based compensation arrangements with employees. Stock-based compensation expense is recognized for employee stock option grants in those instances in which the deemed fair value of the underlying common stock was subsequently determined to be greater than the exercise price of the stock options at the date of grant. The Company recorded deferred stock-based compensation related to employees of $19,785,800 in respect to stock options granted through December 31, 1999, of which $135,300 and $6,067,300 has been amortized to stock-based compensation expense for the period and year ended December 31, 1998 and 1999, respectively, on an accelerated basis over the vesting period of the individual options, in accordance with FASB Interpretation No. 28. For the three months ended March 31, 2000, the Company recorded additional deferred stock-based compensation related to employees of $4,200,600, in respect of stock option grants during the three months ended March 31, 2000. During the three months ended March 31, 2000, the Company amortized $2,941,200 of compensation related to employees to stock-based compensation expense, on an accelerated basis in accordance with FASB Interpretation No. 28.

Had compensation costs been determined using the fair value method for the Company's stock-based compensation plans, net loss would have been changed to the amounts indicated below:

<TABLE>
<CAPTION>

	Period from June 22, 1998 (inception) to December 31, 1998	Year ended December 31, 1999	Three months ended March 31, 2000
			(unaudited)
<S>	<C>	<C>	<C>
Net loss:			
As reported.....	$(1,019,700)	(20,790,600)	(18,008,800)
Pro forma.....	(1,021,600)	(20,844,500)	(18,117,400)

</TABLE>

The Company's calculations for employee grants were made using the minimum value method with the following weighted average assumptions for the period from June 22, 1998 (inception) to December 31, 1998 and the year ended December 31, 1999: dividend yield of 0%; expected volatility of 0%; risk-free interest rates of 5.77% in the period from June 22, 1998 (inception) to December 31, 1998 and 5.66% in the year ended December 31, 1999; and expected lives of 2.67 years in the period from June 22, 1998 (inception) to December 31, 1998 and 2.52 years in the year ended December 31, 1999.

Non-Employees

The Company uses the fair value method to value options granted to non-

employees. In connection with its grant of options to non-employees, the Company has recognized deferred stock-based compensation of $710,900 and $695,000 through December 31, 1999 and for the three months ended March 31, 2000, respectively, of which $28,600, $560,000 and $540,500 has been amortized to stock-based compensation expense for the period and year ended December 31, 1998 and 1999, respectively, and for the three months ended March 31, 2000, respectively, on an accelerated basis over the vesting period of the individual options, in accordance with FASB Interpretation No. 28.

The Company's calculations for non-employee grants were made using the Black-Scholes option pricing model with the following weighted average assumptions for the period from June 22, 1998 (inception) to December 31, 1998, the year ended December 31, 1999 and the three month period ended March 31, 2000: dividend yield of 0%; expected volatility of 80%; risk-free interest rates of 4.99% in the period from June 22, 1998 (inception) to December 31, 1998, 5.48% in the year ended December 31, 1999 and 5.51% in the three month period ended March 31, 2000; and contractual life of 10 years.

Warrants

In August 1999, the Company entered into a strategic agreement with NorthPoint Communications, Inc. ("NorthPoint"). Under the terms of the strategic agreement, NorthPoint has agreed to use certain of the Company's domestic IBX centers and install their operational nodes in such centers. In exchange, the Company granted NorthPoint a warrant to purchase 338,145 shares of the Company's common stock at $0.53 per share (the "NorthPoint Warrant"). The NorthPoint Warrant was earned upon execution of the strategic agreement as Northpoint's performance commitment was complete. The NorthPoint Warrant is immediately exercisable and expires five years from date of grant. The NorthPoint Warrant was valued at $1,507,800 using the Black-Scholes option-pricing model, which was capitalized on the accompanying consolidated balance sheet in other assets as a customer acquisition cost and is being amortized over the term of the agreement as a reduction of revenues recognized. The following assumptions were used in determining the fair value of the warrant: deemed fair market value per share of $4.80, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 5.0% and a contractual life of 5 years.

In November 1999, the Company entered into a definitive agreement with MCI Worldcom, or MCI, whereby MCI agreed to install high-bandwidth local connectivity services to the Company's first seven IBX centers by a pre-determined date in exchange for a warrant to purchase 675,000 shares of common stock of the Company at $0.67 per share (the "MCI Warrant"). The MCI Warrant is immediately exercisable and expires five years from the date of grant. As of December 31, 1999, warrants for 525,000 shares are subject to repurchase at the original exercise price if MCI's performance commitments are not completed. The MCI Warrant was valued at $2,969,000 using the Black-Scholes option-pricing model and was recorded to construction in progress on the accompanying consolidated balance sheet as of December 31, 1999. Under the applicable guidelines in EITF 96-18, the underlying shares of common stock associated with the MCI Warrant subject to repurchase are revalued at each balance sheet date to reflect their current fair value until MCI's performance commitment is complete. Any resulting increase in fair value of the warrants is recorded as an additional cost component of the IBX center. In addition, the following assumptions were used in determining the fair value of the warrant: deemed fair market value per share of $4.80, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 5.5% and a contractual life of 5 years.

In November 1999, the Company entered into a master agreement with Bechtel Corporation, or Bechtel, whereby Bechtel agreed to act as the exclusive contractor under a Master Agreement to provide program management, site identification and evaluation, engineering and construction services to build

approximately 29 IBX centers over a four year period under mutually agreed upon guaranteed completion dates. As part of the agreement, the Company granted Bechtel a warrant to purchase 352,500 shares of the Company's common stock at $1.00 per share (the "Bechtel Warrant"). The Bechtel Warrant is immediately exercisable and expires five years from date of grant. As of December 31, 1999, warrants for 253,800 shares are subject to repurchase at the original exercise price, if Bechtel's performance commitments are not complete. The Bechtel Warrant was valued at $1,497,200 using the Black-Scholes option-pricing model and was recorded to construction in progress on the accompanying consolidated balance sheet as of December 31, 1999. Under EITF 96-18, the underlying shares of common stock associated with the Bechtel Warrant subject to repurchase are

revalued at each balance sheet date to reflect their current fair value until Bechtel's performance commitment is complete. Any resulting increase in fair value of the warrants is recorded as an additional cost component of the IBX center. In addition, the following assumptions were used in determining the fair value of the warrant: deemed fair market value per share of $4.80, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 5.5% and a contractual life of 5 years.

In addition, the Company has issued several warrants in connection with its debt facilities and capital lease obligations (see Note 3) and the Senior Notes (see Note 4). The Company has the following warrants outstanding as of December 31, 1999:

<TABLE>
<CAPTION>

Series A preferred stock warrants	Warrants outstanding	Exercise price
<S>	<C>	<C>
Comdisco Loan and Security Agreement Warrant.....	765,000	$ 0.67
Comdisco Master Lease Agreement Warrant.....	30,000	1.67
Comdisco Master Lease Agreement Addendum Warrant.....	150,000	3.00
Venture Leasing Loan Agreement Warrant.....	300,000	3.00
	1,245,000	

<CAPTION>

Common stock warrants	Warrants outstanding	Exercise price
<S>	<C>	<C>
Senior Note Warrants.....	3,376,500	$0.0067
NorthPoint Warrant.....	338,145	0.53
MCI Warrant.....	675,000	0.67
Bechtel Warrant.....	352,500	1.00
	4,742,145	

</TABLE>

(6) Income Taxes

The components of the provision for income taxes (benefit) are as follows:

<TABLE>
<CAPTION>

	1998	1999
<S>	<C>	<C>
Current:		
Federal.....	$ 29,300	(18,600)
State.....	10,500	(1,500)
	39,800	(20,100)
Deferred:		
Federal.....	(29,300)	29,300
State.....	(10,500)	10,500
	(39,800)	39,800
	$ --	19,700

</TABLE>

Income tax expense is included in selling, general and administrative expenses for the year ended December 31, 1999.

Actual income tax expense differs from the expected tax benefit computed by applying the statutory federal income tax rate of approximately 24.8% and 35% for the periods ended December 31, 1998 and December 31, 1999, respectively, as a result of the following:

<TABLE>
<CAPTION>

	1998	1999
<S>	<C>	<C>

Computed tax (benefit) at statutory rate	$(212,300)	(5,166,600)
State taxes	--	6,000
Net operating losses and temporary differences for which no tax benefit is recognized	211,900	2,594,000
Net operating losses not benefitted	--	2,572,000
Other	400	14,300
	$ --	19,700

</TABLE>

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets as of December 31, 1998 and December 31, 1999 is presented as follows:

<TABLE>
<CAPTION>

	1998	1999
<S>	<C>	<C>
Deferred tax assets:		
Other assets	$ 1,100	--
Start-up expenses	326,000	3,301,000
Net operating loss	--	3,169,000
Total deferred tax assets	327,100	6,470,000
Less valuation allowance	(287,300)	(6,470,000)
Net deferred tax assets	$ 39,800	--

</TABLE>

Net deferred tax assets are included in prepaids and other current assets at December 31, 1998.

The net change in the total valuation allowance for the period from June 22, 1998 (inception) to December 31, 1998 and the year ended December 31, 1999, was an increase of $287,300 and $6,182,700, respectively.

The Company has established a valuation allowance against that portion of deferred tax assets where management has determined that it is more likely than not that the asset will not be realized.

At December 31, 1999, the Company had net operating loss carryforwards of approximately $7,300,000 for federal and state tax purposes. If not earlier utilized, the federal net operating loss carryforward will expire in 2019 and the state loss carryforward will expire in 2006.

The Company's future ability to utilize net operating loss carryforwards may be subject to ownership changes as defined in the Internal Revenue Code of 1986.

(7) Commitments and Contingencies

Operating Lease Commitments

The Company leases its IBX centers and certain equipment under noncancelable operating lease agreements expiring through 2014. The centers' lease agreements typically provide for base rental rates which increase at defined intervals during the term of the lease. In addition, the Company has negotiated rent expense abatement periods to better match the phased build-out of its centers. The Company accounts for such abatements and increasing base rentals using the straight-line method over the life of the lease. The difference between the straight-line expense and the cash payment is recorded as deferred rent.

Minimum future operating lease payments as of December 31, 1999 are summarized as follows:

<TABLE>

<S>	<C>
Year ending:	
2000	4,949,700
2001	8,321,500
2002	8,578,700
2003	8,775,500
2004	9,045,300
Thereafter	90,244,300

Total	129,915,000

</TABLE>

Total rent expense was approximately $165,000 and $1,739,100 for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999, respectively.

Deferred rent included in accrued expenses was $42,400 and $18,000 as of December 31, 1998 and 1999, respectively. Deferred rent included in other liabilities was none and $566,600 as of December 31, 1998 and 1999, respectively.

Employment Agreement

The Company has agreed to indemnify an officer of the Company for any claims brought by his former employer under an employment and non-compete agreement the officer had with this employer.

Employee Benefit Plan

During the year ended December 31, 1999, the Company adopted the Equinix 401(k) Plan (the "401(k) Plan"). The 401(k) Plan allows eligible employees to contribute up to 15% of their compensation, limited to $10,000 in 1999. Employee contributions and earnings thereon vest immediately. Although the Company may make discretionary contributions to the 401(k) Plan, none have been made as of December 31, 1999.

(8) Related Party Transactions

The Company advanced an aggregate of $750,000 to an officer of the Company, which is evidenced by a promissory note. The proceeds of this loan were used to fund the purchase of a personal residence. The loan is due September 13, 2004, but is subject to certain events of acceleration, including an initial public offering of the Company's common stock and is secured by a second deed of trust on the officer's residence. The loan is non-interest bearing. This loan is presented in other assets on the accompanying consolidated balance sheet as of December 31, 1999.

In March 1999, the Company entered into an equipment lease facility with a preferred stockholder under which the Company leased $137,300 of equipment for a 24-month term.

In August 1999, the Company entered into a strategic agreement with NorthPoint. Under the terms of the strategic agreement, NorthPoint has agreed to use certain of the Company's domestic IBX centers and install their operational nodes in such centers. In exchange, the Company granted NorthPoint a warrant to purchase 338,145 shares of the Company's common stock at $0.53 per share. The NorthPoint Warrant was earned upon execution of the strategic agreement as NorthPoint's performance commitment was complete. The NorthPoint Warrant is immediately exercisable and expires five years from date of grant. The NorthPoint Warrant was valued at $1,507,800 using the Black-Scholes option-pricing model (see Note 5).

(9) Segment Information

During the year ended December 31, 1999, the Company adopted the provisions of SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information. SFAS No. 131 requires disclosures of selected segment-related financial information about products, major customers and geographic areas.

The Company and its subsidiary are principally engaged in the design, build-out and operation of neutral IBX centers. All revenues result from the operation of these IBX centers. Accordingly, the Company considers itself to operate in a single segment for purposes of disclosure under SFAS No. 131. The Company's chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on financial data consistent with the presentation in the accompanying consolidated financial statements.

As of December 31, 1998 and 1999, all of the Company's operations and assets are based in the United States.

(10) Subsequent Events

In January 2000, the Company's stockholders approved an amendment to the 1998 Stock Plan increasing the aggregate number of common shares available for issuance over the term of the Plan by 3,750,000 to a total of 12,012,810 shares.

In January 2000, the Company's stockholders approved a three-for-two stock split of its common and preferred stock effective January 19, 2000. The Company amended and restated its Certificate of Incorporation to increase the authorized share capital to 132,000,000 shares of common stock and 68,000,000 shares of preferred stock, of which 32,000,000 has been designated as Series A and 36,000,000 as Series B, to give effect to the three-for-two stock split. The accompanying consolidated financial statements have been adjusted to reflect this stock split.

In January 2000, the Company entered into an operating lease for its Dallas, Texas IBX center. The agreement is for a minimum of 10 years, with annual rent payments increasing from $1,131,000 to $1,357,200 over the lease term.

In January 2000, the Company entered into an operating lease agreement for its new corporate headquarters facility in Mountain View, California. The agreement is for a minimum of seven years, with annual rent payments increasing from $1,662,600 to $2,103,800 over the lease term. In connection with the lease agreement, the Company granted the lessor a warrant to purchase up to 33,100 shares of the

Company's common stock at $6.00 per share. The warrant is exercisable upon certain defined events occurring through May 28, 2000 and expire in 10 years from the date of grant. The warrant was valued at $185,700 using the Black-Scholes option pricing model and will be recorded as additional rent expense over the life of the lease. The following assumptions were used in determining the fair value of the warrant: deemed fair value per share of $6.55, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 6.0% and a contractual life of 10 years.

In January 2000, the Company advanced an aggregate of $250,000 to an officer of the Company, which is evidenced by a promissory note. The proceeds of this loan were used to fund the purchase of a principal residence. The loan is due January 13, 2005, but is subject to certain events of acceleration, including an initial public offering of the Company's common stock. The loan is secured by a second deed of trust on the officer's residence and is non-interest bearing.

(11) Subsequent Events (unaudited)

In April 2000, the Company entered into a definitive agreement with a fiber carrier whereby the fiber carrier agreed to install high-bandwidth local connectivity services to a number of the Company's IBX centers in exchange for colocation space and related benefits in such IBX centers. In connection with this agreement, the Company granted the fiber carrier a warrant to purchase up to 540,000 shares of the Company's common stock at $4.00 per share. The warrant is immediately exercisable and expires five years from date of grant. Warrants for 140,000 shares are immediately vested and warrants for 400,000 shares are subject to repurchase at the original exercise price if certain performance commitments are not completed by a pre-determined date. The fiber carrier is not obligated to install high-bandwidth local connectivity services and, apart from forfeiting the relevant number of warrants and colocation space, will not be penalized for not installing. The warrant was valued at $5,371,800 using the Black-Scholes option-pricing model. The following assumptions were used in determining the fair value of the warrant: deemed fair market value per share of $11.82, dividend yield of 0%, expected volatility of 80%, risk-free interest rate of 6.56% and a contractual life of 5 years.

In April 2000, the Company entered into an operating lease agreement for its Amsterdam, The Netherlands, IBX center. The Agreement is for a minimum of 15 years, with annual rent payments of 3,244,300 Dutch Guilders (approximately $1,336,300), adjusted annually according to the consumer price index (CPI).

In April and May 2000, the Company granted additional stock options to employees to purchase 593,100 shares of common stock under the 1998 Stock Plan resulting in an additional deferred stock-based compensation charge of approximately $4.9 million.

In May 2000, the Company amended and restated its Certificate of Incorporation to change the authorized share capital to 80,000,000 shares

of common stock and 41,000,000 shares of preferred stock, of which 20,000,000 has been designated as Series A, 16,000,000 has been designated as Series B and 5,000,000 has been designated as Series C.

In May 2000, the Company's stockholders approved an amendment to the 1998 Stock Plan increasing the aggregate number of common shares available for issuance over the term of the Plan by 3,000,000 to a total of 15,012,810 shares.

In May 2000, the Company completed the first closing of the Series C convertible preferred stock financing. The Company raised $50,000,000 and issued 3,315,649 shares of Series C convertible preferred stock. The rights, preferences and privileges of the Series C convertible preferred stock are consistent with those outlined for Series A and B in Note 5 except as follows:

. Dividends are payable at a rate of $1.21 per share

. Holders have a liquidation preference of $15.08 per share plus all declared but unpaid dividends.

- ---
- ---

Equinix, Inc.

Exchange Offer for
$200,000,000 13% Senior Notes due 2007

[LOGO OF EQUINIX, INC.]

, 2000

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- ---

PART II

Information Not Required in Prospectus

Item 20. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law authorizes a court to award or a corporation's board of directors to grant indemnification to directors and officers in terms sufficiently broad to permit indemnification under limited circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended (the "Securities Act"). Article VII, Section 7.6 of our bylaws provides for mandatory indemnification of our directors and permissive indemnification of our officers and employees to the maximum extent permitted by the Delaware General Corporation Law. Our Certificate of Incorporation provides that our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty as directors to our stockholders and us to the fullest extent permitted by the Delaware General Corporation Law. This provision in the Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances, equitable remedies like injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us for acts or omissions not in good faith or involving intentional misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, like the federal securities laws or state or federal environmental laws. We have entered into indemnification agreements with our officers and directors, a form of which is attached as Exhibit 10.5 and incorporated herein by reference. The indemnification agreements provide our officers and directors with further indemnification to the maximum extent permitted by the Delaware General Corporation Law.

Item 21. Exhibits and Financial Statement Schedules

(a) Exhibits

<TABLE>
<CAPTION>
Exhibit No.	Description
<C>	<S>

3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.
3.2**	Bylaws of the Registrant.
4.1**	Reference is made to Exhibits 3.1 and 3.2.
4.2**	Form of Old Note.
4.3**	Form of New Note.
4.4**	Escrow agreement, dated as of December 1, 1999, by and among the Registrant and State Street Bank and Trust Company of California, N.A. (as escrow agent and trustee).
4.5**	Indenture (See Exhibit 10.1).
4.6**	Common Stock Registration Rights Agreement (See Exhibit 10.3).
4.7**	Registration Rights Agreement (See Exhibit 10.4).
4.8**	Purchase Agreement, dated as of November 24, 1999, by and among the Registrant and Salomon Smith Barney Inc., Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. (collectively, the "Initial Purchasers").
4.9	Amended and Restated Investors' Rights Agreement (See Exhibit 10.6).
5.1	Opinions of Dewey Ballantine LLP and Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP.
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10.2**	Warrant Agreement, dated as of December 1, 1999, by and among the Registrant and State Street Bank and Trust Company of California, N.A. (as warrant agent).
10.3**	Common Stock Registration Rights Agreement, dated as of December 1, 1999, by and among the Registrant, Benchmark Capital Partners II, L.P., Cisco Systems, Inc., Microsoft Corporation, ePartners, Albert M. Avery, IV and Jay S. Adelson (as investors), and the Initial Purchasers.

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10.19**+	Master Agreement for Program Management, Site Identification and Evaluation, Engineering and Construction Services between Equinix, Inc. and Bechtel Corporation, dated November 3, 1999.
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10.21**	Customer Agreement between Equinix, Inc. and MCI Worldcom, Inc., dated November 16, 1999.
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23.1	Consent of KPMG LLP, independent auditors.
23.2**	Consent of Counsel. Reference is made to Exhibit 5.1.
24.1**	Power of Attorney.
25.1**	Form of T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of State Street Bank and Trust Company of California, N.A.
27.1**	Financial Data Schedule.

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99.2** Form of Notice of Guaranteed Delivery.
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+ Confidential treatment has been requested for certain portions which are omitted in the copy of the exhibit electronically filed with the Securities and Exchange Commission. The omitted information has been filed separately with the Securities and Exchange Commission pursuant to Equinix's application for confidential treatment.

(b) Financial Statement Schedules

All schedules have been omitted because the information required to be presented in them is not applicable or is shown in the consolidated financial statements or related notes.

Item 22. Undertakings

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers and controlling persons of the Registrant in accordance with the provisions described in Item 20 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission this indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities, other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding, is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of this issue.

The undersigned Registrant hereby undertakes that:

(1) It will respond to requests for information that is incorporated by reference into the prospectus in accordance with Item 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed after the effective date of the registration statement through the date of responding to the request.

(2) It will supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(3) It will file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(a) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(b) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission in accordance with Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(c) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.

(4) For the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) It will remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Amendment No. 3 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Redwood City, State of California, on this 9th day of May, 2000.

Equinix, Inc.

/s/ Albert M. Avery, IV
By:_____
Albert M. Avery, IV
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 3 to the registration statement has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

<TABLE>
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Signature	Title	Date
<S>	<C>	<C>
/s/ Albert M. Avery, IV Albert M. Avery, IV	President, Chief Executive Officer (Principal Executive Officer) and Director	May 9, 2000
Jay S. Adelson* Jay S. Adelson	Vice President, Engineering and Site Development, Chief Technology Officer and Director	May 9, 2000
/s/ Philip J. Koen Philip J. Koen	Chief Financial Officer (Principal Financial and Accounting Officer)	May 9, 2000
Andrew S. Rachleff* Andrew S. Rachleff	Director	May 9, 2000
Michelangelo Volpi* Michelangelo Volpi	Director	May 9, 2000
John Taysom	Director	
/s/ Albert M. Avery, IV *By: _____ Albert M. Avery Attorney-in-fact		
/s/ Philip J. Koen *By: _____ Philip J. Koen Attorney-in-fact		

</TABLE>

INDEX TO EXHIBITS

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3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.
3.2**	Bylaws of the Registrant.
4.1**	Reference is made to Exhibits 3.1 and 3.2.
4.2**	Form of Old Note.
4.3**	Form of New Note.
4.4**	Escrow agreement, dated as of December 1, 1999, by and among the Registrant and State Street Bank and Trust Company of California, N.A. (as escrow agent and trustee).
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** Previously filed.
+ Confidential treatment has been requested for certain portions which are omitted in the copy of the exhibit electronically filed with the Securities and Exchange Commission. The omitted information has been filed separately with the Securities and Exchange Commission pursuant to Equinix's application for confidential treatment.

EXHIBIT 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

EQUINIX, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Equinix, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"), originally incorporated on June 22, 1998, under the name Quark Communications, Inc.

DOES HEREBY CERTIFY:

FIRST: That the name of this corporation is Equinix, Inc.

SECOND: That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety as follows:

ARTICLE I

The name of this corporation is Equinix, Inc.

ARTICLE II

The address of the registered office of this corporation in the State of Delaware is 15 E. North St., P.O. Box 899, in the City of Dover, County of Kent. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

A. Classes of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares that this corporation is authorized to issue is one hundred twenty-one million

(121,000,000) shares. Eighty million (80,000,000) shares shall be Common Stock and forty-one million (41,000,000) shares shall be Preferred Stock, each with a par value of $0.001 per share.

B. Rights, Preferences and Restrictions of Preferred Stock. The Preferred Stock authorized by this Restated Certificate of Incorporation may be issued from time to time in one or more series. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A Preferred Stock, which series shall consist of twenty million (20,000,000) shares (the "Series A Preferred Stock"), the Series B Preferred Stock, which series shall consist of sixteen million (16,000,000) shares (the "Series B Preferred Stock"), and the Series C Preferred Stock, which series shall consist of five million (5,000,000) shares (the "Series C Preferred Stock"), are as set forth below in this Article IV(B).

1. Dividend Provisions.

(a) The holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be entitled to receive dividends at the rate of $0.05 per share, $0.43 per share, and $1.21 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) per annum, respectively, payable out of funds legally available therefor. Such dividends shall be payable only when, as, and if declared by the Board of Directors and shall be noncumulative.

(b) No dividends (other than those payable solely in the Common Stock of the corporation) shall be paid on any Common Stock of the corporation during any fiscal year of the corporation until dividends in the total amount of $0.05

per share, $0.43 per share, and $1.21 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares) on the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, respectively, shall have been paid or declared and set apart during that fiscal year and no dividends shall be paid on any share of Common Stock unless a dividend (including the amount of any dividends paid pursuant to the provisions of subsection (a) above) is paid with respect to all outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock in an amount for each such share of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock equal to or greater than the aggregate amount of such dividends for all shares of Common Stock into which each such share of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock could then be converted.

(c) In the event of a conversion of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock pursuant to Section 4 hereof, any accrued and unpaid dividends shall be paid at the election of the holder in cash or Common Stock at its then fair market value, as determined by the Board of Directors.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of this corporation, either voluntary or involuntary, the holders of Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this corporation to the holders of Common Stock by reason of their ownership thereof, (A) in the case of the Series A Preferred Stock, an amount per share equal to the sum of (i) $0.67 for each outstanding share of

Series A Preferred Stock (the "Original Series A Issue Price"), and (ii) an amount equal to declared but unpaid dividends on such share (subject to adjustment of such fixed dollar amounts for any stock splits, stock dividends, combinations, recapitalizations or the like), (B) in the case of the Series B Preferred Stock, an amount per share equal to the sum of (i) $5.33 for each outstanding share of Series B Preferred Stock (the "Original Series B Issue Price"), and (ii) an amount equal to declared but unpaid dividends on such share (subject to adjustments of such fixed dollar amounts for any stock splits, stock dividends, combinations, recapitalizations or the like), and (C) in the case of the Series C Preferred Stock, an amount per share equal to the sum of (i) $15.08 for each outstanding share of Series C Preferred Stock (the "Original Series C Issue Price"), and (ii) an amount equal to declared but unpaid dividends on such share (subject to adjustments of such fixed dollar amounts for any stock splits, stock dividends, combinations, recapitalizations or the like). If upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, the entire assets and funds of this corporation legally available for distribution shall be distributed ratably among the holders of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock in proportion to the full preferential amount each such holder is otherwise entitled to receive under this subsection (a).

(b) Upon the completion of the distribution required by subsection (a) of this Section 2 all of the remaining assets of this corporation available for distribution to stockholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each.

(c)

(i) For purposes of this Section 2, a liquidation, dissolution or winding up of this corporation shall be deemed to be occasioned by, or to include (unless the holders of at least a majority of the Preferred Stock then outstanding shall determine otherwise), (A) the acquisition of this corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation) that results in the transfer of fifty percent (50%) or more of the outstanding voting power of this corporation; or (B) a sale of all or substantially all of the assets of this corporation.

(ii) In any of such foregoing events, if the consideration received by this corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the thirty (30) day period ending three (3) days prior to the closing;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by this corporation and the holders of at least a majority of the voting power of all then outstanding shares of Preferred Stock.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as mutually determined by this corporation and the holders of at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

(iii) In the event the requirements of this subsection 2(c) are not complied with, this corporation shall forthwith either:

(A) cause such closing to be postponed until such time as the requirements of this Section 2 have been complied with; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(c)(iv) hereof.

(iv) This corporation shall give each holder of record of Preferred Stock written notice of such impending transaction not later than twenty (20) days prior to the stockholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and this corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after this corporation has given the first notice provided for herein or sooner than ten (10) days after this corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of Preferred Stock that are entitled to such notice rights or similar notice rights and that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock.

3. Redemption. The Preferred Stock is not redeemable.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this corporation or

any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Original Issue Price for such series by the Conversion Price applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price for shares of Series A Preferred Stock shall be the Original Series A Issue Price, the initial Conversion Price for shares of Series B Preferred Stock shall be the Original Series B Issue Price, and the initial Conversion Price for shares of Series C Preferred Stock shall be the Original Series C Issue Price, subject to adjustment as set forth in Section 4(d) hereof.

(b) Automatic Conversion. Each share of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such series immediately upon the earlier of (i) this corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 or Form SB-2 under the Securities Act of 1933, as amended, provided that the aggregate gross offering price is at least $25,000,000 or (ii) upon vote of the holders of a majority of the then outstanding shares of Preferred Stock (which provision may be amended only by a majority vote of the holders of the Preferred Stock).

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert the same into shares of Common Stock, he or she

shall surrender the certificate or certificates therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Preferred Stock, and shall give written notice to this corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(d) Conversion Price Adjustments of Preferred Stock for Certain Splits and Combinations. The Conversion Price of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) If this corporation shall issue, after the date upon which any shares of Series C Preferred Stock were first issued (the "Purchase Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for such series in effect immediately prior to the issuance of such Additional

Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 4(d)(i)(E)(1) or (2)) plus the number of shares of Common Stock that the aggregate consideration received by this corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (including shares of Common Stock deemed to be issued pursuant to subsection 4(d)(i)(E)(1) or (2)) plus the number of shares of Additional Stock.

(B) No adjustment of the Conversion Price for the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock shall be made in an amount less than one cent per share, provided that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors as determined in good faith irrespective of any accounting treatment.

(E) In the case of the issuance (whether before, on or after the applicable Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this subsection 4(d)(i) and subsection 4(d)(ii):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been

issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)), if any, received by this corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by this corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by this corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof (unless such options or rights or convertible or exchangeable securities were merely deemed to be included in the numerator and denominator for purposes of determining the number of shares of Common Stock outstanding for purposes of subsection 4(d)(i)(A)), the Conversion Price of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities (unless such options or rights were merely deemed to be included in the numerator and denominator for purposes of determining the number of shares of Common Stock outstanding for purposes of subsection 4(d)(i)(A)), shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 4(d)(i)(E)) by this corporation after the Purchase Date other than:

(A) Shares of Common Stock issuable or issued to employees, consultants, directors or vendors (if in transactions with primarily non-financing purposes) of this corporation directly or pursuant to a stock option plan or restricted stock plan approved by the Board of Directors of this corporation;

(B) The issuance of stock, warrants or other securities or rights upon approval by the Company's Board of Directors (including the Series B Director) to persons or entities with which the Company has business relationships provided such issuances are for other than primarily equity financing purposes;

(C) The issuance of securities pursuant to a bona fide, firmly underwritten public offering of shares of Common Stock, registered under the Act resulting in proceeds to the Company of at least $25,000,000 in the aggregate;

(D) The issuance of securities pursuant to the

conversion or exercise of convertible or exercisable securities; or

(E) The issuance of securities in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise.

(iii) In the event this corporation should at any time or from time to time after the Purchase Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock without a corresponding adjustment to the Conversion Price of the Preferred Stock, the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents.

(iv) If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event this corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(i), then, in each such case for the purpose of this subsection 4(e), the holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this corporation into which their shares of Series A Preferred Stock, Series B Preferred Stock, and/or Series C Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of this corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or Section 2 provision shall be made so that the holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall thereafter be entitled to receive upon conversion of the Series A Preferred Stock, Series B Preferred Stock, and/or Series C Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) No Impairment. This corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by this corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock against impairment.

(h) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, and the number of shares of Common

Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock, Series B Preferred Stock, and/or Series C Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock pursuant to this Section 4, this corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock a certificate executed by the Corporation's President or Chief Financial Officer setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This corporation shall, upon the written request at any time of any holder of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of a share of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock.

(i) Notices of Record Date. In the event of any taking by this corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, this corporation shall mail to each holder of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, at least twenty (20) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Restated Certificate of Incorporation.

(k) Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of this corporation.

5. Voting Rights.

(a) General Voting Rights. Subject to the provisions of Section 5(b) hereof, the holder of each share of Preferred Stock shall have the right to one vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the bylaws of this corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) Voting for the Election of Directors. As long as at least twenty-five percent (25%) of the shares of Series A Preferred Stock originally issued remain outstanding, the holders of such shares of Series A Preferred

Stock shall be entitled to elect two (2) directors of this corporation at each annual election of directors. The holders of outstanding Common Stock shall be entitled to elect two (2) directors of this corporation at each annual election of directors. As long as at least twenty-five percent (25%) of the shares of Series B Preferred Stock originally issued remain outstanding, the holders of such shares of Series B Preferred Stock shall be entitled to elect one (1) director of this corporation at each annual election of directors acceptable to the other directors. The holders of Series A Preferred Stock and Common Stock (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of this corporation, provided such directors are approved by the directors elected by the holders of Common Stock and the directors elected by the holders of Preferred Stock.

In the case of any vacancy (other than a vacancy caused by removal) in the office of a director occurring among the directors elected by the holders of a class or series of stock pursuant to this Section 5(b), the remaining directors so elected by that class or series may by affirmative vote of a majority thereof (or the remaining director so elected if there be but one, or if there are no such directors remaining, by the affirmative vote of the holders of a majority of the shares of that class or series), elect a successor or successors to hold office for the unexpired term of the director or directors whose place or places shall be vacant. Any director who shall have been elected by the holders of a class or series of stock or by any directors so elected as provided in the immediately preceding sentence hereof may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to unanimous written consent.

6. Protective Provisions. So long as 4,500,000 shares of Preferred Stock are outstanding, this corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock (voting together

as a single class and not as a separate series, and on an as-converted basis); provided, however that such majority vote shall include the vote of at least 1,876,173 shares of the holders of Series B Preferred Stock:

(a) sell, convey, or otherwise dispose of all or substantially all of its property or business or merge into or consolidate with any other corporation (other than a wholly-owned subsidiary corporation) or effect any transaction or series of related transactions in which more than fifty percent (50%) of the voting power of this corporation is disposed of;

(b) increase the total number of authorized shares of Series A Preferred Stock, Series B Preferred Stock, and/or Series C Preferred Stock;

(c) authorize or issue, or obligate itself to issue, any equity security other than that authorized herein, including any other security convertible into or exercisable for any equity security having a preference over or greater rights than the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock with respect to dividends, liquidation, redemption, conversion or voting;

(d) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which this corporation has the option to repurchase such shares at cost upon the occurrence of certain events, such as the termination of employment;

(e) alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock so as to affect adversely the shares;

(f) pay any dividends on this corporation's Common Stock; or

(g) increase the authorized number of directors of this corporation.

7. Status of Converted Stock. In the event any shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by this corporation. The Restated Certificate of Incorporation of this corporation shall be appropriately amended to effect the corresponding reduction in this corporation's authorized capital stock.

C. Common Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Article IV(C).

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of this corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of this corporation, the assets of this corporation shall be distributed as provided in Section 2 of Division (B) of Article IV hereof.

3. Redemption. The Common Stock is not redeemable.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

ARTICLE V

Except as otherwise provided in this Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of this corporation.

ARTICLE VI

The number of directors of this corporation shall be fixed from time to time by a bylaw or amendment thereof duly adopted by the Board of Directors or by the stockholders.

ARTICLE VII

Elections of directors need not be by written ballot unless the Bylaws of this corporation shall so provide.

ARTICLE VIII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of this corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of this corporation.

ARTICLE IX

A director of this corporation shall, to the fullest extent permitted by the General Corporation Law as it now exists or as it may hereafter be amended, not be personally liable to this corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to this corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law is amended, after approval by the stockholders of this Article, to authorize corporation action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

Any amendment, repeal or modification of this Article IX, or the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article IX, by the stockholders of this corporation shall not apply to or adversely affect any right or protection of a director of this corporation existing at the time of such amendment, repeal, modification or adoption.

ARTICLE X

This corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE XI

To the fullest extent permitted by applicable law, this corporation is authorized to provide indemnification of (and advancement of expenses to) agents of this corporation (and any other persons to which General Corporation Law permits this corporation to provide indemnification) through bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law, subject only to limits created by applicable General Corporation Law (statutory or non-statutory), with respect to actions for breach of duty to this corporation, its stockholders, and others.

Any amendment, repeal or modification of the foregoing provisions of this Article XI shall not adversely affect any right or protection of a director, officer, agent, or other person existing at the time of, or increase the liability of any director of this corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

* * *

THIRD: The foregoing amendment and restatement was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the General Corporation Law.

FOURTH: That said amendment and restatement was duly adopted in accordance with the provisions of Section 242 and 245 of the General Corporation Law.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by the President of this corporation on this 8th day of May, 2000.

/s/ Albert M. Avery, IV

Albert M. Avery, IV
President and Chief Executive Officer

EXHIBIT 5.1

May 9, 2000

Equinix, Inc.
901 Marshall Street
Redwood City, CA 94063

Ladies and Gentlemen:

We have acted as special New York counsel to Equinix, Inc., a Delaware corporation (the "Company"), in connection with the Company's offer to exchange (the "Exchange Offer") up to $200,000,000 aggregate principal amount of its 13% Senior Notes due 2007 (the "Exchange Notes") which have been registered under the Securities Act of 1933, as amended (the "Securities Act") for its existing 13% Senior Notes due 2007 (the "Old Notes"), as described in the Prospectus (the "Prospectus") contained in the Registration Statement on Form S-4 (as amended or supplemented, the "Registration Statement"), to be filed with the Securities and Exchange Commission. The Old Notes were issued, and the Exchange Notes are proposed to be issued, under an indenture dated as of December 1, 1999 (the "Indenture"), between the Company and State Street Bank and Trust Company of California, N.A., as Trustee.

In arriving at the opinion expressed below, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates, agreements and other matters as we have deemed necessary or advisable for the purposes of rendering this opinion.

In such examination, we have assumed, without independent investigation, (i) the genuineness of all signatures; (ii) the legal capacity of all individuals who have executed any of the documents reviewed by us; (iii) the authenticity of all documents submitted to us as originals; (iv) the conformity to executed documents of all unexecuted copies submitted to us; and (v) the authenticity of, and the conformity to original documents of, all documents submitted to us as certified or photocopied copies. In addition, we have relied upon the opinion of Gunderson, Dettmer, Stough, Villeneuve, Franklin & Hachigian, LLP, corporate and securities counsel to the Company, rendered May 9, 2000 stating that (i) the Company has taken all necessary action, corporate and otherwise, to authorize the issuance and delivery of the Exchange Notes; (ii) the Company has the power, corporate and otherwise, to issue and deliver the Exchange Notes; and (iii) the Exchange Notes have been duly executed and delivered. The opinions expressed herein are subject in all respects to the assumptions, limitations and qualifications expressed therein. As to certain factual matters material to our opinion, we have relied upon oral statements, written information and certificates of officials and representatives of the Company and others, and we have not independently verified the accuracy of the statements contained therein.

Based on the foregoing, and subject to the assumptions, limitations, exceptions and qualifications set forth herein, we are of the opinion that the Exchange Notes, when authenticated, issued and delivered in exchange for the Old Notes in accordance with the terms of the Indenture and the Exchange Offer, will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or similar laws affecting creditors' rights generally or by general equitable principles.

We are members of the Bar of the State of New York and the foregoing opinion is limited to the laws of the State of New York as in effect on the date hereof.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement and to the reference made to this firm under the caption "Legal Matters" in the Prospectus. In giving this consent, we do not thereby admit that we are included within the category of persons whose consent is required under Section 7 of the Securities Act, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Dewey Ballantine LLP

Dewey Ballantine LLP

Equinix, Inc.
901 Marshall Street
Redwood City, CA 94063

Ladies and Gentlemen:

We have acted as counsel to Equinix, Inc., a Delaware corporation (the "Company"), in connection with the offer to exchange by the Company of 13% senior notes due 2007 in exchange for 13% senior notes due 2007 which have been registered under the Securities Act of 1933, as amended (the "Exchange Securities"), as described in the Prospectus (the "Prospectus") contained in the Registration Statement on Form S-4 (Registration No. 333-93749) (as amended or supplemented, the "Registration Statement") filed with the Securities and Exchange Commission.

In our capacity as counsel to the Company, we have examined, among other things, originals, or copies identified to our satisfaction as being true copies, of the following:

(i) The Certificate of Incorporation of the Company, including all amendments and restatements thereto, as in effect at the date hereof;

(ii) The Bylaws of the Company, including all amendments thereto, as in effect at the date hereof;

(iii) Resolutions of the Board of Directors of the Company authorizing the issuance and sale of the Units sold by the Company, and certain other actions with respect thereto; and

(iv) The indenture, dated as of December 1, 1999, by and among the Company and State Street Bank and Trust Company of California, N.A. (as trustee) (the "Indenture").

In addition, we have obtained from public officials and from officers and other representatives of the Company such other certificates and assurances as we consider necessary for purposes of this opinion. In connection with the opinions expressed herein, we have made such examinations of matters of law and of fact as we considered appropriate or advisable for purposes hereof.

We have assumed for the purpose of this opinion that the signatures on all documents examined by us are genuine and the accuracy of all copies provided to us, which assumptions we have not independently verified.

This opinion relates solely to the laws of the General Corporation Law of the State of Delaware, and we express no opinion with respect to the effect or applicability of the laws in other areas or of other jurisdictions. We express no opinion as to the Company's compliance or noncompliance with applicable federal or state antifraud or antitrust statutes, laws, rules and regulations.

On the basis of our examination and in reliance thereon and on our consideration of such other matters of fact and questions of law as we consider relevant in the circumstances, we are of the opinion that (i) the Company has the requisite corporate power and authority to issue and deliver the Exchange Securities; (ii) the Exchange Securities have been duly and validly authorized by the Company for issuance; and (iii) the Exchange Securities, when issued in accordance with the terms of the Indenture, will be duly executed and delivered.

We consent to the use of this opinion as an exhibit to the Registration Statement, and further consent to the use of our name wherever appearing in said Registration Statement, including the Prospectus constituting a part thereof, and in any amendment or supplement thereto.

Very truly yours,

/s/ Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP

GUNDERSON DETTMER STOUGH VILLENEUVE FRANKLIN & HACHIGIAN, LLP

EXHIBIT 10.6

EQUINIX, INC.

AMENDED AND RESTATED
INVESTORS' RIGHTS AGREEMENT

May 8, 2000

TABLE OF CONTENTS

<TABLE>
<CAPTION>

</TABLE>

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT is made as of the 8th day of May, 2000, by and among Equinix, Inc., a Delaware corporation (the "Company"), Albert M. Avery, IV and Jay Adelson (the "Common Holders") and the investors listed on Schedule A hereto, each of which is herein referred to as an "Investor."

RECITALS

WHEREAS, certain of the Investors and the Common Holders possess registration rights and certain of the Investors possess other investor rights granted pursuant to that certain Amended and Restated Investors' Rights Agreement, dated August 26, 1999, among the Company and the persons listed on the Schedule of Investors attached thereto, as amended effective November 30, 1999 (the "Prior Agreement");

WHEREAS, certain of the Investors (the "Series C Investors") are parties to the Series C Preferred Stock Purchase Agreement of even date herewith (the "Series C Agreement") among the Company and the investors listed on the Schedule of Investors attached thereto, pursuant to which the Series C Investors are purchasing shares of Series C Preferred Stock of the Company;

WHEREAS, in order to induce the Company and the Common Holders to approve the issuance of the Series C Preferred Stock and to induce the Investors to invest funds in the Company pursuant to the Series C Agreement, the Investors and the Common Holders hereby agree to waive their rights under the Prior

Agreement, and the Investors, the Common Holders and the Company hereby agree that this Agreement shall govern the rights of the Investors and the Common Holders to cause the Company to register shares of Common Stock issued or issuable to them and certain other matters as set forth herein; and

WHEREAS, the Series C Investors and the Company have agreed to enter into this Agreement;

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Section 1:

(a) The term "Act" means the Securities Act of 1933, as amended.

(b) The term "Holder" means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.11 hereof; provided, however, that the Common Holders shall not be deemed to be Holders for purposes of Section 1.2.

(c) The term "Initial Offering" means the Company's first firm commitment underwritten public offering of its Common Stock under the Act.

(d) The term "1934 Act" means the Securities Exchange Act of 1934, as amended.

(e) The term "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(f) The term "Registrable Securities" means (i) the Common Stock issuable or issued upon conversion of the Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, (ii) the 1,954,645 shares of stock issuable upon exercise of warrants issued, or to be issued, in favor of Northpoint Communications, Inc., MCI Worldcom, Bechtel Corporation, AT&T Corp., Alexandria Real Estate Equities, L.P., and Malcolm Brown, and (iii) the 6,060,000 shares of Common Stock issued to the Common Holders; provided, however, that such shares of Common Stock held by the Common Holders shall not be deemed Registrable Securities for the purposes of Section 1.2 and (iv) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i), (ii) and (iii) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his rights under this Section 1 are not assigned.

(g) The number of shares of "Registrable Securities" outstanding shall be determined by the number of shares of Common Stock outstanding that are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

(h) The term "SEC" shall mean the Securities and Exchange Commission.

(i) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.2 Request for Registration.

(a) Subject to the conditions of this Section 1.2, if the Company shall receive at any time after six months after the Company's Initial Offering a written request from the Holders of at least thirty (30%) of the Registrable Securities then outstanding (the "Initiating Holders") that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least twelve million, five hundred thousand dollars ($12,500,000), then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 1.2, use its most diligent efforts to effect

the registration under the Act of all Registrable Securities (including, without limitation, appropriate qualification under applicable blue sky or other state securities laws) that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company's notice pursuant to this Section 1.2(a).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting,

they shall so advise the Company as a part of their request made pursuant to this Section 1.2 and the Company shall include such information in the written notice referred to in Section 1.2(a). In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company (which underwriter or underwriters shall be reasonably acceptable to a majority in interest of the Initiating Holders). Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company in writing that marketing factors require a limitation of the number of securities underwritten (including Registrable Securities), then the Company, in writing, shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities on a pro rata basis based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) The Company shall not be required to effect a registration pursuant to this Section 1.2:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected two (2) registrations pursuant to this Section 1.2, and such registrations have been declared or ordered effective; or

(iii) during the period starting with the date twenty (20) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date ninety (90) days following the effective date of, a Company-initiated registration subject to Section 1.3 below, provided that the Company is actively employing in good faith all reasonable efforts to cause such registration statement to become effective; or

(iv) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2, a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its

stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders, provided that such right to delay a request shall be exercised by the Company not more than once in any twelve (12)-month period.

1.3 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Act in connection with the public offering of such securities (other than a registration relating solely to the sale of securities to participants in a Company stock plan, a registration relating to a corporate reorganization or other transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered, or a registration of debt securities relating to a registered exchange offer), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 3.5, the Company shall, subject to the provisions of Section 1.3(c), use all reasonable best efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder has requested to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.6 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by it (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with an underwriter or underwriters selected by the Company, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling Holders according to the total amount of securities entitled to be included therein owned by each selling Holder or in such other proportions as shall mutually be agreed to

by such selling Holders), but in no event shall (i) the amount of securities of the selling Holders included in the offering be reduced below thirty percent (30%) of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company's securities, in which case the selling Holders may be excluded if the underwriters make the determination described above and no other shareholder's securities are included. For purposes of the preceding parenthetical concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a partnership or corporation, the partners, retired partners and stockholders of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

1.4 Form S-3 Registration. In case the Company shall receive from the Holders of Registrable Securities, with an aggregate market value of at least $20,000,000, a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use all reasonable best efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company, provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this section 1.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $1,000,000;

(iii) if the Company shall furnish to the Holders a certificate signed by the Chief Executive Officer or Chairman of the Board of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its shareholders for such Form S-3 Registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than one hundred twenty (120) days after receipt of the request of the Holder or Holders under this Section 1.4; provided, however, that the Company shall not utilize this right more than once in any twelve month period; or

(iv) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or

compliance.

(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as requests for registration effected pursuant to Sections 1.2.

1.5 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file (and promptly notify each participating Holder of such filing) with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective, and keep such registration statement effective for a period of at least one-hundred twenty (120) days or until the distribution contemplated in the Registration Statement has been completed, whichever first occurs; provided, however, that such 120-day period shall be extended for a period of time equal to the period the Holder refrains from selling any securities included in such registration at the request of an underwriter of Common Stock (or other securities) of the Company.

(b) prepare and file (and promptly notify each participating Holder of such filing) with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

(f) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be

delivered under the Act or the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and the Company shall promptly prepare and file with the SEC, and at the request of any such Holder prepare and furnish to such Holder a reasonable number of copies of, a supplement to or an amendment of such prospectus as may be necessary so that such prospectus shall not include such untrue statement or fail to omit such material fact;

(g) cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration; and

(i) furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriters for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (1) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the

Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (2) a "comfort" letter dated as of such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

1.6 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company, at its request, such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be required to effect the registration of such Holder's Registrable Securities.

1.7 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to this Section 1, including (without limitation) all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable

Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be requested in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 1.2; provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 1.2.

1.8 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.9 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners or officers, directors and stockholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws; and the Company will reimburse each such Holder, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 1.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter or controlling person; provided further, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Holder or underwriter, or any person controlling such Holder or underwriter, from whom the person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the prospectus (as then amended or supplemented if the Company shall have furnished to such Holder

or underwriter

any amendments or supplements thereto) was not sent or given by or on behalf of such Holder or underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the shares to such person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any person intended to be indemnified pursuant to this subsection 1.9(b), for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 1.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), provided that in no event shall any indemnity under this subsection 1.9(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if materially prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.9, but the omission so to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in

lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this

Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.10 Reports Under Securities Exchange Act of 1934. With a view to making available to the Holders the benefits of Rule 144 promulgated under the Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in SEC Rule 144, at all times after ninety (90) days after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the Initial Offering), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.11 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only

with all related obligations) by a Holder to a transferee or assignee of such securities that (i) is a subsidiary, parent, member, affiliate, partner, limited partner, retired partner or stockholder of a Holder, (ii) is a Holder's family member or trust for the benefit of an individual Holder, (iii) after such assignment or transfer, holds at least one million five hundred thousand (1,500,000) of the then outstanding Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations and other recapitalizations), or (iv) is approved by the Company in writing, provided: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 1.12 below; and (c) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

1.12 "Market Stand-Off" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's initial public offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (whether such shares or any such securities are then owned by the Holder or are thereafter acquired; provided, however, that such prohibition shall not apply to shares purchased in the initial public offering or in open market transactions following such offering), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, provided that all officers and directors of the Company and all other persons who hold one percent (1%) or more of the then outstanding Capital Stock of the Company also agree to such restrictions. The underwriters in connection with the Company's initial public offering are intended third party beneficiaries of this Section 1.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

1.13 Termination of Registration Rights.

(a) No Holder shall be entitled to exercise any right provided for in this Section 1 after three (3) years following the Company's

Initial Offering.

(b) In addition, the right of any Holder to request registration or inclusion in any registration pursuant to Section 1.3 shall terminate if and when such Holder's Registrable Securities (and any affiliate of the Holder with whom such Holder must aggregate its

sales under Rule 144) (i) can be sold in any three (3)-month period without registration in compliance with Rule 144 of the Act and (ii) constitute less than 1% of the outstanding Common Stock of the Company.

1.14 Limitations on Subsequent Registration Rights. Unless unanimously approved by the Board of Directors, from and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company that would (a) allow such holder or prospective holder to include such securities in any registration filed under Section 1.3 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) grant such holder or prospective holder demand registration rights preferential to those granted to the Holders herein.

2. Covenants of the Company.

2.1 Delivery of Financial Statements. Each Holder shall be entitled to receive:

(a) As soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholder's equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and audited and certified by independent public accountants of nationally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited profit or loss statement, a statement of cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter;

(c) within thirty (30) days of the end of each month, an unaudited income statement and a statement of cash flows and balance sheet for and as of the end of such month, including a comparison of the Company's actual results with its budget;

(d) with respect to the financial statements called for in subsections (b) and (c) of this Section 2.1, an instrument executed by the Chief Financial Officer or President of the Company and certifying that such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustment;

(e) as soon as practicable, but in any event within thirty (30) days after the end of each fiscal year, a budget for the next fiscal year, including balance sheets

and sources and applications of funds statements and, as soon as prepared, any other budgets or revised budgets prepared by the Company; and

(f) such other information relating to the financial condition, business, prospects or corporate affairs of the Company as the Holders may from time to time request, provided, however, that the Company shall not be obligated under this subsection (f) or any other subsection of Section 2.1 to provide information which it deems in good faith to be a trade secret or similar confidential information.

2.2 Inspection. The Company shall permit each Investor that holds at least one million five hundred thousand (1,500,000) shares of Preferred Stock (and/or Common Stock issued upon conversion thereof), at such Investor's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information that it reasonably considers to be a trade secret or similar confidential information; and,

provided further, that the Investors coordinate their visitations and inspections so as to minimize the disruptions and interruptions to the Company.

2.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate as to Investors and be of no further force or effect when the sale of securities pursuant to a registration statement filed by the Company under the Act in connection with the firm commitment underwritten offering of its securities to the general public is consummated or when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, whichever event shall first occur.

2.4 Right of First Offer. Subject to the terms and conditions specified in this paragraph 2.4, the Company hereby grants to each Major Investor (as hereinafter defined) a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 2.4, a Major Investor shall mean any Investor or transferee that holds at least one million five hundred thousand (1,500,000) shares of Preferred Stock (or the Common Stock issued upon conversion thereof) issued pursuant to the Series A Preferred Stock Purchase Agreement, the Series B Preferred Stock Purchase Agreement or the Series C Preferred Stock Purchase Agreement (as adjusted for stock splits, stock dividends, combinations and other recapitalizations). For purposes of this Section 2.4, Investor includes any general partners and affiliates of an Investor. An Investor shall be entitled to apportion the right of first offer hereby granted it among itself and its partners and affiliates in such proportions as it deems appropriate.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, any class of its capital stock, whether now authorized or not, ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions.

(a) The Company shall deliver a notice in accordance with Section 3.5 ("Notice") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered, and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company, within twenty (20) calendar days after receipt of the Notice, the Major Investor may elect to purchase or obtain, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the proportion that the number of shares of Common Stock issued and held, or issuable upon conversion of the Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock then held, by such Major Investor bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion of all convertible securities). Each Investor shall have a right of over-allotment such that if any Investor fails to exercise its right hereunder to purchase such portion of the shares, the other Investors may purchase the Non-Purchasing Investor's portion on a pro rata basis (based upon the procedure set forth in this Section 2.4(b)) within ten (10) days from the date such Non-Purchasing Investor fails to exercise its right to purchase its portion of the Shares.

(c) If all Shares that Investors are entitled to obtain pursuant to subsection 2.4(b) are not elected to be obtained as provided in subsection 2.4(b) hereof, the Company may, during the ninety (90) day period following the expiration of the period (including the over-allotment period) provided in subsection 2.4(b) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than, and upon terms no more favorable to the offeree than those specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within ninety (90) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this paragraph 2.4 shall not be applicable to (i) the issuance or sale of shares of Common Stock (or options therefor) upon approval by the Company's Board of Directors to employees, directors and consultants for the primary purpose of soliciting or retaining their services; (ii) the issuance of securities pursuant to a bona fide, firmly underwritten public offering of shares of Common Stock, registered under the Act, (iii) the issuance of securities pursuant to the conversion or exercise of convertible or exercisable securities, (iv) the issuance of securities upon approval by the Company's Board of Directors in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise, (v) the issuance of stock, warrants or other securities or rights upon approval by the Company's Board of Directors to persons or entities with which the Company has business relationships provided such issuances are for other than primarily equity financing purposes, or (vi) the issuance of any shares of Series A Preferred Stock, Series B Preferred Stock, or Series C Preferred Stock, authorized as of the date hereof.

2.5 Board Representation. Immediately upon the Closing, the Board shall consist of Albert M. Avery, IV, Jay Adelson, Andy Rachleff, Mike Volpi, John Taysom and two vacancies.

2.6 Termination of Certain Covenants. The covenants set forth in Sections 2.4 shall terminate and be of no further force or effect upon the consummation of the Company's Initial Offering.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

3.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or upon delivery by telephonically confirmed facsimile transmission, nationally recognized overnight courier service, or upon deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the party to be notified at the address indicated for such party on the signature page hereof, or at such other address as such party may designate by ten (10) days' advance written notice to the other parties, or with respect to any party with an address outside the United States such notice shall be deemed received within three (3) business days upon deposit with a reputable international express courier.

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Entire Agreement: Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of a majority of the Registrable Securities;

provided, however, that in the event that such amendment or waiver adversely affects the obligations and/or rights of the Common Holders in a different manner than the other Holders, such amendment or waiver shall also require the written consent of the holders of a majority in interest of the Common Holders. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities each future holder of all such Registrable Securities, and the Company.

3.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

3.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.10 Prior Agreement. The Prior Agreement is hereby superseded in its entirety and shall be of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

EQUINIX, INC.

By: /s/ Albert M. Avery, IV

Name: Albert M. Avery, IV
Title: Chief Executive Officer

COMMON HOLDERS:

/s/ Albert M. Avery, IV

Name: Albert M. Avery, IV

/s/ Jay Adelson

Name: Jay Adelson

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

INVESTOR:

BENCHMARK CAPITAL PARTNERS IV, L.P.
as nominee for
Benchmark Capital Partners, IV, L.P.
Benchmark Founders Fund IV, L.P.
Benchmark Founders Fund IV-A, L.P.
and related individuals
By: Benchmark Capital Management Co. IV, L.L.C.,
its general partner

By: /s/ Andrew S. Rachleff

Managing Member

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

INVESTOR:

CISCO SYSTEMS, INC.

By: /s/ Michelangelo Volpi

Name: Michelangelo Volpi

Title:

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

INVESTOR:

MORGAN STANLEY DEAN WITTER
EQUITY FUNDING, INC.

By: /s/ Thomas A. Clayton

Title: Vice President

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

INVESTOR:

JOHN MAYES

By: /s/ John Mayes

Title:

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

INVESTOR:

CAPITAL RESEARCH AND MANAGEMENT COMPANY, ON BEHALF
OF THE NEW ECONOMY FUND

By: /s/ Michael Downer

Michael J. Downer, Secretary

CAPITAL RESEARCH AND MANAGEMENT COMPANY, ON BEHALF
OF AMERICAN VARIABLE INSURANCE SERIES, GROWTH FUND

By: /s/ Michael Downer

Michael J. Downer, Secretary

SIGNATURE PAGE TO THE INVESTORS' RIGHTS AGREEMENT

Schedule A

Schedule of Investors

<TABLE>
<CAPTION>

Name	Number of Shares Purchased	Total Purchase Price of Shares
<S>	<C>	<C>
The New Economy Fund $30,160,000.00 c/o Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	2,000,000	
American Variable Insurance Series, Growth Fund $19,839,986.92 c/o Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	1,315,649	

</TABLE>

INVESTOR:

CAPITAL RESEARCH AND MANAGEMENT COMPANY, ON BEHALF
OF THE NEW ECONOMY FUND

By: /s/ Michael Downer

Michael J. Downer, Secretary

CAPITAL RESEARCH AND MANAGEMENT COMPANY, ON BEHALF
OF AMERICAN VARIABLE INSURANCE SERIES, GROWTH FUND

By: /s/ Michael Downer

Michael J. Downer, Secretary

EXHIBIT 10.9

[*]
[*]
Chicago, Illinois

LEASE AGREEMENT

BETWEEN

CARLYLE-CORE CHICAGO LLC, a Delaware limited liability company
("Landlord")

AND

EQUINIX, INC., a Delaware corporation
("Tenant")

_____
*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

TABLE OF CONTENTS

<TABLE>
<CAPTION>
<S> <C>

</TABLE>

EXHIBITS
- --------

EXHIBIT G - SAMPLE LETTER OF CREDIT
EXHIBIT H - AGREEMENT REGARDING LENDER'S SECURITY INTEREST IN TENANT'S PERSONAL PROPERTY

LEASE AGREEMENT

This Lease ("Lease") is made and entered into as of September 1, 1999, by and between CARLYLE-CORE CHICAGO LLC, a Delaware limited liability company ("Landlord") and EQUINIX, INC., a Delaware corporation ("Tenant").

1. Basic Lease Information.

(a) "Building" shall mean the building located at [*], Chicago, Illinois.

(b) "Rentable Square Footage of the Building" is estimated to be [*] rentable square feet, subject to Landlord's Confirmation (defined below).

(c) "Premises" shall mean the area shown on Exhibit A to this Lease. The Premises consist of the entire fifth floor of the Building. The "Rentable Square Footage of the Premises" is approximately [*] Rentable Square Feet. As the Premises includes a floor in its entirety, all corridors, elevator lobbies and restroom facilities located on such full floor shall be considered part of the Premises. Landlord and Tenant stipulate and agree that the Rentable Square Footage of the Building and the Rentable Square Footage of the Premises as stated above are estimates, subject to final measurement by Landlord ("Landlord's Confirmation"). Such measurement shall be performed in accordance with ANSI/BOMA Z65.1-1996. ("BOMA Standard"). As used herein "Rentable Square Feet", "Rentable Area" and/or "Rentable Square Footage" shall be the amounts determined by Landlord, based upon calculation of usable areas and rentable areas in accordance with the BOMA Standard, as a result of Landlord's Confirmation. Following Landlord's Confirmation (i) Landlord shall deliver a copy of Landlord's Confirmation to Tenant for Tenant's review and confirmation, and (ii) Landlord will set forth the final measurements in a Commencement Letter in the form of Exhibit D attached hereto.

(d) "Equipment Space" shall mean the Rooftop Equipment Space, Generator Space and Electrical Space (as described in Article 6 herein) and shown on Exhibit B to this Lease. The Rentable Square Footage of the Equipment Space is estimated to be [*] Rentable Square Feet, subject to Landlord's Confirmation.

(e) "Base Rent":

Period	Annual Rate Per Rentable Square Foot
Year 1	$[*]
Year 2	$[*]
Year 3	$[*]
Year 4	$[*]
Year 5	$[*]
Year 6	$[*]
Year 7	$[*]
Year 8	$[*]
Year 9	$[*]
Year 10	$[*]
Year 11	$[*]
Year 12	$[*]
Year 13	$[*]
Year 14	$[*]
Year 15	$[*]

Notwithstanding the foregoing, during the initial [*] ([*]) months following the Rent Commencement Date, Base Rent for [*] ([*]) of the Rentable Square Footage of the Premises (ie, [*] rentable square feet) shall be abated, provided Tenant is not in default

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

hereunder beyond the giving of any applicable notices and the passage of any applicable grace periods. If, at any time following the Rent Commencement Date, Tenant is in monetary default hereunder (beyond the giving of applicable notice and the passage of applicable grace periods) Landlord shall have the right, in addition to any other rights or remedies provided under this Lease, to declare immediately due and payable any Base Rent abated pursuant to the provisions of the foregoing sentence.

(f) "Equipment Space Rent":

Period	Annual Rate Per Rentable Square Foot
Year 1	$[*]
Year 2	$[*]
Year 3	$[*]
Year 4	$[*]
Year 5	$[*]
Year 6	$[*]
Year 7	$[*]
Year 8	$[*]
Year 9	$[*]
Year 10	$[*]
Year 11	$[*]
Year 12	$[*]
Year 13	$[*]
Year 14	$[*]
Year 15	$[*]

(g) "Tenant's Pro Rata Share": The ratio (expressed as a percentage) that the Rentable Area of the Premises bears to the Rentable Area of the Building; said amount to be determined by Landlord's Confirmation.

(h) "Commencement Date": The date Landlord delivers possession of the Premises to Tenant with the Landlord Work completed.

(i) "Rent Commencement Date": The date that is [*] ([*]) days from the Commencement Date.

(j) "Term": A period commencing on the Commencement Date and expiring on the date ("Expiration Date") that is one hundred eighty (180) months (fifteen (15) years) from the Rent Commencement Date. The Commencement Date is estimated to be September 30, 1999.

(k) "Security Deposit": [*] Dollars ($[*]) in cash or, at Tenant's option, in the form of an irrevocable letter of credit ("Letter of Credit").

(l) "Guarantor(s)": Not applicable.

(m) "Broker": Core Location Realty Associates of Chicago LLC, representing Landlord.

(n) "Permitted Use": Installation, operation and maintenance of telecommunication, switching and transmission equipment (including Co-location as defined in Article 11, subject to the limitations set forth in this Lease) as the primary use and associated general office use required to support, monitor and maintain the equipment located within the Premises or Equipment Space; the amount of office use shall be subject to Landlord's prior written approval.

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

(o) "Notice Addresses":

Tenant:

Notices shall be sent to Tenant at the following address:

Equinix, Inc.
901 Marshall Street, 2/nd/ Floor
Redwood City, California 94063
Attn: Mr. Art Chinn

On and after the Rent Commencement Date, a copy of all notices shall be sent to Tenant at the Premises.

Landlord:

CARLYLE-CORE CHICAGO LLC
c/o Core Location Realty Associates of Chicago LLC
4520 East-West Highway, Suite 650
Bethesda, Maryland 20814
Attention: Mark Ezra

With a copy to:

Shartsis, Friese & Ginsburg LLP
One Maritime Plaza, 18/th/ Floor
San Francisco, California 94111
Attention: Jonathan M. Kennedy, Esq.

and

The Carlyle Group
1001 Pennsylvania Avenue
Suite 220 South
Washington, DC 20004
Attention: Gary Block

(p) "Rent Payment Address":

CARLYLE-CORE CHICAGO LLC
c/o Core Location Realty Associates of Chicago LLC
4520 East-West Highway, Suite 650
Bethesda, Maryland 20814
Attention: Management Agent

(q) "Business Day(s)" are Monday through Friday of each week, exclusive of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and any other union-recognized holidays (ie, days which labor unions serving Landlord recognize as holidays) ("Holidays"). Landlord may reasonably designate additional Holidays.

(r) "Landlord Work" shall mean the completion by Landlord of demolition, pursuant to a demolition plan prepared by Landlord, of existing partitions within the Premises as well as the demolition of existing wood block floor covering, existing HVAC, existing steam and domestic water (ie, excluding sprinkler systems), electrical and other pipes and conduit, non-load bearing walls, and asbestos that is exposed and/or friable (the Landlord Work shall not include the demolition of masonry partitions, lighting, all vertical penetrations, power panels and main ducts) and the delivery of the Premises in broom clean condition.

(s) "Law(s)" means all applicable statutes, codes, ordinances, orders, rules and regulations of any municipal or governmental entity.

(t) "Property" means the Building, the parking lot serving the Building and the parcel(s) of land on which they are located and, at Landlord's reasonable discretion, other improvements serving the Building generally, if any, and the parcel(s) of land on which they are located.

2. Lease Grant.

(a) Premises. Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord, together with the right in common with others to use any portions of the Property that are designated by Landlord for the common use of tenants and others, such as sidewalks, unreserved parking areas, common corridors, elevator foyers, restrooms, vending areas and lobby areas (the "Common Areas").

(b) Equipment Space. Additionally, pursuant to the provisions of Article 6 below, Tenant shall have the right to place certain equipment in the Equipment Space.

3. Term; Possession. The Term shall commence on the Commencement Date and shall expire, if not sooner terminated pursuant to the provisions of this Lease, on the Expiration Date. On the Commencement Date, the Premises and Equipment Space are accepted by Tenant in "as is" condition and configuration (subject to the completion of the Landlord Work). By taking possession of the Premises and Equipment Space, Tenant agrees that the Premises and Equipment Space are in good order and satisfactory condition, and that there are no representations or warranties by Landlord regarding the condition of the Premises, Equipment Space or the Building except as may be expressly set forth herein. If Landlord is delayed in delivering possession of the Premises and Equipment Space or any other space, Landlord shall use reasonable efforts to obtain possession of the space, but no such delay shall nullify this Lease or give rise to any claim for damages on the part of Tenant. If Tenant takes possession of the Premises or Equipment Space before the Commencement Date, such possession shall be subject to the terms and conditions of this Lease except that, prior to the Rent Commencement Date, Tenant will not be required to pay Rent hereunder. Notwithstanding the foregoing, if the Commencement Date does not occur by the date that is one hundred fifty (150) days following the mutual execution and delivery of this Lease (the "Outside Delivery Date"), Tenant,

as its sole remedy, may terminate this Lease by giving Landlord written notice of termination after the Outside Delivery Date. In such event, and subject to the provisions set forth below in this Article 3, this Lease shall be deemed null and void and of no further force and effect and Landlord shall promptly refund any prepaid Rent and Security Deposit previously advanced by Tenant under this Lease and the parties hereto shall have no further responsibilities or obligations to each other with respect to this Lease. Landlord and Tenant acknowledge and agree that the Outside Delivery Date shall be postponed by the number of days the Commencement Date is delayed due to events of Force Majeure (as defined herein). Notwithstanding the foregoing to the contrary, if Tenant exercises its right to terminate this Lease as set forth above but Landlord delivers the Premises to Tenant in the condition required by this Lease within thirty (30) days after the date of Tenant's delivery of Tenant's termination notice, this Lease shall continue in full force and effect the same as if Tenant had not delivered its termination notice, and Tenant's termination notice will be null and void. Tenant's right to terminate as described herein shall be null and void as of the Commencement Date.

4. Rent.

(a) Payments. As consideration for this Lease, Tenant shall pay Landlord
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at the Rent Payment Address (or such other address as Landlord may from time to time specify in writing as the Rent Payment Address), without any setoff or deduction, the total amount of Base Rent, Equipment Space Rent and Additional Rent due for the Term, commencing as of the Rent Commencement Date. "Additional Rent" means all sums (exclusive of Base Rent and Equipment Space Rent) that Tenant is required to pay Landlord. Additional Rent, Base Rent and Equipment Space Rent are sometimes collectively referred to as "Rent". Tenant shall pay and be liable for all rental, sales and use taxes (but excluding income taxes), if any, imposed upon or measured by Rent under applicable Law. Base Rent, Equipment Space Rent and recurring monthly charges of Additional Rent shall be due and payable in advance on the first day of each calendar month without notice or demand, provided that the installment of Base Rent (based upon the estimated Rentable Area of the Premises described in Section 1(c) above) and Equipment Space Rent for the first full calendar month following the Rent Commencement Date shall be payable upon the execution of this Lease by Tenant (such payment to

be calculated taking into account the abatement described in Section 1(e) above). All other items of Rent shall be due and payable by Tenant on or before thirty (30) days after billing by Landlord. All payments of Rent shall be by good and sufficient check or by other means (such as automatic debit or electronic transfer) acceptable to Landlord. If Tenant fails to pay any item or installment of Rent when due, Tenant shall pay Landlord an administration fee equal to five percent (5%) of the past due Rent; provided, that Tenant will be allowed a grace period of five (5) days after notice from Landlord of late payment for the first two (2) late payments in any calendar year prior to the imposition of such administration fee. If the Term commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month, the Rent for the month shall be prorated based on the number of days in such calendar month. Landlord's acceptance of less than the correct amount of Rent shall be considered a payment on account of the earliest Rent due. No endorsement or statement on a check or letter accompanying a check or payment shall be considered an accord and satisfaction, and Landlord may accept the check or payment without prejudice to Landlord's right to recover the balance or pursue other available remedies. Tenant's covenant to pay Rent is independent of every other covenant in this Lease.

(b) Payment of Tenant's Pro Rata Share of Operating Expenses and Property
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Taxes.

(i) Generally. Commencing as of the Rent Commencement Date,

Tenant shall pay as Additional Rent, Tenant's Pro Rata Share of the total amount of Operating Expenses (defined below) and Property Taxes (defined below) for each calendar year thereafter during the Term. Landlord shall provide Tenant with a good faith estimate of the total amount of Operating Expenses and Property Taxes for each calendar year during the Term. On or before the first day of each month, Tenant shall pay to Landlord a monthly installment equal to one-twelfth of Tenant's Pro Rata Share of Landlord's estimate of the total amount of Operating Expenses and Property Taxes. If Landlord determines that its estimate was incorrect, Landlord may provide Tenant with a revised estimate. After its receipt of the revised estimate, Tenant's monthly payments shall be based upon the revised estimate. If Landlord

does not provide Tenant with an estimate of the total amount of Operating Expenses and Property Taxes by January 1 of a calendar year, Tenant shall continue to pay monthly installments based on the previous year's estimate until Landlord provides Tenant with the new estimate. Upon delivery of the new estimate, an adjustment shall be made for any month for which Tenant paid monthly installments based on the previous year's estimate. Tenant shall pay Landlord the amount of any underpayment within thirty (30) days after receipt of the new estimate. Any overpayment shall be refunded to Tenant within thirty (30) days or credited against the next due future installment(s) of Additional Rent.

(ii) Reconciliation Statement. As soon as is reasonably practical following the end of each calendar year, Landlord shall furnish Tenant with a statement ("Reconciliation Statement") of the actual amount of Operating Expenses and Property Taxes for the prior calendar year and Tenant's Pro Rata Share of same. If the amount of Operating Expenses and Property Taxes actually paid by Tenant for the prior calendar year is more than the actual amount of Operating Expenses and Property Taxes for the prior calendar year, Landlord shall apply any overpayment by Tenant against Additional Rent due or refund such amount within thirty (30) days after the Reconciliation Statement is provided to Tenant, provided if the Term expires before the determination of the overpayment, Landlord shall refund any overpayment to Tenant after first deducting the amount of Rent due. If the amount of Operating Expenses and Property Taxes paid by Tenant for the prior calendar year is less than the actual amount of Operating Expenses and Property Taxes for such prior year, Tenant shall pay Landlord, within thirty (30) days after its receipt of the Reconciliation Statement of Operating Expenses and Property Taxes, any underpayment for the prior calendar year. The obligations of Tenant under this Section 4(b) shall survive the expiration or sooner termination of the Term.

(iii) Audit.

(A) Provided that Tenant is not in default under this Lease, as of the date of Tenant's exercise of its audit rights, within thirty (30) days after receipt of a Reconciliation Statement ("Audit Period"), Tenant shall be entitled, upon at least ten (10) days prior written notice to Landlord and during normal business hours at Landlord's office, or such other place as

Landlord shall designate, to cause a certified public accountant ("CPA") to copy (at Tenant's expense), inspect, examine and audit those books and records of Landlord relating to the determination of Operating Expenses and Property Taxes for the calendar year for which such statement was prepared. The initial inspection of Landlord's records may be conducted by a current employee of Tenant, a recognized regional or national accounting firm (but not a tenant of the Property) or such other person designated by Tenant and reasonably acceptable to Landlord. In connection therewith, Tenant acknowledges that it shall be reasonable for Landlord to object to the proposed use by Tenant of any persons engaged in the business of auditing Landlord's books and records on a contingent fee basis.

(B) If, after inspection and examination of such books and records during the Audit Period, Tenant disputes the amount of Operating Expenses or Property Taxes charged by Landlord, Tenant shall have ten (10) days following the date of completion of Tenant's audit ("Request Period") to request an independent audit of such books and records, such request to be made by written notice to Landlord ("Audit Request"), which notice shall specify with particularity all disputed items and shall contain a true, correct and complete copy of any report or summary prepared by Tenant's initial auditor. The independent audit of the books and records shall be conducted by a CPA acceptable to both Landlord and Tenant. If, within ten (10) days after Landlord's receipt of Tenant's notice requesting an audit, Landlord and Tenant are unable to agree on the CPA to conduct such audit, then Landlord shall designate a nationally recognized accounting firm (other than Landlord's then current accounting firm) to conduct such audit. The audit shall be limited to the determination of the proper amount of Operating Expenses and Property Taxes payable by Tenant specified by Tenant as disputed items in

Tenant's Audit Request.

(C) If the audit discloses that the amount of such disputed Operating Expenses and/or Property Taxes billed to Tenant was incorrect, the appropriate party shall, within thirty (30) days following the date of such determination, pay to the other party the deficiency or overpayment, as applicable. All costs and expenses of any audit shall be paid by Tenant unless the audit shows that Landlord overstated Operating Expenses and Property Taxes for the subject calendar year by more than five percent (5%), in which case Landlord shall pay all costs and expenses of the audit.

(D) Tenant shall keep any information gained from any such audit (including Tenant's initial review of Landlord's books and records) confidential and shall not disclose, or allow the disclosure of, any such information to any other party except where Tenant is legally required to do so (or in the case of litigation or where such disclosure occurs as part of litigation between Landlord and Tenant), and shall indemnify, defend, protect and hold Landlord harmless from and against any and all loss, cost, damage or liability incurred by Landlord arising out of Tenant's (or Tenant's accountants', consultants' or employees') failure to maintain such confidentiality.

(E) The exercise by Tenant of any audit rights hereunder shall not relieve Tenant of its obligation to pay, prior to the request for an inspection and examination of Landlord's books and records or any audit, all sums due hereunder, including, without limitation, any disputed Operating Expenses and/or Property Taxes. If Tenant does not elect to exercise its rights to audit during the Audit Period, or does not elect to cause an independent audit of the books and records during the Request Period, then Landlord's Reconciliation Statement shall conclusively be deemed to be correct, and Tenant shall be bound by Landlord's determination.

(c) Operating Expenses Defined. "Operating Expenses" means all costs and expenses incurred in each calendar year in connection with the operation, ownership, management, maintenance and repair of the Building and the Property, including, but not limited to:

(i) Labor costs, including, wages, salaries, social security and employment taxes, medical and other types of insurance, uniforms, training, and retirement and pension plans.

(ii) Management fees payable either to Landlord (if Landlord manages the Building and Property) or to a third party (such management fees not to exceed three percent (3%) of gross Building revenue during the initial five (5) years of the Term, and four percent (4%) of gross Building revenue thereafter provided that the management fee shall only increase to four percent (4%) if such level of management fee is, at the time, customary for buildings in the Chicago, Illinois vicinity), as well as the cost, including rent or imputed rent of equipping and maintaining a management office (if applicable), accounting and bookkeeping services, legal fees not attributable to leasing or collection activity, and other administrative costs.

(iii) The cost of services, including amounts paid to service providers and the rental and purchase cost of parts, supplies, tools and equipment.

(iv) Premiums and commercially reasonable deductibles (ie, customary for Buildings in the Chicago, Illinois vicinity) paid by Landlord for insurance, including workers compensation, fire and extended coverage, earthquake (if the owners of similar buildings in the Chicago, Illinois vicinity at the time customarily carry earthquake insurance on their buildings; and provided that Tenant's Pro Rata Share of any individual deductible payment under such earthquake insurance shall not exceed $10,000.00), general liability, rental loss, elevator, boiler and other insurance customarily carried from time to time by owners of comparable buildings.

(v) Costs of electricity and charges for water, gas, steam and sewer and other utilities, but excluding (a) those charges for which Landlord is reimbursed by tenants and (b) the cost of electricity provided to any tenant who is billed directly by the applicable utility provider for the cost of such tenant's electricity consumption.

(vi) The amortized cost of capital improvements made to the Property which are: (A) performed primarily to reduce operating expense costs or otherwise improve the operating efficiency of the Property, (B) required to comply with any Laws that are enacted, or first interpreted to apply to the Property, after the date of this Lease, or (C) replacements of existing capital improvements or equipment. The cost of capital improvements, together with interest, shall be amortized by Landlord over such reasonable period as Landlord may determine.

(d) Exclusions to Operating Expenses. Operating Expenses do not include:

(i) the cost of capital improvements (except as set forth above);

(ii) depreciation;

(iii) interest (except as provided above for the amortization of capital improvements);

(iv) principal and interest payments of mortgage and other non-operating debts of Landlord;

(v) the cost of repairs or other work to the extent Landlord is reimbursed by insurance or condemnation proceeds or is reimbursed directly by any other tenant of the Building (ie, not as an Operating Expense);

(vi) the cost of leasing space in the Building, including attorneys' fees incurred in the negotiation of leases and the cost of constructing improvements for tenants, as well as brokerage commissions;

(vii) costs incurred in connection with the sale, financing or refinancing of the Building;

(viii) organizational expenses associated with the creation and operation of the entity which constitutes Landlord;

(ix) the cost of any services which are provided to other tenants in the Building or the Property which are not also provided to Tenant;

(x) executive salaries or salaries of service personnel to the extent that such executives or service personnel perform services other than in connection with the management, operation, repair or maintenance of the Building or the Property ;

(xi) any cost or expense incurred by reason of the remediation or clean-up of any contamination of the Building or the Property or the soils or ground water underlying the Building or the Property by Hazardous Materials (defined in Article 32 below), except to the extent such contamination results from Tenant's (or Tenant's agents', contractors', invitees', or employees') activities; and

(xii) overhead costs and profit increments paid to subsidiaries or affiliates of Landlord for services (other than management fees which are limited pursuant to Section 4(c)(ii) above) on or for the Building or the Property, to the extent only that the cost of such service materially exceeds competitive costs of such services were not so rendered by a subsidiary or affiliate.

(e) Property Taxes Defined. "Property Taxes" shall mean: (1) all real estate taxes and other assessments on the Building and/or Property, including, but not limited to, assessments for special improvement districts and building improvement districts, taxes and assessments levied in substitution or supplementation in whole or in part of any such taxes and assessments and the Property's share of any real estate taxes and assessments under any reciprocal easement agreement, common area agreement or similar agreement as to the Property; (2) all personal property taxes for property that is owned by Landlord and used in connection with the operation, maintenance and repair of the Property; and (3) all costs and fees incurred in connection with seeking reductions in any tax liabilities described in (1) and (2), including, without limitation, any costs incurred by Landlord for compliance, review and appeal of tax liabilities. Notwithstanding the foregoing, Property Taxes shall not include any income, capital levy, capital stock, gift, estate or inheritance tax, unless imposed as a replacement for, or in lieu of Property Taxes.

(f) Gross Up. If the Building is not at least one hundred percent (100%)

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occupied or fully tax assessed during any calendar year, Operating Expenses and Property Taxes shall be determined as if the Building had been one hundred percent (100%) occupied and fully taxed assessed during that calendar year. In addition, if any particular work or service otherwise included in Operating Expenses is not furnished to a tenant or occupant of the Building who is undertaking to perform such work or service itself, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would have incurred if Landlord had furnished such work to such tenant or occupant.

5. Compliance with Laws; Use.

(a) Generally. The Premises shall be used only for the Permitted Use and
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for no other use whatsoever. The Equipment Space shall be used only for the uses described in Article 6 below. Tenant shall not use or permit the use of the Premises or Equipment Space for any purpose which is illegal, dangerous to persons or property or which, in Landlord's reasonable opinion, unreasonably disturbs or interferes with the operations of any other tenants of the Building or in any way interferes with the operation of the Building. Any equipment to be installed within the Building, Premises or Equipment Space by Tenant that, in Landlord's reasonable determination, may cause unsafe (in Landlord's reasonable determination) vibrations which may be transmitted to the structure of the Building or unreasonable levels of noise shall be installed and maintained by Tenant, at Tenant's sole cost and expense, in such a manner as Landlord may determine to be necessary in order to eliminate such vibration or noise. Tenant shall comply with all Laws, including the Americans with Disabilities Act, regarding the operation of Tenant's business and the use, condition, configuration and occupancy of the Premises and Equipment Space. Tenant shall comply with the rules and regulations of the Building attached as Exhibit C and such other reasonable rules and regulations adopted by Landlord from time to time promptly following notice by Landlord of the adoption of such rules and regulations. Tenant shall also cause its agents, contractors, subcontractors, employees, customers, and subtenants to comply with all rules and regulations. Notwithstanding the foregoing to the contrary, Tenant shall not be responsible for (a) making any alterations to the Building (excluding any Leasehold Improvements [defined in Section 8(b) below]), except to the extent such alterations are required due to

Tenant's particular use of the Premises or Equipment Space or alterations made by or on behalf of Tenant to the Premises or Equipment Space, or (b) any remediation of Hazardous Materials which exist in the Premises prior to the Commencement Date.

(b) Labor Relations. Tenant shall not take any action which would violate
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Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or any of the Landlord Related Parties, nor shall the Commencement Date be extended as a result of the above actions.

(c) Riser Use. Tenant, at Tenant's sole cost and expense, shall have
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the right in common with other tenants in the Building to install Tenant's conduit (said conduits and the contents thereof being referred to herein as "Cable") in the Building's horizontal and vertical pathways, risers and ducts ("Risers") in an amount not to exceed the following:

(i) for the purposes of installing and maintaining Tenant's fiber to the Premises, up to eight (8) 4" conduits originating from two diverse fiber entrances (for a total of sixteen (16) 4" conduits to the Premises);

(ii) for the purposes of routing Tenant's Rooftop Equipment to the Premises, up to four (4) 16" outside diameter conduits; and

(iii) for the purposes of routing Tenant's Electrical Equipment to the Premises, a quantity reasonably required by Tenant and approved by Landlord to accommodate the reasonable needs of such Electrical Equipment.

All such work of installation will be carried out in compliance with Article 8; provided that all work within the Risers shall be performed by a contractor specified by Landlord or chosen from Landlord's list of approved contractors or otherwise reasonably approved by Landlord; subject to the compliance of Tenant's contractor, Carlson Associates, Inc. ("Carlson"), with the provisions of Section 5(b) above and Article 8 below, Landlord hereby approves Tenant's selection of Carlson to perform work within the Risers pursuant to this Section 5(c).

6. Equipment Space. Tenant shall have the right to use the Equipment Space as follows:

(a) Equipment Space Generally. Tenant, at Tenant's sole cost and expense, may:

(i) utilize up to a total of [*] Rentable Square Feet on the Building roof and Building penthouse (made up of approximately [*] Rentable Square Feet on the Building roof and approximately [*] Rentable Square Feet in the Building penthouse) in the areas generally identified in Exhibit B ("Rooftop Equipment Space") to install, maintain and operate Tenant's supplemental air conditioning equipment and/or transmission equipment which Tenant uses for purposes of providing telecommunication and data services used in the operation of Tenant's internal business activities ("Rooftop Equipment");

(ii) use:

(A) up to [*] Rentable Square Feet of space on the first floor of the Building in the areas identified in Exhibit B for the purpose of installing, maintaining and operating up to twelve (12) generators; and

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

(B) an area to be located underground outside of the Building (such location to be mutually agreed upon by Landlord and Tenant, provided that Tenant's consent to Landlord's proposed location will not be unreasonably withheld) to accommodate up to a 15,000 gallon fuel storage tank (as of the date of this Lease, Landlord is currently in the process of procuring a variance to allow, in part, Tenant to place underground fuel storage tanks in Landlord's desired location outside of the Building; Landlord will use diligent efforts to promptly procure such variance and shall keep Tenant apprised of the anticipated schedule of such procurement process, including any material delays or changes. If Landlord fails to procure such variance on or before December 31, 1999, and such failure will materially delay the time period for Tenant to commence its business operations in the Premises, Landlord will allow Tenant to place such fuel storage in the lower level of the Building); and

(iii) use reasonable quantity of space required by Tenant's equipment ("Tenant's Equipment") in the lower level of the Building ("Electrical Space") in a location to be mutually agreed upon by Landlord and Tenant for Tenant's Electrical service as provided for in Section 7(a)(iv).

The items in subsection (ii) (A) and (ii) (B) above shall be collectively referred to as the "Generator". The areas utilized by the Generator are referred to herein as "Generator Space". The Rooftop Equipment, Generator and Electrical Equipment are collectively herein referred to as "Site Equipment". As described in Article 1, the area of the Equipment Space shall be determined by Landlord upon the final designation of the location of the Equipment Space, and the area of the Equipment Space (as well as the Equipment Space Rent payable hereunder) will be confirmed by the parties in the Commencement Letter issued by Landlord. Tenant shall be required to install generators which are not smaller than 1,500 KW each. Tenant shall have the right, at Tenant's expense, to install up to two (2) 2" pipes from Tenant's fuel storage tank to each individual generator actually installed by Tenant. Tenant shall be required to route all electrical distribution from each generator to the Electrical Space. Within sixty (60) days after the Commencement Date, Tenant may elect, by irrevocable written notice to Landlord, to reduce the amount of the Equipment Space; Tenant's notice will specify the amount and location of such reduced Equipment Space. The area of such reduction shall be mutually agreed upon by Landlord and Tenant and shall leave Landlord areas which, in Landlord's reasonable opinion, may be used by Landlord or other tenants of the Building. Additionally, at any time after the 24/th/ month following the Commencement Date, Landlord may, by written notice to Tenant, reduce the Equipment Space by removing therefrom any Equipment Space which Tenant has not, as of the date of

Landlord's notice, used (for example, if Tenant has as of the date of such notice, installed ten (10) 1,500 KW generators, Landlord may reduce the Generator Space as necessary to accommodate two generators); if Landlord so elects to reduce the Equipment Space, the Equipment Space Rent shall be adjusted accordingly. The exact location and configuration of Tenant's Site Equipment is subject to Landlord's approval, in accordance with Article 8, and the Site Equipment shall be installed in locations which, in Landlord's reasonable opinion, may be used by Landlord or other tenants if Landlord elected to reduce the Equipment Space as provided for above.

(b) [INTENTIONALLY OMITTED]

(c) Equipment Space Interference. If, any electrical, electromagnetic, radio frequency or other interference of equipment existing prior to Tenant's installation shall result from the operation of any Site Equipment located in the Equipment Space, Landlord will notify Tenant, and if such interference is not cured within one (1) business day following delivery of such notice, Tenant agrees that Landlord may, at Landlord's option, shut down Tenant's equipment upon eight (8) hours prior notice to Tenant; provided, however, if an emergency situation exists, which Landlord reasonably determines in its sole discretion to be attributable to Tenant's Site Equipment, Landlord shall immediately notify Tenant verbally, who shall act immediately to remedy the emergency situation. Should Tenant fail to so remedy said emergency situation, Landlord may then act to shut down Tenant's equipment. Tenant shall indemnify Landlord and hold it harmless from all expenses, costs, damages, losses, claims or other liabilities arising out of said shutdown. Tenant agrees to cease operations (except for intermittent testing on a schedule approved by Landlord) until the interference has been corrected to the satisfaction of Landlord. If such interference has not been corrected within thirty (30) days, Landlord may, at its option, either terminate Tenant's right to use the Equipment Space forthwith, or require that Tenant immediately remove the specific item of Equipment Space causing such interference.

(d) Generator Use. Tenant agrees that will only run the Generator during emergency circumstances and during customary testing hours as determined by Landlord in its reasonable discretion.

(e) Subleasing/Use by Third Parties. Subject to Tenant's Co-location rights pursuant to Section 11(a) below, Tenant shall not be permitted to sublicense, license or share its Equipment Space with third parties without the prior written consent of Landlord, which consent Landlord may withhold in its sole discretion. In addition, Tenant shall not use the Rooftop Equipment Space to enable other providers of Communications Services (defined below) to provide Communications Services to any tenant, occupant or licensee of the Building or to any tenant, occupant or licensee of any other building. Tenant may not allow any other provider of telecommunications, video, data or related services ("Communications Services") to locate any equipment in the Rooftop Equipment Space for any purpose whatsoever.

7. Services.

(a) Landlord's Obligation. Landlord will provide the following services:

(i) Water to restrooms in Common Areas;

(ii) Janitorial service to the Common Areas on Business Days. Tenant shall provide, and pay directly for, janitorial services to the Premises pursuant to a janitorial contract with a provider approved by Landlord (such approval not to be unreasonably withheld);

(iii) Elevator service;

(iv) Electricity as follows: Following the Rent Commencement Date, dedicated commercial utility power consisting of the availability of two (2) 4,000 amp services, one out of each utility vault in the lower level of the Building (Tenant, at Tenant's expense, may provide for additional power). Tenant shall be responsible for all costs and expenses required to utilize such power including but not limited to bringing power from service entrances, transient voltage surge suppressors, meter cabinets and distribution to the Premises and Equipment Space. Meter cabinets and paralleling switchgear for Tenant's use will be placed by Tenant, at Tenant's expense, in the lower level of the Building. Landlord's obligation to furnish electrical and other utility services shall be subject to the rules and regulations of the supplier of such electricity of

other utility services and the rules and regulations of any municipal or other governmental authority regulating the business of providing electricity and other utility services. Notwithstanding the foregoing, and subject to the provisions of Section 7(c)(ii) below, Landlord shall at all times be able to shut down the utility services to the Premises or to the Equipment Space in connection with any maintenance operation conducted for the Building. Landlord agrees to use reasonable efforts to cooperate with Tenant in obtaining temporary alternative power during scheduled maintenance operations, but shall have no obligation hereunder to provide alternative power from emergency power sources. Prior to shutting down any electrical power servicing Tenant's Site Equipment, Landlord agrees to give Tenant reasonable prior written notice, except in emergency situations.

(v) Security Service as follows: manned security 24-hours per day, 365 days per year. Landlord shall not be deemed to have warranted the efficiency or efficacy of any security personnel, services, procedures or equipment and Landlord shall not be liable in any manner for the failure of such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of personal injury, property damage or any criminal conduct in, on or about the Property.

(vi) Heating, ventilation and air conditioning in reasonable quantities to Common Areas.

(vii) Upon Tenant's request, if available at Landlord's sole discretion, hot or cold water for Tenant's heating and air-conditioning use within the Premises.

(viii) Access. Tenant access to the Building and the Premises 24 hours per day 365 days per year.

(ix) Fiber Optic Access. Access to the Building, to Tenant's fiber access providers. All costs associated with such installation shall be born by Tenant or Tenant's fiber access providers.

(b) Utilities Generally. Tenant, at Tenant's sole cost, shall cause
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electricity and other utilities serving the Premises and Equipment Space to be separately metered (where possible) and Tenant will pay the cost of all consumption and excess utility charges in the Premises and/or the Equipment Space directly to the utility provider. If, at any time, it is no longer feasible for Tenant to contract directly with the utility provider for any services, Tenant shall reimburse Landlord, within thirty (30) days on invoice therefore, for the actual cost of the consumption of any such service and excess utility charges in the Premises and/or the Equipment Space, as directly billed by the utility provider as reasonably determined by Landlord.

(c) Interruptions; Failures.

(i) No failure to furnish, or any stoppage of, any services herein resulting from any cause (including, without limitation, any interruption in electrical service or other utilities to the Premises and/or Equipment Space) shall make Landlord liable in any respect for damages to any person, property or business, to be construed as an eviction of Tenant, or entitle Tenant to any abatement of Rent or other relief from any of Tenant's obligations under this Lease. Additionally, Tenant expressly acknowledges that Landlord reserves the right from time to time upon reasonable advance notice to Tenant (except in the case of emergency) to discontinue some or all of the services provided by Landlord hereunder if necessary in Landlord's judgment to effect any repair or maintenance obligations. Should any malfunction of any systems or facilities occur within the Property or should maintenance or alterations of such systems or facilities become necessary, Landlord shall repair the same promptly and with reasonable diligence, and Tenant shall in no event have any claim for rebate, abatement of Rent, or damages because of any malfunctions in or any interruptions of any service to be provided however, regardless of the case. Tenant hereby waives the provisions of any applicable existing or future law, ordinance or governmental regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any services. Notwithstanding the foregoing, if: (a) Landlord ceases to furnish any service to the Premises for a period in excess of five (5) consecutive days after Tenant notifies Landlord (and any Mortgagee, provided Tenant has been notified of the name and address of such Mortgagee) of such cessation; (b) such cessation arises

out of the act or omission of Landlord and does not arise as a result of an act or omission of Tenant; (c) such cessation is not caused by a fire or other casualty (in which case Article 16 shall control) or by Force Majeure; (d) the restoration of such service is reasonably within the control of Landlord; and (e) as a result of such cessation, the Premises, or a material portion thereof, is rendered untenantable (meaning that Tenant is unable to use the Premises in the normal course of its business) and Tenant in fact ceases to use the Premises, or material portion thereof, then Tenant, as its sole remedy, shall be entitled to receive an abatement of Base Rent payable hereunder during the period beginning on the sixth (6th) consecutive day of such cessation and ending on the day when the service in question has been restored. In the event the entire Premises has not been rendered untenantable by the cessation in service, the amount of abatement that Tenant is entitled to receive shall be prorated based upon the percentage of the Premises so rendered untenantable and not used by Tenant. The requirements set forth in clauses (b) and (d) above, as well as the requirement that the cessation not be due to Force Majeure as set forth in clause (c) above, shall not apply to the extent Landlord receives rental interruption insurance proceeds.

(ii) Notwithstanding any other provisions of this Lease to the contrary, neither Landlord nor any of Landlord's agents, employees or contractors shall unreasonably interfere with the Site Equipment or Leasehold Improvements. Landlord agrees that, except in the case of emergency (in which event Landlord will use diligent efforts to provide advance written facsimile or telephonic notice) prior to carrying out any construction, maintenance or repair activities which are reasonably anticipated to affect the Premises or the Site Equipment, Landlord shall provide reasonable written or telephonic notice to Tenant of the intent to carry out such work. Tenant shall have the right, at Tenant's sole cost and expense and at Tenant's own risk, to monitor and inspect such work, provided that such actions do not unreasonably interfere with the performance of such work on behalf of Landlord. Landlord and Landlord's contractors, employees and agents shall exercise due care in carrying out any such work so as to minimize disturbance to Tenant. If any such work performed by Landlord materially interferes with Tenant's ability to use the Premises or Site Equipment for a period of three (3) consecutive Business Days, Tenant may send notice to Landlord (and to any Mortgagee,

provided Tenant has been notified of the name and address of such Mortgagee) ("Interference Notice") specifying the nature of the interference and the cause of such interference. If Landlord does not commence to cure such interference within two (2) Business Days following delivery of Tenant's Interference Notice and use its best efforts to continue such cure, Tenant may send a second Interference Notice to Landlord (and to any Mortgagee, provided Tenant has been notified of the name and address of such Mortgagee) stating that if Landlord does not commence to cure such interference within two (2) additional Business Days (and thereafter use its best efforts to continue such cure), Tenant intends to use its self-help rights set forth below. If Landlord (or Landlord's Mortgagee) fails to commence the cure of such interference within three (3) additional Business Days following delivery of such second (2nd) Interference Notice, Tenant may effect the cure of such interference, and Landlord shall reimburse Tenant for the reasonable cost actually incurred by Tenant in performing such work. To the fullest extent permitted under applicable law, Tenant will indemnify, defend, protect and hold Landlord harmless from and against any and all loss, cost, damage or liability arising in any manner out of any damage to the Project or to the equipment of other Building occupants or interruption to the operation of the Project or other Building occupants as a consequence of the performance of such work performed by Tenant or Tenant's contractors, agents, representatives or employees. The foregoing shall not be deemed to prohibit Tenant from seeking injunctive relief to prevent or remedy such interference.

8. Alterations.

(a) Initial Tenant Improvements. Prior to the Rent Commencement Date,
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Landlord shall substantially complete the Landlord Work. Tenant, upon the full and final execution and delivery of this Lease and all prepaid Rent and the Security Deposit required hereunder, shall have

the right to perform initial alterations and improvements in the Premises and the Equipment Space, as well as the installation of Site Equipment and the installation of Cable in the Risers (the "Initial Tenant Improvements").

(b) Notice and Plans Regarding Subsequent Alterations. Tenant shall not make alterations, additions or improvements in the Premises, Equipment Space or Risers following the completion of the Initial Tenant Improvements (collectively referred to as "Alterations") (all improvements to the Premises or Equipment Space, as well as Tenant's Cable placed in the Risers, including without limitation, the Initial Tenant Improvements and any Alterations, are referred to herein as "Leasehold Improvements") without first obtaining the written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: 1) costs less than $25,000.00; 2) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; and 3) will not affect the systems or structure of the Building and does not require work to be performed inside the walls or above the ceiling of the Premises; provided that even if consent is not required, Tenant shall still comply with all the other provisions of this Article 8 (including, without limitation, the obligation to provide Landlord with advance notice of any such work). Landlord will approve or disapprove any proposed Alteration within three (3) weeks following Tenant's submission to Landlord of all information required hereunder, together with a request for Landlord's consent.

(c) Procedures. Prior to installing any Leasehold Improvements, Tenant shall submit to Landlord for Landlord's approval, detailed plans and specifications of the planned installation, the contractors to be retained by Tenant to perform any Leasehold Improvements or Risers. In no event will Landlord's approval of Tenant's plans be deemed a representation that they comply with applicable laws, ordinances, rules or regulations or that they will not cause interference with other communications operations, such responsibility being solely Tenant's. Landlord's approval of the general contractor to perform any Leasehold Improvements shall not be unreasonably withheld, but will not be considered to be unreasonably withheld if any such general contractor (i) does not have trade references reasonably acceptable to Landlord, (ii) does not maintain insurance (including, without limitation, builder's risk insurance) as reasonably required by Landlord, (iii) does not have the ability to be bonded for the work in an amount of no less than one million dollars ($1,000,000.00), (iv) does not provide current financial statements reasonably acceptable to Landlord, (v) would violate Section 5(b) above or (vi) is not licensed as a contractor in the State in which the Building is located. The foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a general contractor. Landlord will have the right to require that Tenant procure

payment and performance bonds equal to one hundred ten percent (110%) of the contract price in each instance. Prior to starting work, Tenant shall furnish Landlord with copies of contracts; necessary permits and approvals; evidence of contractor's and subcontractor's insurance in amounts reasonably required by Landlord; and any security for performance that is reasonably required by Landlord. Tenant will be responsible to pay for all utilities consumed during construction. No such work will commence unless and until Tenant has given Landlord all necessary permits and approvals and sufficient notice and opportunity to post appropriate notices of non-responsibility. All work shall be constructed in a good and workmanlike manner using materials of a quality that is at least equal to the quality reasonably designated by Landlord as the minimum standard for the Building and shall not interfere with any work being performed by Landlord or other tenants in the Building. Upon completion of any Leasehold Improvements, Tenant shall furnish Landlord with: (1) general contractor and architect's completion affidavits, (2) full and final waivers of lien (other than the lien of any Lender (as defined in Article 12 below), (3) receipted bills covering all labor and materials expended and used, (4) as-built plans of the Leasehold Improvements, and (5) the certification of Tenant and its architect that the Leasehold Improvements have been installed in a good and workmanlike manner in accordance with the approved plans, and in accordance with applicable laws, codes and ordinances. Landlord may designate reasonable rules, regulations and procedures for the performance of work in the Building and, to the extent reasonably necessary to avoid disruption to the occupants of the Building, shall have the right to designate the time when any such work may be performed. Tenant shall reimburse Landlord within thirty (30) days after receipt of an invoice for reasonable sums paid by Landlord for third party examination of Tenant's plans for any such work. In addition, within thirty (30) days after receipt of an invoice from Landlord, Tenant shall pay Landlord a fee for Landlord's

oversight and coordination of any Leasehold Improvements equal to Landlord's reasonable cost of review of plans and construction supervision. If Landlord determines that the Building has been damaged during installation of the Leasehold Improvements, Landlord shall notify Tenant and Tenant immediately shall repair the damage. If Tenant fails to immediately repair the damage, Tenant shall pay to Landlord upon demand the cost, as reasonably determined by Landlord, of repairing any damage to the Building caused by such installation.

9. Maintenance.

(a) Tenant's Maintenance and Repair Obligations. Tenant, at Tenant's own expense, will keep the interior of the Premises, including but not limited to all Tenant's Property, and any Equipment Space and Site Equipment, including, without limitation, including all light fixtures, all mechanical, electrical and plumbing facilities and equipment, lamps, fans and any exhaust, fire suppression or air conditioning equipment and systems, electrical motors and all other appliances and equipment of every kind and nature located in the Premises and/or Equipment Space in good order, repair and condition at all times during the Term. In addition, Tenant, at Tenant's sole cost and expense subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, will promptly and adequately repair all damage to the Premises and/or Equipment Space and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, if Tenant fails to make such repairs within a reasonable time after written request by Landlord, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof upon being billed for same. Tenant shall also be responsible for all pest control within the Premises and for all trash removal for the Premises.

(b) Landlord's Maintenance Obligations. Landlord shall keep in good order repair and condition (i) the Common Areas, (ii) the foundation and subflooring of the Building and the structural condition of the roof, and the exterior walls of the Building (but excluding the interior surfaces of exterior walls and the interior and exterior of all windows, doors, ceiling and plateglass, which shall be maintained and repaired by Tenant), and (iii) the Building's elevators.

10. Entry by Landlord Landlord, its agents, contractors and representatives may enter the Premises to inspect or show the Premises (during the final nine (9) months of the Term), make repairs, alterations or additions to the Premises, and to conduct or facilitate repairs, alterations or additions to any portion of the Building, including other tenants' premises. Except in emergencies, Landlord shall provide Tenant with reasonable prior notice of entry into the Premises, which may be given orally, will use reasonable efforts to schedule any such entry so as to cooperate with Tenant's schedule, and will allow Tenant to accompany Landlord during any such entry. Entry by Landlord shall not constitute constructive eviction or entitle Tenant to an abatement or reduction of Rent.

11. Assignment and Subletting.

(a) Generally. Except in connection with a Permitted Transfer (defined below), Tenant shall not assign, sublease, transfer or encumber any interest in this Lease or allow any third party to use any portion of the Premises (collectively or individually, a "Transfer") without the prior written consent of Landlord, which consent shall not be unreasonably withheld if Landlord does not elect to exercise its termination rights below. It is agreed that Landlord's consent shall not be considered unreasonably withheld if: (1) the proposed use is not the Permitted Use; (2) the proposed transferee's financial condition does not meet the criteria Landlord uses to select Building tenants having similar leasehold obligations; (3) the proposed transferee's business is not suitable for the Building considering the business of the other tenants, or would result in a violation of another tenant's rights; (4) the proposed transferee is a governmental agency or a present or prospective occupant of the Building; (5) Tenant is in default after the expiration of the notice and cure periods in this Lease; or (6) any portion of the Building or Premises would likely become subject to additional or different Laws as a consequence of the proposed Transfer. Notwithstanding the foregoing, Landlord will not withhold its consent solely because the proposed subtenant or assignee is a present or prospective occupant of the Building if (i) Landlord does not have space available for lease in the Building that is sufficient to meet the space requirements of the proposed subtenant or assignee, as reasonably determined by Landlord

or if (ii) the assignee or subtenant is a prospective occupant of the Building who proposes to occupy less than [*] rentable square feet of space. Notwithstanding the foregoing, so-called "co-location" (ie, the leasing or licensing of a portion of the Premises or on an equipment, equipment rack or services basis to third parties (as used herein, "Co-location")) will not be considered a Transfer hereunder; provided, that in the event greater than fifty percent (50%) of the Premises is used for Co-location for a single third party (or for third parties who are affiliated with each other and thus are, in effect, a single third party, as reasonably determined by Landlord), then it will be considered a Transfer and subject to the provisions of this Article. Tenant shall not be entitled to receive monetary damages based upon a claim that Landlord unreasonably withheld its consent to a proposed Transfer and Tenant's sole remedy shall be an action to enforce any such provision through specific performance or declaratory judgment. Any attempted Transfer in violation of this Article shall, at Landlord's option, be void. Consent by Landlord to one or more Transfer(s) shall not operate as a waiver of Landlord's rights to approve any subsequent Transfers. In no event shall any Transfer or Permitted Transfer release or relieve Tenant from any obligation under this Lease.

(b) Request; Landlord's Options. As part of its request for Landlord's consent to a Transfer, Tenant shall provide Landlord with financial statements (audited if available) for the proposed transferee, a complete copy of the proposed assignment, sublease and other contractual documents and such other information as Landlord may reasonably request. Landlord shall, by written notice to Tenant within twenty (20) days of its receipt of the required information and documentation, either: (1) consent to the Transfer by the execution of a consent agreement in a form reasonably designated by Landlord or reasonably refuse to consent to the Transfer in writing; or (2) if the proposed Transfer is an assignment of Tenant's interest in this Lease (other than a Permitted Transfer) or is a sublease (other than a Permitted Transfer) for a term (including any option or renewal terms or any subsequently negotiated option or renewal terms) in excess of five (5) years or which runs through substantially the remainder of the Term, exercise the right to terminate this Lease with respect to the portion of the Premises that Tenant is proposing to assign or sublet, together with a pro rata share of the Equipment Space. Any such termination described in clause (2) above, shall be effective on the proposed effective date of the Transfer for which Tenant requested consent. Tenant shall pay to Landlord, Landlord's actual costs (including reasonable attorney's fees) incurred in Landlord's review of any Permitted Transfer (defined below) or requested Transfer. Notwithstanding the foregoing, if Landlord would be entitled, pursuant to clause (2) above to terminate this Lease with respect to all or any portion of the Premises (and the applicable pro rata share of the Equipment Space), Tenant, prior to entering into such a Transfer, shall have the right to advise Landlord (the "Prior Notice") of its intention to enter into such Transfer. Such Prior Notice shall describe the space Tenant intends to sublet or assign and the effective date thereof. Landlord, within twenty (20) days after receipt of the Prior Notice, shall have the right to terminate this Lease with respect to the space that Tenant intends to sublet or assign (inclusive of a pro rata share of the Equipment Space) as of the effective date set forth in the Prior Notice. If Landlord fails to

* CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

exercise its right to terminate within twenty (20) days after the Prior Notice, for the next six (6) months thereafter Landlord may not elect to terminate in connection with a proposed subletting or assignment of the space described in the Prior Notice.

(c) Excess Consideration. Tenant shall pay Landlord fifty percent (50%) of all rent and other consideration which Tenant receives as a result of a Transfer that is in excess of the Rent payable to Landlord for the portion of the Premises and Term covered by the Transfer, following the recovery by Tenant of Tenant's reasonable costs of the following costs incurred by Tenant in connection with the Transfer:

(i) commercially reasonable brokerage commissions;

(ii) reasonable attorneys' fees; and

(iii) tenant improvement costs incurred by Tenant in constructing space to be occupied by the assignee or subtenant, as opposed to improvements to be constructed in space in which Tenant shall retain occupancy.

Tenant shall pay Landlord for Landlord's share of any excess within thirty (30) days after Tenant's receipt of such excess consideration.

If Tenant is in Monetary Default (defined below), Landlord may require that all sublease payments be made directly to Landlord, in which case Tenant shall receive a credit against Rent in the amount of any payments received (less Landlord's share of any excess).

(d) Transfer of Shares/Rights; Permitted Transfers. Except as provided below with respect to a Permitted Transfer, if Tenant is a corporation, limited liability company, partnership, or similar entity, and if the ownership of a majority of the voting shares/rights of Tenant at any time changes for any reason (including but not limited to a merger, consolidation or reorganization), such change of ownership or control, shall constitute a Transfer. The foregoing shall not apply so long as Tenant is an entity whose outstanding stock is listed on a recognized security exchange, or if at least eighty percent (80%) of its voting stock is owned by another entity, the voting stock of which is so listed. Notwithstanding the foregoing to the contrary, Tenant may assign its entire interest under this Lease or sublet the Premises to a wholly owned corporation, partnership or other legal entity or affiliate, subsidiary or parent of Tenant or to any successor to Tenant by purchase, merger, consolidation or reorganization (hereinafter, collectively, referred to as "Permitted Transfer") without the consent of Landlord, provided: (i) Tenant is not in default under this Lease; (ii) if such proposed transferee is a successor to Tenant by purchase, merger, consolidation or reorganization, (A) if Tenant does not survive such transaction as an ongoing enterprise, the continuing or surviving entity shall own all or substantially all of the assets of Tenant and shall have a net worth which is at least equal to the greater of Tenant's net worth at the date of this Lease or Tenant's net worth at the date of the Transfer; and (B) if Tenant survives such transaction as an ongoing enterprise, the continuing or surviving entity shall own all or substantially all of the assets of Tenant at the Premises and the surviving Tenant and the assignee or sublessee, in the aggregate, shall have a net worth which is at least equal to the greater of Tenant's net worth at the date of this Lease or Tenant's net worth at the date of the Transfer; (iii) such proposed transferee operates the business in the Premises for the Permitted Use and no other purpose; and (iv) in no event shall any Permitted Transfer release or relieve Tenant from any of its obligations under this Lease. Tenant shall give Landlord written notice at least ten (10) days prior to the effective date of such Permitted Transfer. As used herein: (a) "parent" shall mean a company which owns a majority of Tenant's voting equity; (b) "subsidiary" shall mean an entity wholly owned by Tenant or at least fifty-one percent (51%) of whose voting equity is owned by Tenant; and (c) "affiliate" shall mean an entity controlled, controlling or under common control with Tenant. Notwithstanding the foregoing, sale of a controlling interest in shares of equity of any affiliate or subsidiary to which this Lease has been assigned or transferred other than to another parent, subsidiary or affiliate of the original Tenant named hereunder shall be deemed to be an assignment requiring the consent of Landlord hereunder. Additionally, no public offering of Tenant's stock or private placement of Tenant's stock shall be considered a Transfer or included when aggregating a transfer of voting shares or rights under this Section.

12. Liens.

(a) Generally. Tenant shall not permit mechanic's or other liens to be placed upon the Property, Premises or Tenant's leasehold interest in connection with any work or service done or purportedly done by or for benefit of Tenant. If a lien is so placed, Tenant shall, within ten (10) days of notice from Landlord of the filing of the lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien Law. If Tenant fails to discharge the lien, then, in addition to any other right or remedy of Landlord, Landlord may bond or insure over the lien or otherwise discharge the lien. Tenant shall reimburse Landlord for any amount paid by Landlord to bond or insure over the lien or discharge the lien, including, without limitation, reasonable attorneys' fees within thirty (30) days after receipt of an invoice from Landlord.

(b) Subordination. Notwithstanding the provisions of Section 12(a) above, provided Tenant is not in default hereunder, Landlord agrees to subordinate any statutory or other lien for Rent to Tenant's lenders ("Lender"), if any, requiring a priority position under the following circumstances:

(i) Lender is financing Tenant's purchase of the trade fixtures, equipment or inventory in which Landlord is subordinating its lien rights (the "Equipment");

(ii) Tenant shall furnish Landlord, for Landlord's prior written consent and approval, with a complete schedule of the Equipment financed pursuant to the terms hereof and a copy of any UCC-1 or other financing statement which Lender and Tenant intend to file with respect to such Equipment, which shall be updated, subject to Landlord's prior written approval, in the event of any changes;

(iii) Tenant shall be prohibited from financing any non-moveable fixture or permanent improvement to the leasehold or Building (provided that Landlord acknowledges that Tenant intends to include, as part of the Equipment to be financed, some or all of the following: supplemental HVAC units, generators, chillers, cages and racks);

(iv) Tenant shall cause any and all Lenders to give Landlord notice of any public or private sale by such Lender of Tenant's Equipment;

(v) no public or private sale by any Lender shall be held on the Premises or Property; and

(vi) Lender can enter the Premises or Property for purpose of removal of the Equipment only if:

(A) permitted by the agreement between Lender and Tenant; and

(B) Lender agrees to restore or repair all damage to the Premises, Equipment Space and Property caused by such removal; and

(C) Lender gives Landlord notice in the event that any of Tenant's moveable trade fixtures or Equipment are removed from the Premises, Equipment Space and Property; and

(D) Lender indemnifies Landlord for any claim, liability or expense (including reasonable attorney's fees) arising out of or in connection with Lender's removal of the Equipment and Lender's entry and activities upon the Premises, Equipment Space and Property.

(vii) Landlord's subordination shall not be effective unless and until a separate agreement is entered into between Lender and Landlord respecting the foregoing items; Landlord agrees to enter into an agreement in the form of Exhibit G attached hereto.

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13. Indemnity and Waiver of Claims.

(a) Tenant's Indemnity. Except to the extent caused by the negligence or willful misconduct of Landlord or any Landlord Related Parties (defined below), Tenant shall indemnify, defend and hold Landlord, its trustees,

members, principals, beneficiaries, partners, officers, directors, employees, Mortgagee(s) (defined in Article 26) and agents ("Landlord Related Parties") harmless against and from all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including, without limitation, reasonable attorneys' fees and other professional fees, which may be imposed upon, incurred by or asserted against Landlord or any of the Landlord Related Parties and arising out of or in connection with any damage or injury occurring in the Premises, Equipment Space, or Risers (provided such damage or injury to Risers is the result of any act or omission of Tenant or Tenant Related Parties) or any acts or omissions (including violations of Law) of Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees and agents ("Tenant Related Parties") or any of Tenant's transferees, contractors or licensees.

(b) Exculpation. Landlord and the Landlord Related Parties shall not be liable for, and Tenant waives, all claims for loss or damage to Tenant's business or loss, theft or damage to Leasehold Improvements or Tenant's Property or the property of any person claiming by, through or under Tenant resulting from: (1) wind or weather; (2) the failure of any sprinkler, heating or air-conditioning equipment, any electric wiring or any gas, water or steam pipes; (3) the backing up of any sewer pipe or downspout; (4) the bursting, leaking or running of any tank, water closet, drain or other pipe; (5) water, snow or ice upon or coming through the roof, skylight, stairs, doorways, windows, walks or any other place upon or near the Building; (6) any act or omission of any party other than Landlord or Landlord Related Parties;

and (7) any causes not reasonably within the control of Landlord. Tenant shall insure itself against such losses under Article 14 below.

14. Insurance. Tenant shall carry and maintain the following insurance ("Tenant's Insurance"), at its sole cost and expense: (1) Commercial General Liability Insurance applicable to the Premises, the Equipment Space, the portion of any Risers containing Tenant's Cable and their respective appurtenances providing, on an occurrence basis, a minimum combined single limit of $5,000,000.00; (2) All Risk Property Insurance, including flood, written at replacement cost value and with a replacement cost endorsement covering all of Tenant's trade fixtures, equipment, furniture and other personal property within or serving the Premises, any Leasehold Improvements, and Site Equipment as well as all Cable ("Tenant's Property"); (3) Workers' Compensation Insurance as required by the state in which the Premises is located and in amounts as may be required by applicable statute; and (4) Employers Liability Coverage of at least $1,000,000.00 per occurrence; and (5) such other amounts, types or levels of insurance as Landlord may reasonable prescribe, including, without limitation, increases in the levels of coverage described above. Any company writing any of Tenant's Insurance shall have an A.M. Best rating of not less than A-VIII. All Commercial General Liability Insurance policies shall name Tenant as a named insured and Landlord (or any successor), any property manager retained by Landlord to manage the Building, and their respective members, principals, beneficiaries, partners, officers, directors, employees, and agents, and other designees of Landlord as the interest of such designees shall appear, as additional insureds. All policies of Tenant's Insurance shall contain endorsements that the insurer(s) shall give Landlord and its designees at least thirty (30) days' advance written notice of any change, cancellation, termination or lapse of insurance. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant's Insurance prior to the earlier to occur of the Commencement Date or the date Tenant is provided with possession of the Premises for any reason, and upon renewals at least fifteen (15) days prior to the expiration of the insurance coverage. So long as the same is available at commercially reasonable rates, Landlord shall maintain so called All Risk property insurance on the Building at replacement cost value, as reasonably estimated by Landlord, as well as commercially reasonable levels of liability insurance coverage. Except as specifically provided to the contrary, the limits of either party's insurance shall not limit such party's liability under this Lease.

15. Subrogation. Notwithstanding anything in this Lease to the contrary, Landlord and Tenant shall cause their respective insurance carriers to waive any and all rights of recovery, claim, action or causes of action against the other and their respective trustees, principals, beneficiaries, partners, officers, directors, agents, and employees, for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to Tenant's Property, the Building, the Premises and the Equipment Space, any additions or improvements to the foregoing, or any contents thereof, including all rights of recovery, claims, actions or causes of action arising out of the negligence of Landlord or any Landlord Related Parties or the negligence of Tenant or any Tenant Related Parties, which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance.

16. Casualty Damage.

(a) Landlord's Options. If all or any part of the Premises is damaged by fire or other casualty, Tenant shall immediately notify Landlord in writing. During any period of time that all or a material portion of the Premises is rendered untenantable as a result of a fire or other casualty, the Rent shall abate for the portion of the Premises that is untenantable and not used by Tenant. Landlord shall have the right to terminate this Lease if: (1) the Building shall be damaged so that, in Landlord's reasonable judgment, substantial alteration (ie, work which will take in excess of one hundred eighty (180) days) or reconstruction of the Building shall be required (whether or not the Premises has been damaged); (2) Landlord is not permitted by Law to rebuild the Building in substantially the same form as existed before the fire or casualty; (3) the Premises have been materially damaged and there is less than one (1) year of the Term remaining on the date of the casualty; or (4) a material uninsured loss to the Building occurs (provided that Landlord has complied with Article 14 above regarding insurance to be maintained by Landlord). Landlord may exercise its right to terminate this Lease by notifying Tenant in writing within one hundred twenty (120) days after the date of the casualty. If Landlord does not terminate this Lease, Landlord shall commence and proceed with reasonable diligence to repair and restore the Building (excluding any Tenant's Property, which Tenant shall repair). In no event shall Landlord be required to spend more than the

insurance proceeds received by Landlord. Landlord shall not be liable for any loss or damage to Tenant's Property or to the business of Tenant resulting in any way from the fire or other casualty or from the repair and restoration of the damage. Landlord and Tenant hereby waive the provisions of any Law relating to the matters addressed in this Article, and agree that their respective rights for damage to or destruction of the Premises shall be those specifically provided in this Lease.

(b) Tenant's Option. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall, with reasonable promptness, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again, using standard working methods ("Completion Estimate"). If the Completion Estimate indicates that the Premises cannot be made tenantable within two hundred ten (210) days from the date the repair and restoration is started, then regardless of anything in Section 16(a) above to the contrary, either party shall have the right to terminate this Lease by giving written notice to the other of such election within ten (10) days after receipt of the Completion Estimate. Tenant, however, shall not have the right to terminate this Lease if the fire or casualty was caused by the negligence or intentional misconduct of Tenant, any Tenant Related Parties or any of Tenant's transferees, contractors or licensees.

17. Condemnation. Either party may terminate this Lease if the whole or any material part of the Premises shall be taken or condemned for any public or quasi-public use under Law, by eminent domain or private purchase in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or Property which would leave the remainder of the Building unsuitable for use in a manner comparable to the Building's use prior to the Taking. In order to exercise its right to terminate the Lease, Landlord or Tenant, as the case may be, must provide written notice of termination to the other within forty-five (45) days after the terminating party first receives notice of the Taking. Any such termination shall be effective as of the date the physical taking of the Premises or the portion of the Building or Property occurs. If this Lease is not terminated, the Rentable Square Footage of the Building, the Rentable Square Footage of the Premises and Tenant's Pro Rata Share shall, if applicable, be appropriately adjusted. In addition, Rent for any portion of the Premises taken or condemned shall be abated during the unexpired Term of this Lease effective when the physical taking of the portion of the Premises occurs. All compensation awarded for a Taking, or sale proceeds, shall be the property of Landlord, any right to receive compensation or proceeds being expressly waived by Tenant. However, Tenant may file a separate claim at its sole cost and expense for Tenant's Property and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the award which would otherwise be receivable by Landlord.

18. Security Deposit.

(a) Tenant's Security Deposit, which shall be delivered by Tenant to Landlord, together with the first (1st) month's payment of Base Rent and Equipment Space Rent concurrently with Tenant's delivery to Landlord of this Lease as executed by Tenant, shall be held by Landlord, without liability for interest, as security for the performance of Tenant's obligations under this Lease. Landlord shall not be required to keep the Security Deposit segregated from other funds of Landlord. Tenant shall not assign or in any way encumber the Security Deposit. Upon the occurrence of any default by Tenant (beyond the giving of acceptable notice and

the passage of applicable grace periods), Landlord shall have the right, without prejudice to any other remedy, to use the Security Deposit, or portions thereof, to the extent necessary to pay any arrearages in Rent, and any other damage, injury or expense. Following any such application of all or any portion of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to restore the Security Deposit to its original amount (or if the Security Deposit is a Letter of Credit, Tenant may either deliver cash, a replacement Letter of Credit, or an additional Letter of Credit). Provided Tenant is not in default hereunder, Landlord will return any unapplied portion of the Security Deposit to Tenant within thirty (30) days following the later to occur of (i) the expiration of the Term, and (ii) Tenant's vacancy of the Premises and Building in accordance with the provisions of this Lease.

(b) If the Security Deposit is in the form of a Letter of Credit , the Letter of Credit shall

(i) be in form and substance satisfactory to Landlord;

(ii) name Landlord as its beneficiary;

(iii) be drawn on an FDIC insured financial institution satisfactory to the Landlord;

(iv) expressly allow Landlord to draw upon it:

(A) in the event that the Tenant is in default under the Lease by delivering to the issuer of the Letter of Credit written notice that Landlord is entitled to draw thereunder pursuant to the terms of this Lease; or

(B) if Tenant, within sixty (60) days prior to expiration of the Letter of Credit then held by Landlord, fails to provide Landlord with a replacement Letter of Credit meeting the requirements herein;

(v) expressly state that it will be honored by the issuer without inquiry into the accuracy of any such notice or statement made by Landlord;

(vi) expressly permit multiple or partial draws up to the stated amount of the Letter of Credit;

(vii) expressly provide that it is transferable to any successor of Landlord; and

(viii) expire no earlier than sixty (60) days after the Expiration Date (alternatively, the Letter of Credit [and any renewals or replacements thereof] may be for a term of not less than one (1) year; in such event Tenant agrees that it shall from time to time, as necessary, [whether as a result of a draw on the Letter of Credit by Landlord pursuant to the terms hereof or as a result of the expiration of the Letter of Credit then in effect], renew or replace the original and any subsequent Letter of Credit so that a Letter of Credit, in the amount required hereunder, is in effect until a date which is at least sixty (60) days after the Expiration Date. If Tenant fails to furnish such renewal or replacement at least thirty (30) days prior to the stated expiration date of the Letter of Credit then held by Landlord, Landlord may draw upon such Letter of Credit and hold the proceeds thereof [and such proceeds need not be segregated] as a Security Deposit pursuant to the terms of this Article 18).

(c) Any renewal of or replacement for the original or any subsequent Letter of Credit shall meet the requirements for the original Letter of Credit as set forth above, except that such replacement or renewal shall be issued by a national bank satisfactory to Landlord at the time of the issuance thereof. Landlord agrees that in the event of any event which would give Landlord the right to draw upon the Letter of Credit, Landlord shall only draw down such amount as Landlord reasonably believes to be necessary to cure or remedy any default on the part of Tenant and to reimburse Landlord for any costs, expenses or liability incurred in connection with such default; notwithstanding the foregoing, if the amount of any draw upon the Letter of Credit exceeds the amount necessary to reimburse Landlord for such costs, expenses or liability, any excess proceeds of any draw on the Letter of Credit shall be held by Landlord as a Security Deposit pursuant to the provisions of this Article 18.

19. Events of Default. Tenant shall be considered to be in default of this Lease upon the occurrence of any of the following events of default:

(a) Monetary Default. Tenant's failure to pay when due all or any portion of the Rent ("Monetary Default"), five (5) days after written notice to Tenant; provided, that Landlord shall be required to deliver any such notice only twice during any twelve (12) month period, and any subsequent failure to pay any Rent when due in any twelve (12) month period following Landlord's delivery of written notice of Monetary Default shall automatically be a default, without the necessity of written notice from Landlord or a five (5) day grace period.

(b) Non-Monetary Default. Tenant's failure (other than a Monetary Default) to comply with any term, provision or covenant of this Lease, if the failure is not cured within fifteen (15) days after written notice to Tenant. However, if Tenant's failure to comply cannot reasonably be cured within fifteen (15) days, Tenant shall be allowed additional time (not to exceed sixty (60) days) as is reasonably necessary to

cure the failure so long as: (1) Tenant commences to cure the failure within fifteen (15) days, and (2) Tenant diligently pursues a course of action that will cure the failure and bring Tenant back into compliance with the Lease. However, if Tenant's failure to comply creates a hazardous condition, the failure must be cured immediately upon notice to Tenant. In addition, if Landlord provides Tenant with notice of Tenant's failure to comply with any particular term, provision or covenant of the Lease on three (3) occasions during any twelve (12) month period, Tenant's subsequent violation of such term, provision or covenant shall, at Landlord's option, be an incurable event of default by Tenant.

(c) Insolvency Matters. Tenant becomes insolvent, makes a transfer in fraud of creditors, or files a petition in bankruptcy, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts when due.

(d) Taking of Leasehold Estate. The leasehold estate is taken by process or operation of Law.

20. Remedies.

(a) Generally. Upon any default, Landlord shall have the right without notice or demand (except as provided in Article 19) to pursue any of its rights and remedies at Law or in equity, including any one or more of the following remedies:

(i) Terminate this Lease, in which case Tenant shall immediately surrender the Premises and Equipment Space to Landlord. If Tenant fails to surrender the Premises and/or Equipment Space, Landlord may, in compliance with applicable Law and without prejudice to any other right or remedy, enter upon and take possession of the Premises and/or Equipment Space and expel and remove Tenant, Tenant's Property and any party occupying all or any part of the Premises and/or Equipment Space. Tenant shall pay Landlord on demand the amount of all past due Rent and other losses and damages which Landlord may suffer as a result of Tenant's default, whether by Landlord's inability to relet the Premises and/or Equipment Space on satisfactory terms or otherwise, including, without limitation, all Costs of Reletting (defined below) and any deficiency that may arise from reletting or the failure to relet the Premises and/or Equipment Space. "Costs of Reletting" shall include all costs and expenses incurred by Landlord in reletting or attempting to relet the Premises and/or Equipment Space, including, without limitation, reasonable legal fees, brokerage commissions, the cost of alterations and the value of other concessions or allowances granted to a new tenant.

(ii) Terminate Tenant's right to possession of the Premises and/or Equipment Space and, in compliance with applicable Law, expel and remove Tenant, Tenant's Property and any parties occupying all or any part of the Premises and/or Equipment Space. Landlord may (but shall not be obligated to) relet all or any part of the Premises and/or Equipment Space, without notice to Tenant, for a term that may be greater or less than the balance of the Term and on such conditions (which may include concessions, free rent and alterations of the Premises and/or Equipment Space) and for such uses as Landlord in its absolute discretion shall determine. Landlord may collect and receive all rents and other income from the reletting. Tenant shall pay Landlord on demand all past

due Rent, all Costs of Reletting and any deficiency arising from the reletting or failure to relet the Premises and/or Equipment Space. Landlord shall not be responsible or liable for the failure to relet all or any part of the Premises and/or Equipment Space or for the failure to collect any Rent. The re-entry or taking of possession of the Premises and/or Equipment Space shall not be construed as an election by Landlord to terminate this Lease unless a written notice of termination is given to Tenant.

(iii) In lieu of calculating damages under Sections 20(a)(i) or 20(a)(ii) above, Landlord may elect to receive as damages the sum of (a) all Rent accrued through the date of termination of this Lease or Tenant's right to possession, and (b) an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at the Prime Rate (defined in Section 20(b) below) then in effect, minus the then present fair rental value of the Premises for the

remainder of the Term, similarly discounted, after deducting all anticipated Costs of Reletting.

(b) Remedies; Cumulative Interest. Unless expressly provided in this Lease, the repossession or re-entering of all or any part of the Premises and/or Equipment Space shall not relieve Tenant of its liabilities and obligations under the Lease. No right or remedy of Landlord shall be exclusive of any other right or remedy. Each right and remedy shall be cumulative and in addition to any other right and remedy now or subsequently available to Landlord at Law or in equity. If Landlord declares Tenant to be in default, Landlord shall be entitled to receive interest on any unpaid item of Rent at an annual rate equal to the Prime Rate plus four percent (4%). For purposes hereof, the "Prime Rate" shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Landlord in the state in which the Building is located. Forbearance by Landlord to enforce one or more remedies shall not constitute a waiver of any default.

(c) Mitigation. Landlord agrees to use reasonable efforts to mitigate damages, provided that such reasonable efforts shall not require Landlord to relet the Premises or Equipment Space in preference to any other space in the Building or to relet the Premises or Equipment Space to any party that Landlord could reasonably reject as a transferee pursuant to Article 11 hereof.

21. Limitation of Liability; Landlord's Transfer. Notwithstanding anything to the contrary contained in this Lease, the liability of Landlord (and of any successor Landlord) to Tenant shall be limited to the equity interest of Landlord in the Building. Tenant shall look solely to Landlord's equity interest in the Building for the recovery of any judgment or award against Landlord. Neither Landlord nor any Landlord Related Party shall be personally liable for any judgment or deficiency. Before filing suit for an alleged default by Landlord, Tenant shall give Landlord and the Mortgagee(s) (defined in Article 26 below) whom Tenant has been notified hold Mortgages (defined in Article 26 below) on the Property, Building, Premises or Equipment Space, notice and reasonable time to cure the alleged default. Landlord shall have the right to transfer and assign all of its rights and obligations under this Lease and in the Building and/or Property referred to herein, and upon such transfer Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to the successor in interest of Landlord for the performance of such obligations.

22. No Waiver. Either party's failure to declare a default immediately upon its occurrence, or delay in taking action for a default shall not constitute a waiver of the default. Either party's failure to enforce its rights for a default shall not constitute a waiver of its rights regarding any subsequent default. Receipt by Landlord of Tenant's keys to the Premises shall not constitute an acceptance or surrender of the Premises.

23. Quiet Enjoyment. Tenant shall, and may peacefully have, hold and enjoy the Premises and Equipment Space, subject to the terms of this Lease, provided Tenant pays the Rent and fully performs all of its covenants and agreements. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building, and shall not be a personal covenant of Landlord or the Landlord Related Parties.

24. Relocation. [INTENTIONALLY OMITTED]

25. Holding Over. If Tenant fails to surrender the Premises and Equipment Space at the expiration or earlier termination of this Lease, occupancy of the Premises and/or Equipment Space after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises and/or Equipment Space during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount (on a per month basis without reduction for partial months during the holdover) equal to one hundred fifty percent (150%) of the Rent due for the period immediately preceding the holdover. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises and/or Equipment Space by summary proceedings or otherwise. In addition to the payment of the amounts provided above, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from the holdover.

26. Subordination to Mortgages; Estoppel Certificate. Tenant accepts this

Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage"). The party having the benefit of a Mortgage shall be referred to as a "Mortgagee". Upon request from a Mortgagee, Tenant shall execute a commercially reasonable subordination agreement in favor of the Mortgagee. In lieu of having the Mortgage be superior to this Lease, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. If requested by a successor-in-interest to all or a part of Landlord's interest in the Lease, Tenant shall, without charge, attorn to the successor-in-interest. Landlord and Tenant shall each, within ten (10) days after receipt of a written request from the other, execute and deliver an estoppel certificate to those parties as are reasonably requested by the other (including a Mortgagee or prospective purchaser). The estoppel certificate shall include a statement certifying that this Lease is unmodified (except as identified in the estoppel certificate) and in full force and effect, describing the dates to which Rent and other charges have been paid, representing that, to such party's actual knowledge, there is no default (or stating the nature of the alleged default) and indicating other matters with respect to the Lease that may reasonably be requested. Tenant agrees to modify this Lease as reasonably requested by any Mortgagee, provided such modifications do not materially impair Tenant's rights or increase Tenant's obligations under the Lease. Notwithstanding the foregoing, upon written request by Tenant, Landlord will use reasonable efforts to obtain a non-disturbance, subordination and attornment agreement from Landlord's then current-Mortgagee on such Mortgagee's then current standard form of agreement. "Reasonable efforts" of Landlord shall not require Landlord to incur any cost, expense or liability to obtain such agreement, it being agreed that Tenant shall be responsible for any fee or review costs charged by Mortgagee. Upon request of Landlord, Tenant will execute the Mortgagee's form of non-disturbance, subordination and attornment agreement (subject to Tenant's approval, which will not be unreasonably withheld, conditioned or delayed) and return the same to Landlord for execution by the Mortgagee. Landlord's failure to obtain a non-disturbance, subordination and attornment agreement for Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder but in the event that Landlord fails to procure such agreement from Landlord's Mortgagee, Tenant will not be obligated to subordinate its interest in this Lease to the lien of the Mortgagee in question. As of the date of this Lease, Landlord represents to Tenant that there is no Mortgage encumbering the Building or the Property.

27. Attorneys' Fees. If either party institutes a suit against the other for violation of or to enforce any covenant or condition of this Lease, or if either party intervenes in any suit in which the other is a party to enforce or protect its interest or rights, the prevailing party shall be entitled to all of its costs and expenses, including, without limitation, reasonable attorneys' fees.

28. Notices. If a demand, request, approval, consent or notice (collectively referred to as a "Notice") shall or may be given to either party by the other, the Notice shall be in writing and delivered by hand or sent by registered or certified mail with return receipt requested, or sent by overnight or same day courier service at the party's respective Notice Address(es) set forth in Article 1, except that if Tenant has vacated the Premises (or if the Notice Address for Tenant is other than the Premises, and Tenant has vacated such address) without providing Landlord a new Notice Address, Landlord may serve Notice in any manner described in this Article or in any other manner permitted by Law. Notice shall be deemed to have been received or given on the earlier to occur of (i) actual delivery, or the date on which delivery is refused, or (ii) if Tenant has vacated the Premises or the other Notice Address of Tenant without providing a new Notice Address, three (3) days after Notice is deposited in the U.S. mail or with a courier service in the manner described above. Either party may, at any time, change its Notice Address by giving the other party written Notice of the new address in the manner described in this Article.

29. Excepted Rights. This Lease does not grant any rights to light or air over or about the Building. Except as expressly set forth in this Lease, Landlord excepts and reserves exclusive to itself the use of: (1) roofs, (2) telephone, electrical and janitorial closets, (3) equipment rooms, (4) rights to the land and improvements below the floor of the Premises, (5) the improvements and air rights above the Premises, (6) the improvements and air rights outside the demising walls of the Premises, and (7) the areas within the Premises used for the installation of utility lines and other installations serving all occupants of the Building. Landlord has the right to change the Building's name or (if required by governmental authority) address. Landlord also has the right to make such other changes to the Property and Building as Landlord deems appropriate (including the right to add additional floors to the Building or to reduce the size of the Building), provided the changes do not materially affect Tenant's ability

to use the Premises or the Equipment Space. Landlord shall also have the right (but not the obligation) to temporarily close the Building if Landlord reasonably determines that there is an imminent danger of significant damage to the Building or of personal injury to Landlord's employees or the occupants of the Building. The circumstances under which Landlord may temporarily close the Building shall include, without limitation, electrical interruptions, hurricanes and civil disturbances. A closure of the Building under such circumstances shall not constitute a constructive eviction nor entitle Tenant to an abatement or reduction of Rent. Landlord reserves the right to temporarily reduce Tenant's allocation of parking spaces as required during modifications to the Property.

30. Surrender of Premises. At the expiration or earlier termination of this Lease or Tenant's right of possession, Tenant shall remove Tenant's Property from the Premises, Equipment Space and Risers, and quit and surrender the Premises, Equipment Space and the Risers (using Landlord's specified contractor to perform any such work affecting the Risers) to Landlord, broom clean, and in good order, condition and repair and in compliance with all applicable laws, ordinary wear and tear excepted; any such work will be performed in accordance with Article 8 above. If Tenant fails to so remove any of Tenant's Property prior to the termination of this Lease or of Tenant's right to possession, Landlord, at Tenant's sole cost and expense, shall be entitled (but not obligated) to remove and store Tenant's Property, Tenant shall pay Landlord, upon demand, the expenses and storage charges incurred for Tenant's Property. Landlord shall not be responsible for the value, preservation or safekeeping of Tenant's Property. In addition, if Tenant fails to remove Tenant's Property from the Premises or storage, as the case may be, within thirty (30) days after written Notice, Landlord may deem all or any part of Tenant's Property to be abandoned, and title to Tenant's Property shall be deemed to be immediately vested in Landlord.

31. Parking. Tenant shall be allowed in common with all other Building occupants to use the parking area associated with the Building for Tenant's parking requirements up to fifteen (15) spaces. Tenant shall pay Landlord as Additional Rent hereunder, the monthly parking rates as established by Landlord. Tenant shall not exceed its allocation of parking spaces as described herein.

32. Environmental Matters/Hazardous Materials:

(a) Hazardous Materials Disclosure Certificate: Prior to executing this Lease, Tenant has completed, executed and delivered to Landlord Tenant's initial Hazardous Materials Disclosure Certificate (the "Initial HazMat Certificate"), a copy of which is attached hereto as Exhibit E and incorporated herein by this reference. Tenant covenants, represents and warrants to Landlord that, to the best of Tenant's knowledge after due inquiry, the information on the Initial HazMat Certificate is true and correct and accurately describes the use(s) of Hazardous Materials which will be made and/or used on the Premises or the Equipment Space by Tenant. Commencing with the date which is one year from the Commencement Date, and continuing every year thereafter after Landlord's written request, Tenant will complete, execute, and deliver to Landlord, a Hazardous Materials Disclosure Certificate (the "HazMat Certificate") describing Tenant's present use of Hazardous Materials on the Premises or the Equipment Space, and any other reasonably necessary documents as requested by Landlord. The HazMat Certificate required hereunder shall be in substantially the form as that which is attached hereto as Exhibit E.

(b) Definition of Hazardous Materials: As used in this Lease, the term Hazardous Materials shall mean and include (i) any hazardous or toxic wastes, materials or substances, and other pollutants or contaminants, which are or become regulated by any Environmental Laws; (ii) petroleum, petroleum by products, gasoline, diesel fuel, crude oil or any fraction thereof; (iii) asbestos and asbestos containing material, in any form, whether friable or non-friable; (iv) polychlorinated biphenyls; (v) radioactive materials; (vi) lead and lead-containing materials; (vii) any other material, waste or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become

defined by any Environmental Law (defined below); or (h) any materials which cause or threatens to cause a nuisance upon or waste to any portion of the Premises, Equipment Space, the Building, the Property or any surrounding property; or poses or threatens to pose a hazard to the health and safety of persons on the Premises, Equipment Space, Building, the Property or any surrounding property.

(c) Prohibition; Environmental Laws: Except for, and to the extent of, the

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Hazardous Materials specified in the Initial HazMat Certificate, Tenant shall not be entitled to use nor store any Hazardous Materials on, in, or about the Premises, Equipment Space, the Building, the Property, or any portion of the foregoing, without, in each instance, obtaining Landlord's prior written consent thereto. If Landlord consents to any such usage or storage, then Tenant shall be permitted to use and/or store only those Hazardous Materials that are necessary for Tenant's business and to the extent disclosed in the HazMat Certificate and as expressly approved by Landlord in writing, provided that such usage and storage is only to the extent of the quantities of Hazardous Materials as specified in the then applicable HazMat Certificate as expressly approved by Landlord and provided further that such usage and storage is in full compliance with any and all local, state and federal environmental, health and/or safety-related laws, statutes, orders, standards, courts' decisions, ordinances, rules and regulations (as interpreted by judicial and administrative decisions), decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant or all or any portion of the Premises (collectively, the "Environmental Laws"). Tenant agrees that any changes to the type and/or quantities of Hazardous Materials specified in the most recent HazMat Certificate may be implemented only with the prior written consent of Landlord, which consent may be given or withheld in Landlord's reasonable discretion. Landlord shall have the right at all times during the Term, upon reasonable advance notice to Tenant (except in the case of emergency) to (i) inspect the Premises and Equipment Space, (ii) conduct tests and investigations to determine whether Tenant is in compliance with the provisions of this Article 32, and (iii) request lists of all Hazardous Materials used, stored or otherwise located on, under or about the Building, Premises, Equipment Space, and the Property. The cost of all such inspections, tests and investigations shall be proportionately borne by Tenant commensurate with the extent of Hazardous Materials revealed by any such inspection, test or investigation to be present in, on or about the Premises, Equipment Space, Building or Property arising from or related to the intentional or negligent acts or omissions of Tenant or any of Tenant's employees, agents, contractors or representatives and all other costs and expenses shall be borne by parties other than Tenant. However, in the event any such inspection, test or investigation reveals that there are not any Hazardous Materials present in, on or about the Premises, Building, Equipment Space or Property arising from or related to the intentional or negligent acts or omissions of Tenant or Tenant's employees, agents, contractors or representatives then Tenant shall not be responsible for any of the cost of such inspections, tests and investigations. The aforementioned rights granted herein to Landlord and its representatives shall not create (a) a duty on Landlord's part to inspect, test, investigate, monitor or otherwise observe the Premises, Building, Equipment Space, Property or the activities of Tenant and Tenant's employees, agents, contractors or representatives or invitees with respect to Hazardous Materials, including without limitation, Tenant's operation, use and any remediation related thereto, or (b) liability on the part of Landlord and its representatives for Tenant's use, storage, disposal or remediation of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith.

(d) Tenant's Environmental Obligations: Tenant shall give to Landlord
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immediate verbal and follow-up written Notice of any spills, releases, discharges, disposals, emissions, migrations, removals or transportation of Hazardous Materials on, under or about the Premises, Equipment Space, Building or Property. Tenant, at its sole cost and expense, covenants and warrants to promptly investigate, clean up, remove, restore and otherwise remediate (including, without limitation, preparation of any feasibility studies or reports and the performance of any and all closures) any spill, release, discharge, disposal, emission, migration or transportation of Hazardous Materials arising from or related to the intentional or negligent acts or omissions of Tenant or Tenant's employees, agents, contractors or representatives such that the affected portions of the Premises, Equipment Space, Building, Property and any adjacent property are returned to the condition existing prior to the appearance of such Hazardous Materials. Any such investigation, clean up, removal, restoration and other remediation shall only be performed after Tenant has obtained Landlord's prior written consent, which consent shall not be unreasonably withheld so long as such actions would not potentially have a material adverse long-term or short-term effect on any portion of the Premises, Equipment Space, the Building, or the Property. Notwithstanding the foregoing, Tenant shall be entitled to respond immediately to an emergency without first obtaining Landlord's prior written consent. Tenant, at its sole cost and

expense, shall conduct and perform, or cause to be conducted and

performed, all closures as required by any Environmental Laws or any agencies or other governmental authorities having jurisdiction thereof. If Tenant fails to so promptly investigate, clean up, remove, restore, provide closure or otherwise so remediate, Landlord may, but without obligation to do so, take any and all steps necessary to rectify the same and Tenant shall promptly reimburse Landlord, upon demand, for all costs and expenses to Landlord of performing investigation, clean up, removal, restoration, closure and remediation work. All such work undertaken by Tenant, as required herein, shall be performed in such a manner so as to enable Landlord to make full economic use of the Premises, Equipment Space, the Building and Property, and after the satisfactory completion of such work.

(e) Environmental Indemnity: In addition to Tenant's obligations as set forth hereinabove, to the fullest extent permitted under applicable law, Tenant agrees to, and shall, protect, indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and, Landlord's Related Parties harmless from and against any and all claims, judgments, damages, penalties, fines, liabilities, losses (including, without limitation, diminution in value of any portion of the Premises, Equipment Space, the Building, the Property, damages for the loss of or restriction on the use of rentable or usable space, and from any adverse impact of Landlord's marketing of any space within the Premises, Equipment Space, Building and/or Property), suits, administrative proceedings and costs (including, but not limited to, attorneys' and consultant fees and court costs) arising at any time during or after the Term of this Lease in connection with or related to, directly or indirectly, the use, presence, transportation, storage, disposal, migration, removal, spill, release or discharge of Hazardous Materials on, in or about any portion of the Premises, Equipment Space, the Building, or the Property as a result (directly or indirectly) and to the extent of the acts or omissions of Tenant or any of Tenant's employees, agents, invitees, contractors or representatives. Neither the written consent of Landlord to the presence, use or storage of Hazardous Materials in, on, under or about any portion of the Premises, Equipment Space, the Building, and/or the Property, nor the strict compliance by Tenant with all Environmental Laws shall excuse Tenant and Tenant's officers and directors from its obligations of indemnification pursuant hereto. Tenant shall not be relieved of its indemnification obligations under the provisions of this Section 32(e) due to Landlord's status as either an "owner" or "operator" under any Environmental Laws.

(f) Survival: Tenant's obligations and liabilities pursuant to the provisions of this Article 32 shall survive the expiration or earlier termination of this Lease. If it is determined by Landlord that the condition of all or any portion of the Premises, Equipment Space, the Building, and/or the Property is not in compliance with the provisions of this Lease with respect to Hazardous Materials, including without limitation all Environmental Laws at the expiration or earlier termination of this Lease, then in Landlord's sole discretion, Landlord may require Tenant to hold over possession of the Premises and/or Equipment Space until Tenant can surrender the Premises and/or Equipment Space to Landlord in the condition in which the Premises and/or Equipment Space existed as of the Commencement Date and prior to the appearance of such Hazardous Materials except for reasonable wear and tear, including without limitation, the conduct or performance of any closures as required by any Environmental Laws. For purposes hereof, the term "reasonable wear and tear" shall not include any deterioration in the condition or diminution of the value of any portion of the Premises, Equipment Space, the Building, and/or the Property in any manner whatsoever related to directly, or indirectly, Hazardous Materials. Any such holdover by Tenant will be with Landlord's consent, will not be terminable by Tenant in any event or circumstance and will otherwise be subject to the provisions of this Lease.

33. Miscellaneous.

(a) Governing Law. This Lease and the rights and obligations of the parties shall be interpreted, construed and enforced in accordance with the Laws of the state in which the Building is located and Landlord and Tenant hereby irrevocably consent to the jurisdiction and proper venue of such state. If any term or provision of this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by Law. The headings and titles to the Articles and Sections of this Lease are for convenience only and shall have no effect on the interpretation of any part of the Lease.

(b) Memorandum of Lease. Following the mutual execution and delivery of this Lease, Tenant, upon written request to Landlord, should have the right to record a Memorandum of Lease reflecting Tenant's leasehold interest as created hereby; provided, that such Memorandum is in form and substance satisfactory to Landlord, in Landlord's reasonable determination, and that Landlord shall have the right to require Tenant to simultaneously deliver to Landlord a quitclaim deed of Tenant's leasehold interest in form and substance reasonably satisfactory to Landlord for recording by Landlord upon the expiration or sooner termination of this Lease.

(c) Waiver of Jury Trial. Landlord and Tenant hereby waive any right to trial by jury in any proceeding based upon a breach of this Lease.

(d) Force Majeure. Whenever a period of time is prescribed for the taking of an action by Landlord or Tenant, the period of time for the performance of such action shall be extended by the number of days that the performance is actually delayed due to fire, windstorm, flood, explosion, collapse of structures, governmental preemption or prescription, unavailability of utilities, strikes, acts of God, shortages of labor or materials, war, civil disturbances and other causes beyond the reasonable control of the performing party ("Force Majeure"). However, events of Force Majeure shall not extend or delay any date or period of time for the payment of Rent or other sums payable by either party or any period of time for the written exercise of an option or right by either party.

(e) Brokers. Tenant represents that it has dealt directly with and only with the Broker(s) described in Article 1 as a broker in connection with this Lease. Tenant shall indemnify and hold Landlord and the Landlord Related Parties harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Lease. Landlord agrees to indemnify and hold Tenant and the Tenant Related Parties harmless from all claims of any brokers claiming to have represented Landlord in connection with this Lease.

(f) Authorizations, Etc.. Tenant covenants, warrants and represents that: (1) each individual executing, attesting and/or delivering this Lease on behalf of Tenant is authorized to do so on behalf of Tenant; (2) this Lease is binding upon Tenant; and (3) Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the state in which the Premises are located. If there is more than one Tenant, or if Tenant is comprised of more than one party or entity, the obligations imposed upon Tenant shall be joint and several obligations of all the parties and entities. Notices, payments and agreements given or made by, with or to any one person or entity shall be deemed to have been given or made by, with and to all of them.

(g) Time of Essence. Time is of the essence with respect to Tenant's exercise of any expansion, renewal or extension rights granted to Tenant (if any). This Lease shall create only the relationship of landlord and tenant between the parties, and not a partnership, joint venture or any other relationship. This Lease and the covenants and conditions in this Lease shall inure only to the benefit of and be binding only upon Landlord and Tenant and their permitted successors and assigns.

(h) Survival. The expiration of the Term, whether by lapse of time or otherwise, shall not relieve either party of any obligations which accrued prior to or which may continue to accrue after the expiration or early termination of this Lease.

(i) No Offer. Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and the delivery of it does not constitute an offer to Tenant or an option. This Lease shall not be effective against any party hereto until an original copy of this Lease has been signed and delivered by such party.

(j) Integration. All understandings and agreements previously made between the parties are superseded by this Lease, and neither party is relying upon any warranty, statement or representation not contained in this Lease. This Lease may be modified only by a written agreement signed by Landlord and Tenant.

(k) Graphics. Tenant shall have the right to (i) one listing in the

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Building's directory on the ground floor lobby, to be provided by Landlord using the Building's standard lettering and (ii) one Building-standard entry sign on or adjacent to the entrance to the Premises, to be provided at Tenant's expense.

(l) [INTENTIONALLY OMITTED]

(m) Confidentiality.

(i) Landlord shall use reasonable efforts to keep all Confidential Information of Tenant (defined below) confidential; as used herein "Confidential Information of Tenant" shall mean any data or information pertaining to Tenant or Tenant's business, regardless of medium that is provided by Tenant to Landlord, including Tenant's plans and specifications or electrical power requirements, site plans, or copies of any such information but shall exclude any information (a) approved in writing by Tenant for release to third parties, (b) that Landlord possess independently of Tenant, (c) that Tenant places in the public domain or (d) except as may be approved in writing by Tenant for release to third parties or as may be required by applicable law or as Landlord may , in Landlord's good faith business judgment, disclose in confidence to Landlord's counsel, lenders, or investors, contractors, engineers, architects, project managers in the course of the operation of the Building and Property.

(ii) Tenant agrees to use reasonable efforts to keep confidential the terms and conditions of this Lease, and not to disclose the terms and conditions of this Lease to any third parties except as may be approved in writing by Landlord for release to third parties or as may be required by applicable law or as Tenant may, in Tenant's good faith business judgment, disclose in confidence to Tenant's counsel, lenders, or investors.

(n) Financial Information. Tenant, within 15 days after request (but no
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more often than once per calendar quarter), shall provide Landlord with a current financial statement and such other information as Landlord may reasonably request. Landlord shall use reasonable efforts to maintain such information as confidential.

34. Entire Agreement.

This Lease and the following exhibits and attachments constitute the entire agreement between the parties and supersede all prior agreements and understandings related to the Premises, including all lease proposals, letters of intent and other documents:

Exhibit A (Outline and Location of Premises)
Exhibit B (Outline and Location of Equipment Space)
Exhibit C (Rules and Regulations)
Exhibit D (Commencement Letter)
Exhibit E (Haz Mat Certificate)
Exhibit F (Tenant Options)
Exhibit G (Form Agreement Regarding Lender's Security Interest)

LANDLORD: CARLYLE-CORE CHICAGO LLC,
a Delaware limited liability company

By: /s/ Fred Ezra

Name: Fred Ezra

Title: Manager

TENANT: EQUINIX, INC.,
a Delaware corporation

By: /s/ Albert M. Avery, IV

Name: Albert M. Avery, IV

Title: President

By: /s/ Jay S. Adelson

Name: Jay S. Adelson

Title: Vice President

EXHIBIT A

PREMISES

[GRAPHIC OF FLOOR PLAN OF PREMISES]

EXHIBIT B

EQUIPMENT SPACE

[GRAPHIC OF FLOOR PLAN OF EQUIPTMENT SPACE]

EXHIBIT C

BUILDING RULES AND REGULATIONS

The following rules and regulations shall apply, where applicable, to the Premises, the Building, the parking garage (if any), the Property and the appurtenances. Capitalized terms have the same meaning as defined in the Lease.

1. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. No rubbish, litter, trash, or material shall be placed, emptied, or thrown in those areas. At no time shall Tenant permit Tenant's employees to loiter in Common Areas or elsewhere about the Building or Property.

2. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed in the fixtures or appliances. Damage resulting to fixtures or appliances by Tenant, its agents, employees or invitees, shall be paid for by Tenant, and Landlord shall not be responsible for the damage.

3. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord as specifically provided for in the Lease.

5. Landlord will be provided with keys to the Premises.

6. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.

7. Tenant shall not: (1) make or permit any improper, objectionable or unpleasant noises or odors in the Building, or otherwise interfere in any way with other tenants or persons having business with them; (2) solicit business or distribute, or cause to be distributed, in any portion of the Building, handbills, promotional materials or other advertising; or (3) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.

8. No animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.

9. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purpose.

10. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord.

11. Tenant shall not operate or permit to be operated a coin or token operated vending machine or similar device (including, without limitation, telephones, lockers, toilets, scales, amusement devices and machines for sale of beverages, foods, candy, cigarettes and other goods), except for

machines for the exclusive use of Tenant's employees.

12. Bicycles and other vehicles are not permitted inside the Building or on the walkways outside the Building, except in areas designated by Landlord.

13. Landlord may from time to time adopt systems and procedures for the security and safety of the Building, its occupants, entry, use and contents. Tenant, its agents, employees, contractors, guests and invitees shall comply with Landlord's systems and procedures.

14. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

15. Tenant shall not canvass, solicit or peddle in or about the Building or the Property.

16. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking anywhere in the Building.

EXHIBIT D

COMMENCEMENT LETTER

(EXAMPLE)

Date:

Tenant:

Address:_____
_____
_____

Re: Commencement Letter with respect to that certain Lease dated as of _____, _____ by and between CARLYLE-CORE CHICAGO LLC, a Delaware limited liability company, as Landlord, and _____, as Tenant, for _____ square feet of Rentable Area on the _____ floor of the Building located at [*], Chicago, Illinois.

Dear :

In accordance with the terms and conditions of the above referenced Lease, Tenant accepts possession of the Premises and agrees:

1. The Commencement Date is _____;

2. The Rent Commencement Date is _____;

3. The Rentable Area of the Building is _____ Rentable Square Feet;

4. The Rentable Area of the Premises is _____ Rentable Square Feet;

5. Tenant's Pro Rata Share is _____%;

6. The Rentable Area of the Equipment Space is _____ Rentable Square Feet;

7. The schedule of Base Rent payable during the Term is as follows:

8. The schedule of Equipment Space Rent payable during the term is as follows:

9. The Expiration Date is _____.

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing all 3 counterparts of this Commencement Letter in the space provided and returning 2 fully executed counterparts to my attention.

Sincerely,

_____

Agreed and Accepted:

Tenant:_____
By:_____
Name:_____
Title::_____
Date:_____

EXHIBIT E

HAZARDOUS MATERIALS DISCLOSURE CERTIFICATE

Your cooperation in this matter is appreciated. Initially, the information provided by you in this Hazardous Materials Disclosure Certificate is necessary for the Landlord (identified below) to evaluate and finalize a lease agreement with you as tenant. After a lease agreement is signed by you and the Landlord (the "Lease"), on an annual basis in accordance with the provisions of the Lease, you are to provide an update to the information initially provided by you in this certificate. The information contained in the initial Hazardous Materials Disclosure Certificate and each annual certificate provided by you thereafter will be maintained in confidentiality by Landlord subject to release and disclosure as required by (i) any lenders and owners and their respective environmental consultants, (ii) any prospective purchaser(s) of all or any portion of the property on which the Premises are located, (iii) Landlord to defend itself or its lenders, partners or representatives against any claim or demand, and (iv) any laws, rules, regulations, orders, decrees, or ordinances, including, without limitation, court orders or subpoenas. Any and all capitalized terms used herein, which are not otherwise defined herein, shall have the same meaning ascribed to such term in the signed Lease. Any questions regarding this certificate should be directed to, and when completed, the certificate should be delivered to:

Landlord: CARLYLE-CORE CHICAGO LLC
c/o Core Location Realty Associates of Chicago LLC
4520 East-West Highway, Suite 650
Bethesda, Maryland 20814

Name of Tenant: _____

Mailing Address: _____
_____

Contact Person, Title and Telephone Number(s): _____
_____
_____

Contact Person for Hazardous Waste Materials Management and Manifests and Telephone Number(s): _____
_____
_____

Address of Premises: [*], Chicago, Illinois

1. GENERAL INFORMATION:

Describe the initial proposed operations to take place in, on, or about the Premises or Equipment Space, including, without limitation, principal products processed, manufactured or assembled services and activities to be provided or otherwise conducted. Existing tenants should describe any proposed changes to on-going operations.
_____
_____

2. USE, STORAGE AND DISPOSAL OF HAZARDOUS MATERIALS

2.1 Will any Hazardous Materials be used, generated, stored or disposed of in, on or about the Premises or Equipment Space? Existing tenants should describe any Hazardous Materials which continue to be used, generated, stored or disposed of in, on or about the Premises or Equipment Space.

Wastes	Yes [_]	No [_]
Chemical Products	Yes [_]	No [_]
Other	Yes [_]	No [_]

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

If Yes is marked, please explain: _____
_____
_____

2.2 If Yes is marked in Section 2.1, attach a list of any Hazardous Materials to be used, generated, stored or disposed of in, on or about the Premises or Equipment Space, including the applicable hazard class and an estimate of the quantities of such Hazardous Materials at any given time; estimated annual throughput; the proposed location(s) and method of storage (excluding nominal amounts of ordinary household cleaners and janitorial supplies which are not regulated by any Environmental Laws); and the proposed location(s) and method of disposal for each Hazardous Material, including, the estimated frequency, and the proposed contractors or subcontractors. Existing tenants should attach a list setting forth the information requested above and such list should include actual data from on-going operations and the identification of any variations in such information from the prior year's certificate.

3. STORAGE TANKS AND SUMPS

3.1 Is any above or below ground storage of gasoline, diesel, petroleum, or other Hazardous Materials in tanks or sumps proposed in, on or about the Premises or Equipment Space? Existing tenants should describe any such actual or proposed activities.

Yes [_] No [_]

If yes, please explain: _____
_____
_____

4. WASTE MANAGEMENT

4.1 Has your company been issued an EPA Hazardous Waste Generator I.D. Number? Existing tenants should describe any additional identification numbers issued since the previous certificate.

Yes [_] No [_]

4.2 Has your company filed a biennial or quarterly reports as a hazardous waste generator? Existing tenants should describe any new reports filed.

Yes [_] No [_]

If yes, attach a copy of the most recent report filed.

5. WASTEWATER TREATMENT AND DISCHARGE

5.1 Will your company discharge wastewater or other wastes to:

_____ storm drain? _____ sewer?
_____ surface water? _____ no wastewater or other wastes discharged

Existing tenants should indicate any actual discharges. If so, describe the nature of any proposed or actual discharge(s).

_____
_____

EXHIBIT E - Page 1

5.2 Will any such wastewater or waste be treated before discharge?

Yes [_] No [_]

If yes, describe the type of treatment proposed to be conducted. Existing tenants should describe the actual treatment conducted.

_____
_____

6. AIR DISCHARGES

6.1 Do you plan for any air filtration systems or stacks to be used in your company's operations in, on or about the Premises or Equipment Space that will discharge into the air; and will such air emissions be monitored? Existing tenants should indicate whether or not there are any such air filtration systems or stacks in use in, on or about the Premises or Equipment Space which discharge into the air and whether such air emissions are being monitored.

Yes [_] No [_]

If yes, please describe: _____

_____

_____

6.2 Do you propose to operate any of the following types of equipment, or any other equipment requiring an air emissions permit? Existing tenants should specify any such equipment being operated in, on or about the Premises or Equipment Space.

_____ Spray booth(s) _____ Incinerator(s)
_____ Dip tank(s) _____ Other (Please describe)
_____ Drying oven(s) _____ No Equipment Requiring Air Permits

If yes, please describe: _____

_____

_____

7. HAZARDOUS MATERIALS DISCLOSURES

7.1 Has your company prepared or will it be required to prepare a Hazardous Materials management plan ("Management Plan") pursuant to Fire Department or other governmental or regulatory agencies' requirements? Existing tenants should indicate whether or not a Management Plan is required and has been prepared.

Yes [_] No [_]

If yes, attach a copy of the Management Plan. Existing tenants should attach a copy of any required updates to the Management Plan.

8. ENFORCEMENT ACTIONS AND COMPLAINTS

8.1 With respect to Hazardous Materials or Environmental Laws, has your company ever been subject to any agency enforcement actions, administrative orders, or consent decrees or has your company received requests for information, notice or demand letters, or any other inquiries regarding its operations? Existing tenants should indicate whether or not any such actions, orders or decrees have been, or are in the process of being, undertaken or if any such requests have been received.

Yes [_] No [_]

If yes, describe the actions, orders or decrees and any continuing compliance obligations imposed as a result of these actions, orders or decrees and also describe any requests, notices or demands, and attach a copy of all such documents. Existing tenants should describe and attach a copy of any new actions, orders, decrees, requests, notices or demands not already delivered to Landlord pursuant to the provisions of Article 32 of the signed Lease.

_____

_____

_____

8.2 Have there ever been, or are there now pending, any lawsuits against your company regarding any environmental or health and safety concerns?

Yes [_] No [_]

If yes, describe any such lawsuits and attach copies of the complaint(s), cross-complaint(s), pleadings and all other documents related thereto as requested by Landlord. Existing tenants should describe and attach a copy of any new complaint(s), cross-complaint(s), pleadings and other related documents not already delivered to Landlord pursuant to the provisions of Article 32 of the Lease.

_____

_____

_____

9. PERMITS AND LICENSES

9.1 Attach copies of all Hazardous Materials permits and licenses including a Transporter Permit number issued to your company with respect to its proposed operations in, on or about the Premises or Equipment Space, including, without limitation, any wastewater discharge permits, air emissions permits, and use permits or approvals. Existing tenants should attach copies of any new permits and licenses as well as any renewals of permits or licenses previously issued.

The undersigned hereby acknowledges and agrees that this Hazardous Materials Disclosure Certificate is being delivered in connection with, and as required

by, Landlord in connection with the evaluation and finalization of a Lease and will be attached thereto as an exhibit; that this Hazardous Materials Disclosure Certificate is being delivered in accordance with, and as required by, the provisions of Article 32 of the Lease; and that Tenant shall have and retain full and complete responsibility and liability with respect to any of the Hazardous Materials disclosed in the HazMat Certificate notwithstanding Landlord's receipt and/or approval of such certificate.

Tenant further agrees that none of the following described acts or events shall be construed or otherwise interpreted as either (a) excusing, diminishing or otherwise limiting Tenant from the requirement to fully and faithfully perform its obligations under the Lease with respect to Hazardous Materials, including, without limitation, Tenant's indemnification of the Landlord and all Landlord Related Parties and compliance with all Environmental Laws, or (b) imposing upon Landlord, directly or indirectly, any duty or liability with respect to any such Hazardous Materials, including, without limitation, any duty on Landlord to investigate or otherwise verify the accuracy of the representations and statements made therein or to ensure that Tenant is in compliance with all Environmental Laws: (i) the delivery of such certificate to Landlord and/or Landlord's acceptance of such certificate, (ii) Landlord's review and approval of such certificate, (iii) Landlord's failure to obtain such certificate from Tenant at any time, or (iv) Landlord's actual or constructive knowledge of the types and quantities of Hazardous Materials being used, stored, generated, disposed of or transported on or about the Premises or Equipment Space by Tenant or Tenant's employees, agents, contractors or representatives. Notwithstanding the foregoing or anything to the contrary contained herein, the undersigned acknowledges and agrees that Landlord and its partners, lenders and representatives may, and will,

rely upon the statements, representations, warranties, and certifications made herein and the truthfulness thereof in entering into the Lease and the continuance thereof throughout the term, and any renewals thereof, of the Lease.

I (print name)_____, acting with full authority to bind the (proposed) Tenant and on behalf of the (proposed) Tenant, certify, represent and warrant that the information contained in this certificate is true and correct.

TENANT:

By: _____

Title: _____

Date: _____

EXHIBIT F

TENANT OPTIONS

1. RENEWAL OPTION

A. Tenant shall have one right to extend the Term (the "Renewal Option") for an additional period of five (5) years (the "Renewal Term") commencing on the day following the Expiration Date of the Term, if:

1. Landlord receives notice of exercise of the Renewal Option ("Initial Renewal Notice") nine (9) full calendar months prior to the expiration of the initial Term and not more than twelve (12) full calendar months prior to the expiration of the initial Term; and

2. Tenant is not in default under the Lease and no event which, with notice, the passage of time, or both, would constitute a default hereunder on the part of Tenant exists at the time that Tenant delivers its Initial Renewal Notice or at the time Tenant delivers its Binding Notice (as defined below); and

3. No portion of the Premises in excess of twenty percent (20%) of the Rentable Area of the Premises is sublet at the time that Tenant delivers its Initial Renewal Notice or at the time Tenant delivers its Binding Notice, other than in connection with a Permitted Transfer; and

4. The Lease has not been assigned prior to the date that Tenant delivers its Initial Renewal Notice or prior to the date Tenant

delivers its Binding Notice other than in connection with a Permitted Transfer; and

5. Tenant executes and returns the Renewal Amendment (hereinafter defined) within thirty (30) days after submission to Tenant of an accurate Renewal Amendment.

B. The initial Base Rent rate and Equipment Space Rent rate during the Renewal Term shall equal the Prevailing Market (hereinafter defined) rate per Rentable Square Foot, determined in the manner set forth below.

C. Tenant shall pay Additional Rent (i.e. Operating Expenses and Property Taxes) for the Premises during any Renewal Term in accordance with the Lease.

D. Within thirty (30) days after receipt of Tenant's Initial Renewal Notice, Landlord shall advise Tenant of the applicable Base Rent rate for the Premises and Equipment Space Rent rate for the Renewal Term. Tenant, within thirty (30) days after the date on which Landlord advises Tenant of the Base Rent rate and Equipment Space Rent rate for the Renewal Term, shall either (i) give Landlord final binding written notice ("Binding Notice") of Tenant's exercise of its option, or (ii) if Tenant disagrees with Landlord's determination, provide Landlord with written notice of rejection (the "Rejection Notice"). If Tenant fails to provide Landlord with either a Binding Notice or Rejection Notice within such thirty (30) day period, Tenant's Renewal Option shall be null and void and of no further force and effect. If Tenant provides Landlord with a Binding Notice, Landlord and Tenant shall enter into the Renewal Amendment (as defined below) upon the terms and conditions set forth herein. If Tenant provides Landlord with a Rejection Notice, Landlord and Tenant shall work together in good faith to agree upon the Prevailing Market Base Rent rate and Equipment Space Rent rate during the Renewal Term. Upon agreement, Landlord and Tenant shall enter into the Renewal Amendment in accordance with the terms and conditions hereof. Notwithstanding the foregoing, if Landlord and Tenant are unable to agree upon the Prevailing Market Base Rent rate and Equipment Space Rent rate for the Premises within thirty (30) days after the date on which Tenant provides Landlord with a Rejection Notice, then Tenant may, on or before the thirty-fifth (35th) day following Tenant's delivery of the Rejection Notice, either rescind Tenant's exercise of the Renewal Option or elect to submit the matter to arbitration; if Tenant fails to timely make an election, Tenant will be deemed to have submitted the matter to arbitration. If the matter is submitted to arbitration, the Prevailing Market Base Rent rate and Equipment Space Rent rate payable as of commencement of the Renewal Term shall be determined as follows:

1. Within ten (10) days after the thirty-fifth (35th) day described above, Tenant, at its sole expense, shall obtain and deliver in writing to Landlord a determination of the Prevailing Market Base Rent rate and Equipment Space Rent rate for the Premises and Equipment Space, for a term equal to the Renewal Term, from a real estate broker ("Tenant's Broker") licensed in the State of Illinois and engaged in the leasing of commercial real estate in the Chicago, Illinois vicinity for at least the immediately preceding five (5) years; such determination shall be stated in a single "per square foot per annum (or month)" figure, for ease of comparison. If Landlord accepts such determination, the Prevailing Market Base Rent rate and Equipment Space Rent rate payable by Tenant during the Renewal Term shall be equal to the amount determined by Tenant's Broker. If Tenant fails to timely deliver such determination, the Prevailing Market Base Rent rate and Equipment Space Rent rate as quoted by Landlord shall control.

2. If Landlord does not accept such determination, within fifteen (15) days after receipt of the determination of Tenant's Broker, Landlord shall designate a similarly qualified broker ("Landlord's Broker"). If the two Brokers are appointed by the parties as set forth above, such Brokers shall promptly meet and attempt to agree upon the applicable Prevailing Market Base Rent rate and Equipment Space Rent rate. If such Brokers are unable to agree within fifteen (15) days following the appointment of Landlord's Broker, the Brokers shall select a third broker meeting the qualifications set forth above within ten (10) days after the last date the two Brokers are given to agree upon the applicable Prevailing Market Base Rent rate and Equipment Space Rent rate. The Third Broker shall be a person who has not previously acted and is not currently acting in any capacity for either party.

3. The Third Broker shall conduct its own independent investigation

of the applicable Prevailing Market Base Rent rate and Equipment Space Rent rate, and shall be instructed not to advise either party of its determination, except as follows: when the Third Broker has made its determination (which shall be completed within fifteen (15) days after the appointment of the Third Broker), it shall advise Landlord and Tenant and establish a date, at least five (5) days after the giving of notice by such Third Broker to Landlord and Tenant, on which it will disclose its determination. Such meeting shall take place in Landlord's office unless otherwise mutually agreed by the parties. After having initialed the paper on which its determination is set forth, the Third Broker shall place its determination in a sealed envelope. Landlord's Broker and Tenant's Broker shall each set forth their determination (each stated in a single "per rentable square foot per annum (or month)" figure) on a separate piece of paper, initial the same, and place them in sealed envelopes. Each of the three envelopes shall be marked with the name of the party whose determination is inside the envelope. In the presence of the Third Broker, the determination of the Prevailing Market Base Rent rate and Equipment Space Rent rate by Landlord's Broker and Tenant's Broker shall be opened and examined. If the higher of the two determinations submitted by Landlord's Broker and Tenant's Broker is one hundred and five percent (105%) or less of the amount set forth in the lower determination, the average of the two determinations shall be the Prevailing Market Base Rent rate and Equipment Space Rent rate, the envelope containing the determination by the Third Broker shall be destroyed and the Third Broker shall be instructed not to disclose its determination. If either party's envelope is blank, or does not set forth a determination, the determination of the other party shall prevail and be treated as the Prevailing Market Base Rent rate and Equipment Space Rent rate. If the higher of the two determinations is more than one hundred and five percent (105%) of the amount of the other determination, the envelope containing the Third Broker's determination shall be opened, the Prevailing Market Base Rent rate and Equipment Space Rent rate shall, in such event, be the rent proposed by either Landlord's Broker or Tenant's Broker which is closest to the determination of Prevailing Market Base Rent rate and Equipment Space Rent rate by the Third Broker; if the two are equidistant, the Prevailing Market Base Rent rate and Equipment Space Rent rate shall be equal to the Third Broker's determination.

4. Landlord shall pay the costs and fees of Landlord's Broker in connection with any determination hereunder, and Tenant shall pay the costs and fees of Tenant's Broker in connection with such determination. The costs and fees of any Third Broker shall be paid one-half by Landlord and one-half by Tenant. Tenant expressly acknowledges that any costs, fees and commissions arising in

favor of any broker or other party hired by Tenant to represent Tenant in the negotiation of the extension of the term of the Lease shall be borne solely by Tenant.

5. If the amount of the Prevailing Market Base Rent rate and Equipment Space Rent rate is not known as of the commencement of the Renewal Term, then Tenant shall continue to pay the Prevailing Base Rent rate and Equipment Space Rent rate in effect immediately prior to the expiration of the initial Term until the amount of the Prevailing Market Base Rent rate and Equipment Space Rent rate are determined. When such determination is made, Tenant shall pay Landlord any deficiency to Landlord upon demand or Landlord will credit any overpayment against rent next due and payable under the Lease.

E. If Tenant is entitled to and properly exercises its Renewal Option, Landlord shall prepare an amendment (the "Renewal Amendment") to reflect changes in the Base Rent, Equipment Space Rent, Term, Expiration Date and other appropriate terms. The Renewal Amendment shall be:

1. sent to Tenant within a reasonable time after receipt of the Binding Notice; and

2. executed by Tenant and returned to Landlord in accordance with Section 1.A.5 above.

An otherwise valid exercise of the Renewal Option shall, at Landlord's option, be fully effective whether or not the Renewal Amendment is executed.

F. For purpose hereof, "Prevailing Market" shall mean the arms length

fair market annual rent rate per rentable square foot under renewal leases and amendments in the Building entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises and Equipment Space in the Building.

EXHIBIT G

SAMPLE LETTER OF CREDIT

_____
[Name of Financial Institution]

Irrevocable Standby
Letter of Credit
No. _____
Issuance Date: _____
Expiration Date: _____
Applicant: _____

Beneficiary
- -----------

[Insert Owner Name]
_____
_____
_____

Ladies/Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of the above referenced Applicant in the amount of _____ U.S. Dollars ($_____) available for payment at sight by your draft drawn on us when accompanied by the following documents:

1. An original copy of this Irrevocable Standby Letter of Credit.

2. Beneficiary's dated statement purportedly signed by one of its officers reading: "This draw in the amount of _____ U.S. Dollars ($_____) under your Irrevocable Standby Letter of Credit No. _____ represents funds due and owing to us as a result of the Applicant's failure to comply with one or more of the terms of that certain lease by and between _____, as landlord, and _____, as tenant."

It is a condition of this Irrevocable Standby Letter of Credit that it will be considered automatically renewed for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least thirty (30) days prior to such expiration date or applicable anniversary thereof, we notify you in writing by certified mail, return receipt requested, that we elect not to so renew this Irrevocable Standby Letter of Credit. A copy of any such notice shall also be sent to: CARLYLE-CORE CHICAGO LLC, c/o Core Location Realty Associates of Chicago LLC, 4520 East-West Highway, Suite 650, Bethesda, Maryland 20814, Attention: Management Agent.

In addition to the foregoing, we understand and agree that you shall be entitled to draw upon this Irrevocable Standby Letter of Credit in accordance with 1. and 2. above in the event that we elect not to renew this Irrevocable Standby Letter of Credit and, in addition, you provide us with a dated statement purportedly signed by one of Beneficiary's officers stating that the Applicant has failed to provide you with an acceptable substitute irrevocable standby letter of credit in accordance with the terms of the above referenced lease. We further acknowledge and agree that: (a) upon receipt of the documentation required herein, we will honor your draws against this Irrevocable Standby Letter of Credit without inquiry into the accuracy of Beneficiary's signed statement and regardless of whether Applicant disputes the content of such statement; (b) this Irrevocable Standby Letter of Credit shall permit partial draws and, in the event you elect to draw upon less than the full stated amount hereof, the stated amount of this Irrevocable Standby Letter of Credit shall be automatically reduced by the amount of such partial draw; and (c) you shall be entitled to assign your interest in this Irrevocable Standby Letter of Credit from time to time to an entity or individual who is succeeding to your position as the landlord under the Lease without our approval and without charge. In the event of an assignment, we reserve the right to require reasonable evidence of such assignment as a condition to any draw hereunder.

This Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision) ICC Publication No. 500.

We hereby engage with you to honor drafts and documents drawn under and in

compliance with the terms of this Irrevocable Standby Letter of Credit.

All communications to us with respect to this Irrevocable Standby Letter of Credit must be addressed to our office located at _____ to the attention of _____.

Very truly yours,

[name]

[title]

EXHIBIT H

AGREEMENT REGARDING LENDER'S SECURITY INTEREST IN TENANT'S PERSONAL PROPERTY

THIS AGREEMENT is entered into as of the ____ day of _____, 19__, by and between _____, a(n) _____ ("Landlord"), _____, (a)n _____ ("Tenant") and _____, a(n) _____ ("Lender"), with reference to the following facts:

A. Landlord and Tenant have heretofore entered into a written lease dated _____, 19__, as same may be amended from time to time (the "Lease") for certain premises (the "Premises") and equipment space (the "Equipment Space") located in that certain office building known as the Lakeside Technology Center (the "Building") located at [*], Chicago, Illinois.

B. Tenant desires to borrow money from Lender in the principal sum of _____ Dollars ($_____) (the "Loan").

C. Lender desires to obtain a security interest in the Tenant's personal property located within the Premises and/or Equipment Space described in Exhibit A attached hereto (the "Collateral") until such Loan is repaid.

D. Landlord is willing to subordinate its rights in the Collateral to the rights of Lender's security interest upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The only property affected by this Agreement is that Collateral specifically listed on Exhibit A attached hereto. Any property not described in Exhibit A shall not be subject to the terms of this Agreement and Landlord shall be entitled, to the extent provided by the Lease and by law, to exercise any lien, right or remedy against such other property.

2. Lender acknowledges that it has no security interest in any property located in, or about, the Premises or Equipment Space other than the Collateral listed on Exhibit A.

3. Notwithstanding anything to the contrary contained in the Lease, until such time as Tenant repays in full to Lender the Loan which is secured by the Collateral, the Collateral shall remain the personal property of Tenant subject to the security interest of Lender. Lender shall notify Landlord when the obligations of Tenant to repay the Loan have been satisfied and discharged.

4. Landlord does hereby subordinate any and all claims or rights in and to the Collateral to the security interest of Lender in the Collateral; provided, however, that this subordination nor shall not prevent Landlord from exercising any lien on any property of Tenant, including the Collateral, or enforcing any judgment by levying upon any property of Tenant, including the Collateral, so long as Landlord recognizes Lender's prior right to the Collateral. Except as expressly provided herein, the provisions of any security and other agreements between Tenant and Lender shall at all times be subject and subordinate to all covenants, terms and conditions of the Lease and all of Landlord's rights thereunder.

5. Lender can enter the Premises or Equipment Space for purpose of

removal of the Collateral only if:

(a) permitted by the Loan Agreement between Lender and Tenant;

(b) Lender gives Landlord ten (10) days prior written notice;

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

(c) Lender enters the Premises or Equipment Space for purpose of removal of the Collateral at such time and in such manner as Landlord reasonably may determine so as to minimize disruption to the operation of the Building;

(d) Lender and Tenant agree, jointly and severally, promptly to repair any damage to the Premises or to the Building caused by the removal of the Collateral or, if Landlord shall, in its sole discretion, elect to make such repairs, to pay to Landlord upon demand the costs and expenses incurred in connection therewith;

(e) Tenant and Lender agree, jointly and severally, to restore the Premises or Equipment Space to the condition the Premises were in prior to the installation of the Collateral;

(f) there shall be no display nor public nor private sale of the Collateral in or on the Building; and

(g) Lender hereby indemnifies Landlord for any claim, liability or expense (including reasonable attorneys' fees) arising out of or in connection with Lender's removal of the Collateral and Lender's entry and activities upon the Premises or Equipment Space and the Building.

6. If Landlord shall fail to demand strict compliance with any provision hereof, such failure shall not constitute a waiver of any right or remedy to which Landlord may be entitled.

7. If Tenant should be in default under the terms of the Lease, and such default results in (a) the termination of the Lease or (b) claims by Landlord for rent due, Lender shall submit to Landlord within ten (10) days after Landlord's demand, a certified statement showing:

(i) the original amount of funds supplied by Lender to Tenant;

(ii) the amount paid by Tenant to date; and

(iii) the amount due from Tenant to Lender.

In the event Lender sells the Collateral to satisfy claims against Tenant, all funds derived from the sale of the Collateral, to the extent that such funds are in excess of the amount owed to the Lender, shall belong to Landlord, subject to the terms of the Lease, to satisfy any claim which Landlord may have.

8. Landlord shall have the right, but not the obligation, to cure any default by Tenant under any agreement between Lender and Tenant concerning the Collateral. Lender agrees to notify Landlord in writing of any default on the part of Tenant under its agreement with Tenant concerning the Collateral and further agrees that Lender shall not exercise any of its rights with respect to the Collateral unless Landlord has received the aforesaid notice and has not, within thirty (30) days after the date thereof, cured such default or if the default cannot be cured within thirty (30) days, has not commenced curing and is not diligently prosecuting the cure of Tenant's default; provided, however, that nothing contained in this Agreement shall require Landlord to cure any such default or otherwise to perform the obligations of Tenant to Lender.

9. A default by Tenant under its agreement with Lender concerning the Collateral shall be deemed a default by Tenant under the Lease.

10. This Agreement contains the entire understanding between the parties hereto. Any modification shall be effective only if in writing and signed by the parties hereto.

EXHIBIT H - Page 1

11. Landlord's address for notices is:

CARLYLE-CORE CHICAGO LLC
c/o Core Location Realty Associates of Chicago LLC
4520 East-West Highway, Suite 650

Bethesda, Maryland 20814
Attention: Mark Ezra

With a copy to:

Shartsis, Friese & Ginsburg LLP
One Maritime Plaza, 18th Floor
San Francisco, California 94111
Attention: Jonathan M. Kennedy, Esq.

and

The Carlyle Group
1001 Pennsylvania Avenue
Suite 220 South
Washington, DC 20004
Attention: Gary Block

Tenant's address for notices is:

Equinix, Inc.
901 Marshall Street, 2nd Floor
Redwood City, California 94063
Attention: Mr. Art Chinn

Lender's address for notices is:

_____
_____
_____
Attention: _____

12. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Building is located.

13. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date set forth above.

LANDLORD: CARLYLE-CORE CHICAGO LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TENANT: _____
a(n) _____

By: _____
Name: _____
Title: _____

LENDER: _____,
a(n) _____

By: _____
Name: _____
Title: _____

EXHIBIT A

LIST OF COLLATERAL

EXHIBIT 10.11

LEASE BETWEEN

LAING BEAUMEADE, INC.

Landlord

AND

EQUINIX, INC.

Tenant

TABLE OF CONTENTS

key terms

(a) "Additional Rent" is defined in Section 2.
(b) "Base Rent" is defined in Section 2.
(c) "Commencement Date" is defined in Section 1(b).
(d) "Common Areas" is defined in Section 1(a).
(e) "Declaration" is defined in Section 4(b).
(f) "Lease Year" is defined in Section 2(b).
(g) "Mortgagee" and "Mortgage" are defined in Section 21.
(h) "Prime Rate" is defined in Section 11.
(i) "Rent" is defined in Section 2.
(j) "Tenant's Prorata Share" is defined in Section 4(a).
(k) "Term" is defined in Section 1(b).

LEASE

THIS LEASE (the "Lease") is made as of the 18th day of November, 1998 by and between Equinix, Inc. ("Tenant"), a Delaware corporation, and Laing

Beaumeade, Inc. ("Landlord"), a Georgia corporation.

WITNESSETH THAT, for and in consideration of the rentals herein reserved, the mutual covenants an agreements herein set forth and other good and valuable consideration, the receipt and adequacy of which we hereby acknowledged, the parties hereto, intending to be legally bound, hereby covenant and agree as follows:

1. GRANT/TERM/USE. (a) Subject to the terms, conditions and provisions hereof, Landlord does hereby demise, lease and let unto Tenant, and Tenant does hereby rent and take from Landlord, approximately [*] square feet of space (the "Leased Premises") located at [*], Suite C, Ashburn, Virginia 20147 (as outlined on Exhibit "A" attached hereto and made a part hereof), being a portion of that certain building (the "Building") located, or to be constructed by Landlord, at Laing at Beaumeade, on the land (the "Land") described on Exhibit "B" attached hereto and made a part hereof, together with the nonexclusive revocable license to use, in common with all others entitled to such use, the Common Areas. The Building, Common Areas and Land are hereinafter sometimes collectively referred to as the "Project." The term "Common Areas" is hereby defined as those areas forming a part of the Land and/or Building designated by Landlord for the non-exclusive, general common use of tenants and their employees, agent, licenses, invoices and the like, including, without limitation, all parking areas, access roads, trash pickup and/or dumpster areas, truckways, driveways, loading docks, delivery and pick-up passages and areas, sidewalks, ramps, landscaped and planted areas, retaining walls, roof, exterior walls (including window frames but excluding window panes), downspouts, lighting facilities and the like.

(b) This Lease shall be in full force and effect from the date first above written. The term of this Lease (the "Term") shall be for a period of one hundred twenty months commencing on January 15, 1999. The term "Commencement Date" is hereby defined as January 15, 1999.

(c) Tenant shall use and occupy the entire Leased Premises during the entire Term solely as a general office and telecommunications service center with related legal uses, and may not use all or any portion of the Leased Premises for any other purpose whatsoever. Tenant agrees not to use the Leased Space for mobile indoor storage. For purposes of this paragraph, "mobile indoor storage" shall be defined as the delivery, receipt and storage of specialty crates containing personal property of the general public. The term "mobile indoor storage" is defined to exclude (a) traditional moving and storage operations, (b) freight forwarding, (c) with respect to a tenant located within the buildings described on Exhibit B, the warehousing or storage of such tenant's own property within the premises demised to such tenant or the warehousing or storage within the premises demised to such tenant of property sold by such tenants to their customers or (d) indoor self storage. The term "mobile indoor storage" shall include indoor self storage or any other type of self storage business. In addition, but not by way of limitation, Tenant shall not lease any portion of said buildings to those entities known as

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(a) Shurgard or Shurgard to Go, (b) Public Storage or Public Storage PUD Division, or (c) Door to Door.

2. RENT. Commencing on the Commencement Date, Tenant shall, and hereby covenants and agrees to, pay to Landlord during each Lease Year of the Term an annual base rental. ("Base Rent") as set forth on Exhibit "C" attached hereto and made a party hereof. The term "Lease Year" is hereby defined as each successive twelve consecutive month period beginning on the Commencement Date. The annual Bases Rent shall be paid by Tenant in lawful money of the United States in equal consecutive monthly installments on or before the first day of each calendar month in advance. Base Rent for any partial month shall be prorated at the rate of 1/30th of the monthly Base Rent per day. Tenant shall pay to Landlord as additional rent ("Additional Rent") hereunder all charges and other amounts required to be paid by Tenant to Landlord under this Lease, whether or not designated herein as rent or additional rent. The term "Rent" is hereby defined as Base Rent and Additional Rent. All Rent shall be paid by Tenant to Landlord, without any deduction, setoff or counterclaim whatsoever, at Landlord's address set forth at Section 28(b) hereof.

3. CONSTRUCTION AND ACCEPTANCE OF LEASED PREMISES. (a) Landlord shall have absolutely no obligation to provide any construction to the Leased Premises. Tenant agrees to lease the Leased Premises in "as is", "where is" condition. Landlord makes no warranty, either express or implied, as to the nature of or suitability of any improvements located within the Leased Premises. (b) Tenant agrees to furnish to Landlord all final and permanent certificates of occupancy, permits and licenses from all applicable local authorities necessary or required with respect to the occupation and use of the Leased Premises by Tenant as herein contemplated;

4. OPERATING EXPENSES. (a) In addition to Base Rent, Tenant shall pay as Additional Rent during each Lease Year of the Term, Tenant's Prorata Share of (i) Common Area Maintenance Expenses, (ii) Real Estate Taxes and (iii) Insurance Costs. "Tenant's Prorata Share" shall be the percentage determined by dividing the total leasable area of the Leased Premises by the total leasable area of the Building. On the date hereof, Tenant's Prorata share is projected to be [*]% ([*]).

(b) "Common Area Maintenance Expenses" shall mean any and all costs and expenses whatsoever incurred or paid by Landlord relating to or in connection with operating, maintaining, repairing, managing and replacing, and providing services to, the Building, Common Areas and the Land (and all easements, rights and appurtenances thereto), including but not limited to: (i) costs and expenses of operating, maintaining, repairing, replacing, lighting, painting, decorating and cleaning the Project, removing snow, ice and debris therefrom, and policing and regulating traffic therein and thereon; (ii) assessments or charges imposed pursuant to the Declaration of Covenants, Conditions and Restrictions of [*], as amended, superseded or supplemented, from time to time (as amended, superseded or supplemented, the "Declaration"); (iii) costs and expenses of supplies and equipment and maintenance and service contracts; (iv) costs and expenses of replacing, repairing, repaving and striping pavements, curbs, walkways, parking areas, driveways and truckways, drainage and lighting, facilities and other Common Areas amenities; (v) all utility expenses, costs and charges including water and sewer charges; (vi) contributions with respect

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to, and costs and expenses of maintenance, repair and replacement of, on and off-site utility systems serving the Project; (vii) all landscaping (including, but not limited to, maintenance and new and replacement plantings); (viii) consulting and management fees not to exceed four percent (4%) of actual expenses and all other fees, charges and costs of or by contractors and agents employed by Landlord; (xi) commissions, wages, salaries and other labor costs and all persons engaged in such maintenance, operation, repair, management and the like (including, but not limited to, taxes, insurance, medical and other benefits); (xii) any capital expenditures incurred either to reduce Common Area Maintenance Expenses, to comply with any governmental law, order, requirement or regulation or to replace existing structures, equipment and machinery, such capital costs to be amortized over such reasonable period as Landlord shall determine, together with interest at the rate paid by Landlord on any funds borrowed for such expenditures; (xiii) legal and accounting fees and charges (except as otherwise provided hereinafter); and (xiv) any other expenses or charges included in Common Area Maintenance Expenses with respect to comparable office-warehouse buildings in the Ashburn, Virginia area. Common Area Maintenance Expenses shall not incur any of the following: ground rent; interest and amortization of funds surrounded by Landlord (except as specifically provided above); leasing commissions and advertising, legal, and space planning expenses incurred in procuring tenants for the Building; and salaries, wages, or other compensation paid to officers or executives of Landlord in their capabilities as officers and executives. Landlord agrees that any and all cost and expenses for such above-mentioned repairs, improvements, maintenance, and service contracts, or any work commenced by any trade or contractor in excess of $5,000.00 per event, must be competitively bid with award of such contract or bid to the lowest qualified bidder.

Notwithstanding anything to the contrary contained in this Lease, it is expressly understood that Common Area Expenses do not include (i) amounts due under loans encumbering the Leased Premises, or payments of rent under ground leases of the Leased Premises, (ii) depreciation of the Building or of any building service equipment, (iii) brokerage commissions in connection with leasing all or a portion of the Building or Land, (iv) attorneys' fees, accounting costs and other costs directly related to leasing space in the Building or Land, except in the context of reviewing, negotiating, and/or drafting of any assignment or sublease proposed by any Tenant, (v) physical

damage to property caused by the active negligence or willful misconduct of Landlord or its employees, agents or contractors, (vi) all cost incurred by Landlord to investigate remedial Hazardous Waste or Hazardous Materials to the extent Landlord is not otherwise indemnified against such costs by Tenant pursuant to this Lease, (vii) costs incurred by Landlord for repairing damage which costs are actually recovered for insurance proceeds (or if Landlord fails to carry insurance which it is required to carry under this Lease, the costs that would have been recovered from insurance proceeds had Landlord carried such insurance) or condemnation awards and (viii) Landlord's overhead and administrative costs to the extent exceeding management fee charges permitted pursuant to the provisions of this Paragraph.

(c) "Real Estate Taxes" shall mean any and all real estate taxes, assessments, water and sewer tests and charges, liens, charges, levies and other governmental impositions and charges of every kind and nature whatsoever, general or special, ordinary or extraordinary, foreseen or unforeseen, assessed, levied or imposed upon, or arising in connection with, the fixtures, machinery, equipment or systems, in, upon or used in connection with the operation of the Building or the Land; including, but not limited to, metropolitan district water

and sewer charges, any assessments for public facilities or improvements for the areas in which the Project is located and taxes, assessments, charges and the like upon this Lease or any rents from the use, occupancy or possession of the Project. If, because of any change in the method of taxation of real estate or because of the enactment of any new tax by federal, state, county or local government, any other tax or assessment is imposed upon Landlord, or the rents or income derived from the Project, in substitution for, or in lieu of, or in addition to, any tax or assessment which would otherwise be included within Real Estate Taxes hereunder. Real Estate Taxes shall also include all expenses incurred by Landlord in obtaining or attempting to obtain a reduction of Real Estate Taxes, including, but not limited to legal fees. Tenant may in good faith contest or appeal the amount of any personal taxes or Real Estate Tax or assessment at Tenant's expense directly to the taxing authority, but in such event, Tenant shall indemnify Landlord against liability therefor. Landlord will reasonably cooperate at Tenant's expense in joining such appeal if required by the taxing authority.

Notwithstanding the foregoing, the term "Real Estate Taxes" shall not include estate, inheritance, transfer, gift or franchise taxes of Landlord or any tax or governmental charge based upon the net or gross income or receipts of the Landlord except for any tax on gross income or receipts of the Landlord except for any tax or gross income or receipts applied solely to rents from real property.

(d) "Insurance Costs" shall mean all insurance expenses incurred by Landlord relating to all insurance of whatsoever nature kept or caused to be kept by Landlord in connection with the ownership, operation, use or management of the Project, including, but not limited to, any and all policies of fire and extended coverage insurance (including, without limitation, extended and broad form coverage risks, mud slide, land subsidence, flood and earthquake), rent and business interruption insurance, boiler insurance, sprinkler insurance, comprehensive general public liability insurance (including, without limitation, an all-risk liability endorsement) and excess liability insurance.

(e) Tenant's Prorata Share of such Common Area Maintenance Expenses, Real Estate Taxes and Insurance Costs for each calendar year shall be paid in monthly installments in advance on the first day of each calendar month, commencing with the Commencement Date, in amounts reasonably estimated by Landlord to be "Tenant's Prorata Share thereof based upon, among other things, actual expenses, if any, incurred with respect to the immediately preceding calendar year. Such estimates may be revised, at any time and from time to time during such calendar year (but in no event more often than 4 times during any calendar year), in which event Tenant shall immediately commence making monthly payments hereunder pursuant to such new statement and, in addition, with the next monthly payment of Base Rent, pay to Landlord the difference between monthly payments for the preceding months based on such revised statement and the amount actually paid by Tenant with respect to such preceding months; it being understood, acknowledged and agreed, however, that as to Common Area Maintenance Expenses, Real Estate Taxes and Insurance Costs payable or paid in advance by Landlord, Tenant covenants and agrees to pay Tenant's Prorata Share thereof within 10 days after receipt of Landlord's written demand therefor. Within 120 days following the expiration of such calendar year, Landlord shall furnish to Tenant a written statement showing the actual amount of Tenant's Prorata share of Common Area Maintenance Costs, Real Estate Taxes and Insurance Costs for such calendar year and the payments thereto made by Tenant and known as

the "Year End Report." If the payments made by Tenant shall exceed Tenant's actual share of such costs, Tenant shall, provided Tenant is not in default hereunder, be entitled to a credit for such excess against payments next

thereafter due to Landlord pursuant to this Section 4; it being understood, acknowledged and agreed, however, that if Tenant is indebted to Landlord hereunder in any amount for any reason whatsoever, Landlord may deduct such amount owned from such overpayment and if on or after termination of this Lease, the overpayment will be returned to Tenant within thirty (30) days after the Year end Report referenced in the proceeding sentence. If Tenant's share of such costs shall exceed the payments made by Tenant, Tenant shall pay to Landlord the deficiency within 30 days after Landlord shall submit the aforesaid statement to Tenant. Tenant's obligations pursuant to this Section 5 shall survive the expiration or sooner termination of this Lease. Landlord's failure to provide the statement called for above in this Section 5(e) shall not release or relieve Tenant of Tenant's obligations under this Section 5 or elsewhere in this Lease.

5. SECURITY DEPOSIT. Upon the execution of this Lease, Tenant shall pay to Landlord $[*] ("the Deposit") as security for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease (including, but not limited to, the payment of Rent). The Security Deposit shall be given in cash in the minimum amount of $[*]. In the event Tenant pays to Landlord the full amount of the Security Deposit in the form of cash, Tenant may elect to convert $[*] of the Security Deposit into the form of an unconditional, irrevocable letter of credit in the name of the Landlord and payable upon presentation at a federally-insured national bank in the Commonwealth of Virginia, in such form and content as landlord shall reasonably require, or in such form as Landlord may approve, or in a combination of the foregoing. Upon Landlord's receipt of an approved letter of credit, Landlord shall refund to Tenant the full amount of the letter of credit up to a maximum amount of $[*] within thirty (30) days. Landlord may, but is not obligated to, without waiving or satisfying such Event of Default, or waiving or limiting any other rights or remedies of Landlord or limiting Tenant's liability to Landlord, apply all or any portion of the Deposit on account of any Event of Default hereunder, as well as on account of any expense incurred or paid, or damages suffered, by Landlord in connection with such failure, and Tenant, within ten (10) days following receipt of written notice of demand, shall replenish the amount necessary to restore the full Deposit. Landlord may commingle the Deposit with any other accounts that Landlord holds, and Landlord shall not be obligated to pay any interest accrued on the Deposit to Tenant. In the event of a sale or other transfer of the Project (or Landlord's interest therein), Landlord shall have the right to transfer to such purchaser or other party the Deposit and Landlord thereupon shall be released by Tenant from all liability for the return thereof, and Tenant agrees to look to the new landlord solely for the return thereof.

6. UTILITIES. Tenant shall be solely responsible for, and promptly pay as and when due, all changes and assessments for heat, gas, electricity, telephone and other utilities used, consumed or provided to or on the Leased Premises and shall, at Tenant's sole cost and expense, arrange with the appropriate utility companies for the provision, augmentation or modification of such utilities to the Leased Premises. Notwithstanding anything herein to the contrary, Landlord shall not be liable in any respect for any damages whatsoever, whether to or with respect to person, property, Tenant's business or otherwise, for interruption in, or stoppage, suspension or curtailment of, any utility service or system (whether caused by or arising out of Landlord's need to make repairs or any other reason whatsoever), nor shall the same

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(a) constitute a constructive eviction or interference or disturbance with Tenant's use, possession or enjoyment of the Leased Premises, (b) constitute grounds for abatement, reduction or rebate, in whole or in part, of Rent or any other sum payable by Tenant hereunder, or (c) release or relieve Tenant of or from any Tenant's obligations hereunder. In the event landlord shall elect, or be required by governmental authorities, to install in the Leased Premises individual meters or other devices to measure any or all of the utilities consumed in the Leased Premises, Tenant shall pay to Landlord the charges incurred for such meters and the installation thereof in the Leased Premises. If any such utilities are not separately measured, Tenant shall pay to Landlord, within thirty (30) days after Tenant's receipt of Landlord's written demand therefor, Tenant's allocable share of such utilities as reasonably determined by Landlord.

7. MAINTENANCE AND REPAIR BY LANDLORD. Landlord shall, subject to the provisions of Sections 14 and 17 hereof and so long as Tenant is not in default hereunder, keep the foundation, the exterior walls (except plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware and painting or other treatment of interior walls, all of which shall be Tenant's responsibility to maintain, replace and repair) and the roof of the Leased Premises in good repair, ordinary wear and tear excepted. Any repairs required to be made by Landlord under this Lease which are occasioned by the

act, omission or negligence of Tenant, or Tenant's agents, employees, subtenants, licensees, invitees, visitors, contractors, servants, customers or others acting, through or under Tenant or for or on behalf of Tenant (collectively, "Tenant's Agents"), shall be paid for by Tenant, at any time and from time to time, upon receipt of Landlord's demand to the extent not covered by any net insurance proceeds paid or payable to Landlord therefor. In the event that the Leased Premises should become in need of repairs required to be made by Landlord hereunder, Tenant shall immediately give written notice thereof to Landlord and Landlord shall not be obligated in any way to commence any such repairs until a reasonable time shall have elapsed after Landlord's receipt of such written notice. Notwithstanding the above, because of the sensitive nature of Tenant's business and equipment, if Landlord does not repair roof leaks within five (5) business days of written notice of such leaks from Tenant, then Tenant may make the repairs and shall invoice Landlord for the reasonable cost of such repairs, which Landlord will pay to Tenant within thirty (30) days of receipt of the invoice and reasonably substantial evidence of completion of the repairs. Notwithstanding anything contained herein, Tenant shall use the roof manufacturers' approved roof installation and repairs contractors only to perform any repairs.

8. CONTROL. The Common Areas shall be subject to Landlord's reasonable management and control and shall be operated and maintained in such manner as Landlord, in its reasonable discretion, shall determine. Without limiting the generality of the immediately preceding sentence, Landlord reserves the exclusive right to install, construct, remove, maintain and operate lighting systems, facilities, improvements, buildings, equipment and signs on, in or to all parts of the Common Areas and the Building; increase, reduce or change the number, size, height, layout, or locations of buildings, walks, driveways and truckways, parking areas and/or Common Areas now or hereafter forming a part of the Project; make alterations or additions to the Building; close temporarily all or any portion of the Common Areas to make repairs, changes or to avoid public dedication; grant easements, or replat or subdivide or make such other changes to the Land, as Landlord shall deem necessary; place, relocate and operate utility lines through, over or under the Leased Premises necessary to serve

other portions of the Building; and use or permit the use of all or any portion of the roof of the Building.

9. OCCUPANCY BY TENANT. (a) Tenant covenants and agrees to, at its sole cost and expense, observe and comply with the provisions of (i) all matters of record (including, but not limited to, the Declaration and all Mortgages), (ii) all building, zoning, fire and other governmental laws, ordinances, regulations, requirements, codes, certificates of occupancy and rules, (iii) the orders and directives (pursuant to law) of public officials applicable to the Leased Premises and/or the balance of the Project or the conduct of the business in the Leased Premises by Tenant, (iv) all rules, regulations, orders and requirements of carriers of insurance insuring the Project; and (v) the Rules and Regulations, attached hereto as Exhibit "F" and made a part hereof, and any additions thereto and modifications thereof as adopted by Landlord from time to time. Notwithstanding anything herein to the contrary, Tenant, at its sole cost and expense, shall make any and all repairs, alterations, additions and improvements of any nature whatsoever required by any governmental authority by reason of Tenant's use or occupancy of the Leased Premises.

(b) Tenant shall not keep or allow to be kept anything within the Leased Premises or use or permit the use of the Leased Premises for any purpose or in any manner, which causes or might cause an increase in the insurance premium cost of, or invalidate or breach or conflict with, any insurance policy carried on all or any part of the Project, or cause any existing or prospective insurer to refuse to issue any insurance policy with respect to all or any portion of the Project or the Landlord's business, or cerate any risk of fire or other hazard. Notwithstanding the above, Landlord acknowledges Tenant's use of Equipment and Tenant's Generator which may cause an increase in Landlord's insurance premium cost which increase related to Tenant's use of Equipment and Tenant's Generator shall be paid as Additional Rent, upon receipt of Landlord's demand therefor, any such increased premium cost due to or associated with Tenant's unique use or occupation of the Leased Premises or Tenant's storage of goods. Tenant, at its sole cost and expense, shall comply with all rules, regulations, orders and requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and of any other similar body having jurisdiction over the Project).

10. INSURANCE; INDEMNITY. (a) Tenant shall, at Tenant's sole cost and expense, carry and keep in force at all times during the Term (i) a policy of comprehensive general public liability insurance, together with a contractual liability endorsement, with limits of not less than $1,000,000 in respect of bodily injury to or death of any one person, an amount not less than $2,000,000 in respect to bodily injuries or death(s) occurring in any one occurrence and an

amount not less than $500,000 in respect of property damaged or destroyed; (ii) fire and extended coverage insurance covering the full replacement cost of all alterations, additions, partitions, improvements, equipment, furniture, fixtures and inventory made or placed by Tenant in the Lease Premises against "all-risk" of physical loss; (iii) worker's compensations insurance with limits not less than that required by law; and (iv) such additional amounts of insurance and additional types of coverage as Landlord may reasonably request from time to time. Tenant's liability hereunder shall not be limited to the insurance coverage maintained, or required to be maintained pursuant hereto by Tenant. All such policies shall be with companies licensed to do business in the state in which the Land is located, and from a responsible company satisfactory to Landlord, and contain a waiver of subrogation as contemplates in Section 10(d) below.

Landlord, and Landlord's Mortgagee if requested by Landlord, shall be named as additional insurers under such insurance policies. All such insurance policies shall be primary and non-contributing with any insurance carried by the Landlord, shall be written on an "occurrence" basis and not on a "claims-made" basis, and shall contain endorsements requiring 45 days' notice to Landlord prior to any cancellation or any reduction in amount of coverage. Tenant shall deliver to Landlord as a condition precedent to Tenant's taking occupancy of the Leased Premises (but not to Tenant's obligation to pay Rent), A complete duplicate copy of all such policies maintained by Tenant, and shall also deliver copies thereof to Landlord not less than 30 days prior to the expiration date of each such policy. Tenant's failure to comply with any of the requirements of this Section 10(a) shall be an Event of Default.

(b) Neither Landlord, nor any of the Landlord's partners, officers, members, directors, agents or employees, shall, to the extent permitted by law, have any liability to Tenant, or to Tenant's Agents, for any damage, injury, loss or claim based on or arising out of any cause whatsoever, including, without limitation, the following; repair to any portion of the Leased Premises, Building or Common Areas; interruption in the use of the Leased Premises or any equipment therein; any accident or damage resulting from any use or operation by Landlord, Tenant or any person or entity of heating, cooling, electrical, sewerage or plumbing equipment or apparatuses; termination of this Lease by Landlord for damage to the Lease Premises or the Building; fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Leased Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Leased Premises or the Building, or from drains, pipes or plumbing fixtures in the Leased Premises or the Building. Notwithstanding the foregoing, Landlord shall not except as set forth in Section 10(d) below or elsewhere herein, be released from liability to Tenant for any injury caused by Landlord's willful misconduct or gross negligence. In no event, however, shall Landlord have any liability to Tenant on account of any claims for the interruption of or loss to Tenant's business or for any indirect damages or consequential losses.

(c) Tenant shall, to the extent permitted by law, reimburse Landlord for, and shall defend (upon Landlord's request), indemnify and hold Landlord, its partners, officers, members, directors, employees and agents harmless from and against, any and all costs, damages, claims, liabilities, expenses (including, but not limited to, attorneys' fees and court and litigation costs), losses, demands, actions, causes of action, judgements, proceedings and obligations of any nature whatsoever suffered by or claimed against Landlord, directly or indirectly, resulting from, based on or arising out of, in whole or in part, (i) the possession, use and/or occupancy of the Leased Premises or the business conducted therein or therefrom (whether or not damage or loss occurs in or on the Leased Premises, the Common Areas or elsewhere); (ii) any act or omission of Tenant, or any of Tenant's Agents; and/or (iii) any breach of the provisions of Section 28(u) hereof). The provisions of Section 10(b) above and this Section 10(e) shall survive the expiration or sooner termination of this Lease with respect to any claims, liabilities and the like attributable to acts, omissions, occurrences and/or conditions existing or occurring prior to such expiration or termination.

(d) Without limiting the provisions of Section 10(b) above or any other provisions hereof as to Landlord, Landlord and Tenant each hereby release the other from

any and all liability or responsibility to the other or any one claiming through or under them, by way of subrogation or otherwise, from or with respect to any loss or damage to property caused by fire or any other perils insured under policies of insurance covering such property (but only to the extent of the insurance proceeds payable under such policies), even if such loss or damage is attributable to the fault or negligence of the other party, or anyone for whom such party may be responsible, including any other tenants or occupants of the Building. The foregoing notwithstanding, this mutual release shall be applicable and in force and effect only to the extent lawful at the time any claim is made,

and in any event only with respect to loss or damage occurring during such times as the releasor's policies shall contain a clause or endorsement providing that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to recover thereunder. Landlord and Tenant shall request their respective insurance carriers to include in its policies such a clause or endorsement. If additional cost shall be charged therefor, the party responsible for procuring such insurance shall pay such additional costs. If Tenant fails to obtain or maintain any such property insurance policies as required hereunder, Tenant's release of Landlord shall remain and be deemed in full force and effect as to the coverage thereof as if such policies, and an insurer's waiver of subrogation endorsement, were obtained and in full force and effect; provided, however, that nothing herein shall excuse Tenant's failure to maintain any insurance required hereunder or constitute a waiver or limitation of any other rights and remedies of Landlord in the event Tenant fails to maintain any insurance.

11. REPAIRS. Except as to Landlord's obligations pursuant to Sections 7, 14 and 17 hereof, and in addition to all other repair, maintenance and replacement obligations of Tenant act forth herein, Tenant agrees to maintain the Leased Premises at all times during the Term in a neat, clean and sanitary condition and in good order and repair and shall make all needed repairs and replacements thereto. Such maintenance, replacement and repair shall be at the sole cost of Tenant and shall include, but not be limited to, the maintenance, replacement and repair of floor coverings, ceilings and walls, front and rear doors, all glass on the Leased Premises, all plumbing units, pipes and connections, and all heating, ventilating and air conditioning equipment and systems.

12. TENANT'S PROPERTY. Furnishings, equipment, machinery and trade fixtures that can be installed by Tenant with or without drilling, cutting or otherwise defacing the Leased Premises (collectively, "Tenant's Personal Property") may be installed by Tenant on the Leased Premises and shall be the property of Tenant. On the expiration of this Lease, if Tenant is not in default hereunder, Tenant may remove any such property (and shall remove any such property if directed by Landlord) and shall repair any damage caused by such removal and reimburse Landlord for Landlord's cost of so repairing the Lease Premises. If Tenant fails to remove the Tenant's Personal Property as required under this Lease, Landlord may do so and Landlord shall not be liable for any loss or damage to such property of Tenant which may occur during Landlord's removal thereof, or Landlord may treat such property as abandoned and remove and keep the same, and Tenant shall pay the entire cost of such removal to Landlord's written demand therefor. Tenant agrees to pay all taxes on Tenant's Personal Property and if such taxes are levied against Landlord, or the assessed valued of the Project is increased by inclusion of a value placed on such property, Tenant shall pay such taxes to Landlord on demand if Landlord is required to pay such taxes (or reimburse Landlord on demand if Landlord pays such taxes). Notwithstanding anything herein to the contrary, any property placed by Tenant in or about the Leased Premises or the Building shall be at the sole risk of Tenant, and Landlord

shall not in any manner be responsible therefor. The provisions of this Section 12 shall survive the expiration or sooner termination of this Lease. Notwithstanding the above, Tenant shall have the right to install equipment and trade fixtures in the manner and extent set forth in Exhibit "K" hereto.

13. IMPROVEMENTS AND ALTERATIONS BY TENANT: (a) Without Landlord's prior written approval (which may be withheld in Landlord's reasonable discretion), Tenant may not make or permit any additions, improvements, alterations, substitutions, replacements or modifications, structural or otherwise, to the Leased Premises (including, but not limited to, all electrical, heating, ventilating, air conditioning, plumbing or mechanical systems within the Leased Premises) (collectively, the "Alterations"), or attach any machines, equipment and fixtures (other than the Tenant's Personal Property provided the same are installed at no cost or expense to Landlord), which may be made or installed by either party upon the Leased Premises shall be and remain the property of Landlord and shall remain upon and be surrendered with the Leased Premises, unless Landlord requests their removal at such time that the Landlord approves and gives consent, in which event Tenant shall remove the same and restore the Leased Premises to its original condition at Tenant's sole cost and expense and Tenant shall pay the entire cost of such removal to Landlord upon Tenant's receipt of Landlord's written demand therefor. If Tenant fails to remove such Alterations and property and restore the Leased Premises as aforesaid, Landlord may do so and Tenant shall pay the entire cost thereof to Landlord as Additional Rent within 10 days after Tenant's receipt of Landlord's written demand therefor. Any such Alterations performed by Tenant shall be done, at Tenant's sole cost and expense, in strict conformity with any plans and specifications approved by Landlord prior to Tenant commencing such work and in such a manner to minimize interference with other construction in the Building or on the Land in progress and with the use or enjoyment of all or any portion of the balance of the Project by any other tenants. All work performed shall be

done in a good and workmanlike manner by contractors approved by Landlord and with materials of comparable quality, value, utility and appearance as originally installed in the Leased Premises. Landlord's consent to or approval of and Alterations (or the plans and specifications therefor) shall not constitute a representation or warrant by Landlord, nor Landlord's acceptance, that the same comply with (a) sound architectural and/or engineering practices, or (b) applicable laws, regulations, rules, codes, ordinances and other governmental requirements, and Tenant shall be solely responsible for enduring all compliance with the matters referred to in (a) and (b) above in this sentence. In each instance in which Landlord's approval is requested or required hereunder, Tenant shall reimburse Landlord as Additional Rent, upon receipt of written demand therefor, for all out-of-pocket cost and expenses incurred or paid by Landlord during such review process.

(b) Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of, or order or authorization by, Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor, or the furnishing of any materials, that would give rise to the filing of any lien against the Leased Premises, or the Project, or any part thereof. Landlord shall have the right to post and keep posted on the Leased Premises any notices that may be provided by law or which Landlord may deem to be proper for the protection of Landlord, the Leased Premises and the Project from such lien(s).

14. CASUALTY. (a) If the Leased Premises is destroyed or damaged by fire, earthquake or other casualty (collectively, a "Casualty") and Landlord does not elect to terminate this Lease as herein provided, Landlord shall, subject to the terms hereof and obtaining all necessary public approvals and solely to the extent of net insurance proceeds actually received by Landlord (and free of all claims by Mortgagees and others and all expenses), and provided such Casualty is not due to the negligence or wrongful acts of Tenant, or any of Tenant's Agents (subject, however, to subrogation rights as set forth in Paragraph 10(d)), proceed in a reasonable manner to rebuild and restore the Leased Premises or such part thereof as may be destroyed or damaged to as near its former conditions as circumstances will reasonably permit. During the period of such rebuilding and restoration, Base Rent shall, provided such Casualty is not due to the negligence or other wrongful acts of Tenant, or any of Tenant's Agents, be abated in the same ratio as the square footage of the portion of the Leased Premises rendered untenantable, to the extent, and so long as, however, the Leased Premises remains untenantable. If, however, Landlord shall reasonably determine that such destruction or damage cannot be repaired within one hundred eighty (180) days after the date of such Casualty, either Landlord or Tenant may elect to terminate this Lease by giving written notice of such election to Tenant within 90 days after the date of such Casualty, in which event this Lease and the tenancy created hereunder shall terminate as of the date of such notice and Rent shall (except to the extent Tenant has continued to make use of all or any of the Leased Premises) be abated as of such date of such Casualty. Tenant agrees to give notice to Landlord of any Casualty occurring in, on, or about the Leased Premises within 24 hours from the occurrence thereof.

(b) If Landlord is required to repair the Leased Premises under the provisions of this Section 14, Landlord's obligation shall be limited to the Landlord's Work, excluding, in any event, all alterations, fixtures or signs installed by Tenant and all floor coverings, furniture, equipment and decorations or other Tenant's Personal Property. Tenant, at Tenant's expense, shall promptly perform all repairs and restoration not required to be done by Landlord and shall promptly re-enter the Leased Premises to perform such work.

(c) Anything contained herein to the contrary notwithstanding, if (i) the proceeds of Landlord's insurance (recovered or recoverable) as a result of any damage to the Leased Premises by any Casualty (exclusive of rent insurance) shall be insufficient to pay fully for the cost of repair of the Leased Premises, (ii) the Leased Premised shall be damaged by a Casualty which is not covered by Landlord's insurance, or (iii) the Building is more than fifty percent (50%) damaged by fire or other casualty (although the Leased Premises may not be affected) that Landlord decides in Landlord's sole and absolute discretion not to rebuild or construct the Building, Landlord shall have the right to terminate this Lease by giving written notice of such termination to Tenant within 90 days after the date of such Casualty in which event this Lease and the tenancy created hereunder shall terminate as of the date of such notice and Rent shall (except to the extent Tenant has continued to make use of all or any of the Leased Premises) be abated as of the date of such Casualty. Notwithstanding the above, as to the event of (i) or (ii) above, if Landlord elects to terminate this Lease, the Tenant may prevent this termination if, within fifteen (15) days of the receipt of Landlord's notice of its election to terminate, that Tenant agrees at its sole expense to make the repairs and restoration work not covered by insurance and to continue its occupancy and tenancy under the Lease. In the event the Rent shall only abate to the date Tenant elects to restore the Leased Premises at its expense.

15. SUBLETTING AND ASSIGNMENT. Without the prior written consent of Landlord in each instance, which consent may not be unreasonably withheld in Landlord's reasonable discretion. Tenant shall not directly or indirectly (in one or more transaction), voluntarily, involuntarily or by operation of law, assign transfer, pledge, mortgage or otherwise hypothecate or encumber all or any portion of Tenant's legal or equitable interest in this Lease or in the Leased Premises, nor sublet all or any portion of the Leased Premises, nor enter into any management, license, concession or other contract or agreement which provides for a direct or indirect transfer of operating control over the business operated in, or the use of occupancy of, the Leased Premises. Any direct or indirect transfer, sale, pledge or other disposition, in a single transaction or cumulatively during the Term, of at least 25% of the ownership interests in Tenant (or any lesser percentage if sufficient to transfer voting control (if Tenant is a corporation) or management control (if Tenant is a partnerships)), as well as of any general partnership interest in Tenant if Tenant is a limited partnership, shall each be deemed an assignment of this Lease; provided, however, that this limitation shall not apply with respect to the transfer of voting stock in a corporation, all the outstanding voting stock of which is listed on a national securities exchange as defined in the Securities Exchange Act of 1934. Any assignment, sublease or other such transfer without Landlord's prior written consent shall be voidable by Landlord and Landlord's election, shall constitute an Event of Default hereunder. Consent of Landlord to one or more assignments, subletting or encumbering of this Lease or the Leased Premises shall not operate as a waiver of Landlord's rights (and the requirement of Landlord's consent), or be deemed Landlord's consent, with respect to any subsequent assignment, subletting or encumbering. Notwithstanding any assignment or subletting, Tenant, and each and every guarantor of this Lease and Tenant's obligations hereunder, shall at all times remain fully and primarily responsible and liable for the payment of all Rent and other monetary obligations herein specified and for the compliance with and performance of all of the Tenant's other obligations under this Lease. Landlord's consent, if any, to any assignment or sublease will not be effective unless and until (a) Landlord receives a fully executed copy of the assignment or sublease agreement, (b) in the case of an assignment, Tenant delivers to Landlord an assumption of liability agreement in form satisfactory to Landlord including as assumption of the assignee of all of the obligations of Tenant and the assignee's ratification of, and agreement to be bound by, all of the terms, conditions and provisions of this Lease, and (c) Landlord is fully reimbursed by Tenant of Landlord's costs and fees, including, but not limited to, attorney's fees, incurred in processing and evaluating any requests for assignment or subletting by Tenant. Notwithstanding anything to the contrary in this paragraph 15, Tenant may, without Landlord's prior consent and without Landlord's participation in any proceeds, sublet the Premises or assign the lease to: (i) a subsidiary, affiliate, division or corporation controlling, controlled by or under common control with Tenant; (ii) a successor corporation related to Tenant, by merger, consolidation, non bankruptcy reorganization, or governmental action; or (iii) a purchaser of substantially all of Tenant's assets located in the Leased Premises. For the purpose of this Lease, sale of Tenant's capital stock through any public exchange shall not be deemed an assignment, subletting or any other transfer of the Lease or the Leased Premises.

16. LIENS. Tenant shall keep the Project free and clear of and from any and all liens or encumbrances arising out of any work performed, materials furnished or obligations incurred by Tenant or otherwise arising out of Tenant's use or occupancy of the Leased Premises. An Event of Default shall exist of at any time any such lien or encumbrance is filed, claimed or recorded against, or otherwise exists with respect to, the Leased Premises or the

Building and Tenant shall fail to have said lien or encumbrance discharged of record, or bonded over so as to forever remove such lien or encumbrance as an encumbrance upon the Project, within 15 days (or if American Institute of Architects contract form, thirty (30) days) from the date such lien or encumbrance is filed, claimed or recorded against, or otherwise exists with respect to, the Project. Tenant shall promptly notify Landlord if Tenant learns that a lien has been, is about to or might be filed against the Premises.

17. CONDEMNATION. (a) In the event of a taking by any public or quasi-public authority under the power of eminent domain, condemnation or expropriation, or in the event of a conveyance in lieu thereof, (all of which events are herein collectively referred to as a "Taking"), of the whole of the Leased Premises, then this Lease shall terminate effective upon the date title to the Leased Premises vests in the condemning authority and Base Rent and Additional Rent shall be adjusted as of such date.

(b) In the event of a Taking of less than 25% of the Leased Premises, then this Lease shall terminate only as to the part taken as of the date title vests in the condemning authority. In the event of a Taking of more than 25% (but less than all) of the Leased Premises, then Landlord shall have the right to terminate this Lease by written notice given to Tenant effective within 60 days after the date title vests in the condemning authority.

(c) If the nature, location or extent of any Taking affecting the Building (whether or not including the Leased Premises) or the Land is such that Landlord elects in Landlord's sole and absolute discretion to demolish all or a portion of the Building, then Landlord may terminate the Lease by giving at least 60 days' written notice of termination to Tenant at any time after such Taking. This Lease shall terminate on the date specified in such notice, and monthly Base Rent and Additional Rent shall be adjusted to such date.

(d) If there shall be a Taking, and this Lease is not terminated as set forth above in this Section 17, then this Lease shall continue in full force and proportion to the Base Rent shall be reduced to be that sum which bears the same proportion to the Base Rent in effect immediately prior to such Taking as the leasable area of the Leased Premises remaining after such Taking bears to the leasable area of the Leased Premises immediately preceding such Taking. Following receipt of the compensation awarded or payment made for such Taking, Landlord shall commence to make all necessary repairs or alterations to restore that portion of the Leased Premises remaining to as near its former condition as the circumstances will reasonably permit; provided, however, that Landlord shall in no event be required to spend for such repairs and alterations any sums in excess of the amount of the compensation or payment for such Taking actually received by Landlord (and free of all claims by Mortgagees and others) which is attributable to the part of Leased Premises taken (excluding the proportionate part thereof attributable to the then current market value of the Project taken) less the cost of collecting such compensation or payment and provided further that Landlord's obligation shall be limited to the Landlord's Work and Landlord shall have no obligation to repair, restore or replace any alterations, fixtures or signs made or installed by Tenant or any floor coverings, furniture, equipment or decorations or other Tenant's Personal Property (the repair, restoration and replacement of which shall be the sole obligation of, and be promptly performed by, Tenant).

(e) Tenant shall have no claim against Landlord or the condemning authority for any portion of the amount of the condemnation award or settlement that may be claimed as damages by Tenant as a result of such Taking or for the value of any unexpired Term, and all condemnation awards and similar payments shall be paid and belong to Landlord. Notwithstanding the foregoing, Tenant may make a separate claim against the condemning authority for a separate award or payment for the value of Tenant's trade fixtures and for relocation costs, provided such awards do not reduce Landlord's award.

18. PARKING. Tenant agrees not to overburden the parking areas and facilities and agrees to cooperate with Landlord and other tenants in the use of parking areas and facilities, and, in any event, shall use such parking areas and facilities in accordance with the terms and conditions of the Declaration and such rules and regulations promulgated by Landlord. Tenant acknowledges and agree that, except as set forth in the immediately following sentence, all parking areas and facilities shall be for the non-exclusive use of all tenants in the Building, their employees, invitees and others; provided, however, that Tenant, its employees, invitees and customers, shall not have the right to use any parking spaces or facilities which are reserved for handicapped parking (unless handicapped, but subject to the rights of other handicapped persons) or other tenants or which are otherwise set aside or reserved by Landlord. Landlord hereby agrees to designate 54 parking spaces in the immediate vicinity of the Leased Premises for the exclusive use of Tenant, its employers and invitees; it being understood, acknowledged and agreed, however, that Landlord shall have no obligation whatsoever to monitor or police the use of such parking spaces and shall have no liability of any nature whatsoever if all or any of such spaces are used by any other parties, including, but not limited to, other tenants in the Building.

19. ACCESS.

(a) Leased Premises. Landlord acknowledges and agrees that the Equipment at the Leased Premises is highly sensitive, requiring specialized maintenance and care. It is essential to the successful operation of Tenant's business that access to the Leased Promises be restricted to Tenant's employees and agents. Landlord shall only have access to the Leased Premises for the purposes for the purpose of making such alterations, repairs, improvements or additions to the Leased Premises as required pursuant to this Lease. Landlord or Landlord Parties shall give no less than two (2) days' prior written notice to Tenant to each entry onto the Leased Premises and upon each entry, Landlord or Landlord Parties shall be accompanied by a representative of Tenant. Landlord acknowledges that due to the foregoing reasons, Landlord shall not have a key to the Leased Premises during the Lease Term.

(b) Emergency Access - Leased Premises. In the event of an Emergency, Landlord, or emergency personnel including fire or police department personnel, may use force to enter the Leased Premises in order to remedy such Emergency; provided, however that Landlord and such emergency personnel shall use reasonable efforts to avoid causing damage to interfering with the

Equipment. Tenant shall, upon receipt of notice from Landlord, pay for all damage to the Leased Premises or Building resulting from such forced entry by Landlord or such emergency personnel into the Leased Premises, including without limitation, damage to the door leading into the Leased Premises due to an Emergency, as Additional Rent. For purposes of this Section, an "Emergency" shall mean a condition in the

Leased Premises reasonably likely to cause imminent bodily harm to persons at the Building or imminent and substantial damage to the Building.

(d) Building. Landlord acknowledges and agrees that in order to accommodate Tenant's specialized utility needs, Tenant shall have a key to each and every mechanical room located at the Building which contains equipment or cabling of any kind relating to the Leased Premises of the Equipment, including without limitation, boiler rooms and electrical rooms (the "Tenant Access Mechanical Rooms"). Landlord further acknowledges and agrees that it is essential to the successful operation of Tenant's business that access to each and every Tenant Access Mechanical Room be restricted to only those of Landlord's employees and agents who are trained as to the special requirements of the Equipment and Tenant's specialized utility needs.

20. SIGNS. All signs and symbols placed in the doors or windows or elsewhere about the Leased Premises, or upon any other part of the Building, including building directories, shall comply with and satisfy all conditions of the Declaration and all laws, ordinances, regulations, requirements and the like and shall, in any event, not be placed or installed without the prior written approval of the Landlord. Any signs or symbols which have been placed without approval may be maintained by Tenant at its sole cost and expense during the Term and upon the expiration or sooner termination of this Lease all signs installed by Tenant shall be removed and any damage resulting therefrom shall be promptly repaired at Tenant's sole cost and expense. The provisions of this Section 20 shall survive the expiration or sooner termination of this Lease.

21. SUBORDINATION. This Lease, and the rights of Tenant hereunder, are and shall be, without further action by any party, subject and subordinate to the lien, terms, conditions, operation and effect of any and all Mortgage(s) now or hereafter encumbering or otherwise affecting the Land or Building and all advances made or hereafter to be made upon the security hereof, and the rights of any Mortgagee thereunder or with respect to each such Mortgage. The term "Mortgage" means any mortgage, deed of trust, ground lease or other security or financing instrument encumbering or otherwise affecting the Land or Building and all renewals, replacements, modifications, consolidations, recasting, refinancing or extensions thereof. At the election of any holder or beneficiary of any Mortgage (collectively, a "Mortgagee"), this Lease shall be superior to the lien of the applicable Mortgage. Upon request by Landlord, Tenant agrees to execute whatever documentation may be required to further affect the provisions of this Section 21 wherein such documentation shall include Landlord's standard Non-Disturbance and Attornment clause. Tenant agrees that if any proceedings are brought pursuant to a Mortgage (whether or not for foreclosure of the Mortgage) or termination of any ground lease, Tenant, if requested to do so by the purchaser or other successor to Landlord pursuant to foreclosure or other proceedings under the Mortgage (including, but not limited to, any Mortgagee or ground lessor), or pursuant to any conveyance in lieu of foreclosure, shall recognize and attorn to such party as Landlord under this Lease, and shall make all payments required hereunder to such new landlord without deduction or set-off and, upon the request of such purchaser or other successor, execute, deliver and acknowledge documents confirming such attornment. Tenant waives the provisions of any law or regulation, now or hereafter in effect, which may give or purport to give Tenant any right to terminate or otherwise adversely affect

this Lease and the obligations of Tenant hereunder in the event that any such foreclosure or termination or other proceeding is prosecuted or completed.

22. TENANT'S DEFAULT. Each of the following shall be an "Event of Default" by Tenant hereunder:

(a) Tenant shall fail to pay when due any installment of Base Rent and Additional Rent or any other charge or payment required of Tenant hereunder;

(b) Subject to the provisions of Section 22(g) below, Tenant shall violate or fail to perform any of the other terms, conditions, covenants or agreements of this Lease, and such violation or failure shall continue for a period of 30 days after Tenant's receipt of written notice thereof to Tenant from Landlord;

(c) Tenant or any guarantor of this Lease shall (i) make a general assignment for the benefit of its creditors, (ii) make a transfer in

fraud of creditors, (iii) admit in writing its general inability to pay its debt when due, (iv) file any petition for, or answer seeking or concerning or acquiescing to, bankruptcy, reorganization, moratorium, liquidation, composition, extension, readjustment, arrangement, insolvency, dissolution or similar relief under any federal, state or other statute, law or regulation or otherwise, or (v) have filed against it any petition seeking any relief mentioned in (iv) above in this sentence that is not stayed or dismissed within 30 days;

(d) Any execution, levy, attachment or other process of law shall occur upon Tenant's Personal Property (or other property) or Tenant's interest in the Leased Premises;

(e) (i) A trustee, receiver, liquidator or similar officer shall be appointed for Tenant or any guarantor of this Lease for a substantial part of Tenant's or any such guarantor's property and such appointment is consented or acquiesced to by Tenant or any such guarantor, (ii) if not consented or acquiesced to, such appointment shall not be stayed or dismissed within 30 days after such appointment, or (iii) Tenant or any such guarantor shall seek the appointment of any such trustee, receiver, liquidator or similar officer;

(f) Tenant shall vacate or abandon all or any of the Leased Premises or shall remove or manifest an attempt to remove, not in the ordinary cause of business, Tenant's goods and property from all or any of the Licensed Premises such action will not constitute default under this lease if Tenant continues to pay rent without default and the Leased Premises are kept secure; and

(g) Any other act, failure or omission specifically referred to herein as an Event of Default.

23. LANDLORD'S REMEDIES.

(a) If an Event of Default shall have occurred and be concurring with regard to the making of any payment or the doing of any act herein required to be made or done by Tenant, then Landlord may, but shall not be required to, make such payment to do such act, and the making of such payment or the doing of such act by Landlord shall not operate to cure

such Event of Default or to stop Landlord from the pursuit of any right or remedy to which Landlord would otherwise be entitled. Any instrument(s) of Base Rent and Additional Rent unpaid for 5 days after the date when due shall be subject to a late charge equal to 5% of such installment payable as Additional Rent to Landlord upon Tenant's receipt of Landlord's demand therefor. In addition, any installments of Base Rent and Additional Rent not paid when due, and any payments by Landlord hereunder on Tenant's behalf or for Tenant's behalf, shall bear interest until paid at the rate that is 2 percentage points above the Prime Rate (but in no event greater than the maximum rate permitted under the laws of the state in which the land is located) and such interest, and all amounts paid by Landlord on Tenant's behalf, shall constitute Additional Rent hereunder due and payable upon Tenant's receipt of Landlord's demand therefor. In addition to the foregoing, and without regard to whether this Lease has been terminated, Tenant shall pay to landlord all costs incurred by Landlord, including attorney's fees, with respect to any lawsuit or action instituted or taken by Landlord to enforce the provisions of this Lease.

(b) If an Event of Default shall have occurred, Landlord, at Landlord's option, may terminate this Lease by written notice to Tenant, whereupon, on the date of such notice or any later termination date set forth therein, all rights of Tenant hereunder shall expire and terminate, everything herein required on the part of Landlord to be done and performed shall cease, and this Lease shall end and terminate, except, and provided in all events, however, that Tenant shall forever remain liable for all of Tenant's obligations hereunder (including, but not limited to, the payment of Rent), no matter when first accruing, occurring or arising, as herein provided over the entire Term as if this Lease had not been terminated.

(c) If an Event of Default shall have occurred, with or without terminating this Lease, Landlord may enter upon and take possession of the Leased Premises and expel or remove Tenant and any other person who may be occupying the Leased Premises or any part thereof, without being liable for trespass, prosecution or any claim for any damages or liability therefor. Landlord may thereupon make such alterations and repairs as, in Landlord's absolute discretion, may be necessary to relet the Leased Premises or any part thereof, alone or together with other portions of the Building, in Landlord's name, Tenant's name or otherwise, without notice to Tenant, for such rent and such use, and for such period of time and subject to such terms and conditions as Landlord, in its absolute discretion, may deem advisable and receive the rent therefor. Tenant shall be liable for any and all expenses (including, but not limited to, attorneys' fees, disbursements and brokerage fees) incurred by landlord in reentering and repossessing the Leased Premises, in correcting (but not waiving or curing, or estopping Landlord from asserting any rights or

remedies with respect to) any default of Tenant, in painting, altering, repairing or dividing the Leased Premises, in protecting and preserving the Leased Premises by use of security guard and caretakers, and in reletting the Leased Premises. Tenant shall, over the entire Term as if such repossession, and any such termination had not occurred, remain liable for and pay to Landlord, on demand, any deficiency between (i) the amount of Rent payable by the Tenant hereunder, and (ii) any amount received by Landlord pursuant to any reletting after deducting all of Landlord's expenses as described in the immediately preceding sentence (all amounts so received by Landlord to be applied on account of Tenant's obligations hereunder in any order that Landlord deems fit in Landlord's sole discretion). Suit may be brought by Landlord at any time and from time to time to enforce collection of such difference(s), and any suit brought by Landlord to enforce collection of such

difference(s) for any one month shall not prejudice Landlord's right to enforce the collection of any difference for any subsequent month(s) in subsequent separate actions at any time and from time to time, as said damages shall have been made more easily ascertainable by successive reletting. Landlord shall not have any obligation to relet or attempt to relet all or any of the Leased Premises and Landlord shall not be liable for any failure to relet the Leased Premises or any part thereof or for any failure to collect any rent due upon any such reletting. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such prior Event of Default. Tenant's liability shall survive the institution of summary proceedings and the issuance of any warrant hereunder. No entry or taking possession of the Leased Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice expressly stating such intention is sent to Tenant.

(d) Landlord shall, to the extent permitted by law, have (in addition to all other rights and remedies whatsoever) a right of distress for rent and a lien on all of Tenant's personal property, except telecommunications related equipment, and other property on the Leased Premises, as security of all Rent and any other sums payable under this Lease.

(e) If Landlord terminates this Lease pursuant hereto, Landlord shall be entitled to recover from Tenant at any time thereafter, and Tenant shall pay to Landlord on demand, as and for liquidated and agreed final damages for such Event of Default, an amount equal to the difference between (i) all Base Rent and Additional Rent and other sums which would be payable under this Lease from the date of such demand through the end of the Term (as if this Lease had not been terminated), and (ii) the fair market rental value of the Leased Premises over the same period (net of all expenses and all vacancy periods reasonably projected by Landlord to be incurred in connection with the reletting of the Leased Premises), discounted at the rate of five percent (5%) per annum. Nothing herein shall be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid Rent accrued prior to termination of this Lease or Landlord's right to assert any indemnity claims pursuant hereto.

(f) Tenant, on its own behalf of all persons claiming by, through or under Tenant, including all creditors, does hereby specifically waive and surrender any and all rights and privileges, so far as if permitted by law, which Tenant, and all such persons might otherwise have under any present or future law (i) to redeem the Leased Premises or the Lease, (ii) to reenter or repossess the Leased Premises, (iii) to restore the operation of this Lease, with respect to any dispossession of Tenant by judgment or warrant of any court or judge, or any re-entry by Landlord, or any expiration or termination, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease or (iv) to the benefit of any law which excepts property from liability for debt or for distress for rent. The words "dispossession," "re-enter," "entry," "re-entry," "re-entered," "possess," "repossession," "repossess," and "redeem" and the like as used in this Lease shall not be deemed to be restricted to their technical legal meanings.

(g) Tenant hereby consents to the exercise of personal jurisdiction over Tenant by the state court, and, if federal jurisdiction shall be applicable, the United States District Court, with respect to the county in which the Land is located.

(h) All and each of Landlord's rights and remedies set forth herein shall be in addition to all rights and remedies at law or in equity or by statute or otherwise, all of which are separate, distinct and cumulative and no one of them, whether or not exercised by Landlord, shall be deemed in exclusion of any of the others. Without limiting the generality of the foregoing, in the event Tenant fails to take possession of the Leased Premises as herein required, Tenant shall, among other things, be obligated to pay Landlord in full for all Tenant improvements constructed or installed within the Leased Premises and for all materials ordered at Tenant's request for the Leased Premises. The exercise or beginning of the exercise by Landlord of any right or remedy shall not prejudice the simultaneous or later exercise of any other rights or remedies.

24. QUIET ENJOYMENT. If, and so long as, Tenant pays the Rent and fully performs and observes each and every term, covenant, obligation and condition herein contained to be performed or observed by Tenant, Tenant shall enjoy the Leased Premises during the Term without hindrance or molestation by Landlord, subject to the terms, covenants and conditions of this Lease and the lien, terms, conditions, operation and effect of any and all Mortgage(s) and the rights of any Mortgage thereunder or with respect thereto.

25. FINANCING.

(a) If, in connection with obtaining, or pursuant to, any temporary, construction, permanent or other financing for the Building and/or the Land, any lender shall request reasonable modifications of this Lease as a condition to such financing. Tenant shall execute, acknowledge and deliver any such modification to Landlord within ten (10) days after Tenant's receipt thereof, provided such modifications do not increase the financial obligations of Tenant hereunder or materially and adversely affect Tenant's use and enjoyment of the Leased Premises as herein provided. Tenant agrees to give every Mortgagee by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing of the address of such Mortgagee.

(b) Tenant agrees that no Mortgagee shall be (i) bound by any payment of Base Rent and Additional Rent for more than 1 month in advance, (ii) bound by any amendment or modification of this Lease made without the consent of such Mortgagee, (iii) liable for damages for any breach, act or omission of any prior Landlord, (iv) bound to effect or pay for any construction for Tenant's occupancy, (v) subject to any off-sets or defenses that Tenant may have against any prior Landlord or (vi) have any obligation with respect to the Deposit of Tenant's Prepaid Rent unless, and to the extent, the same has been physically delivered to such Mortgagee.

26. HOLDOVER TENANCY. If (without execution of a new lease or written extension) Tenant shall holdover after the expiration of the Term, then Tenant shall, subject to Landlord's written consent but without execution of a new lease, become a tenant at sufferance at a monthly rental equal to twice the Rent due under the terms of this Lease, commencing said tenancy with the first day next after the end of the Term. Tenant, as a tenant at sufferance, shall be subject to all of the conditions and covenants of this Lease as though the tenancy had originally been a monthly tenancy. During the holdover period, each party hereto shall give to the other at least 30 days' written notice to quit the Leased Premises, except in the event of

nonpayment of Rent when due, or the breach of any other covenant or default hereunder by Tenant (without giving effect to any notice or right to cure period), in which event Tenant shall not be entitled to any notice to quit, the usual 30 days' notice to quit being expressly waived. The foregoing shall not constitute Landlord's consent to any holdover by Tenant. Notwithstanding the foregoing, if Landlord shall desire to regain possession of the Leased Premises by any legal action or process in force in the jurisdiction in which the Land is located, and Landlord shall have the right to recover all direct or indirect costs, expenses, legal expenses, attorneys' fees, damages, loss of profits or any other costs incurred by Landlord as a result of Tenant's failure or inability to deliver possession of the Leased Premises to Landlord when required under this Lease.

27. ESTOPPEL CERTIFICATE/FINANCIAL STATEMENT. Within 10 days after request therefor from Landlord, Tenant shall deliver, in recordable form, a certificate to any proposed Mortgage or purchaser, or to Landlord, together with a true and correct copy of this Lease, certifying (i) whether this Lease is in full force and effect and without modification, (ii) the amount of any prepaid rent and/or security deposit paid by Tenant to Landlord, (iii) whether Landlord has performed all of Landlord's obligations due to be performed under this Lease and/or whether there are any defenses, counterclaims, deductions, or offsets outstanding or other excuses for Tenant's performance under this Lease, (iv) whether or not the Term has commenced and Tenant has accepted possession of the Leased Premises, (v) the Commencement Date, (vi) the amount of Rent currently due and payable, and (vii) any other information reasonable requested by Landlord or such proposed Mortgage or purchaser. Tenant covenants and agrees that, at any time, within 30 days after notice and demand by Landlord, Tenant will furnish to Landlord Tenant's most recent financial statements as of the end of Tenant's last fiscal year certified by an independent certified public accountant or Tenant's chief financial officer, and Tenant consents to the delivery of same by Landlord to lenders or prospective lenders or purchasers of all or part of the Project or of any interest in a Mortgage.

28. MISCELLANEOUS.

(a) Amendment. This Lease may not be amended or modified except in writing and signed by Landlord and Tenant.

(b) Notices. All notices required by this lease shall be in writing and shall be effective, if mailed, when mailed by certified mail, return receipt requested, or, if sent by messenger, when personally delivered, as follows (or to such other address designated by written notice thereof to the other given in accordance with the terms of this Section 28(b)):

Notice to Landlord:	Notice to Tenant:
Laing Beaumeade, Inc. c/o Laing Properties, Inc. 2401 Pennsylvania Avenue, N.W. Washington, D.C. 20037-1730 Attention: General Manager	Equinix, Inc. [*] Suite C Ashburn Virginia 20147

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*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

With a copy to:	With a copy to:
Laing Beaumeade, Inc. c/o Laing Properties, Inc. 5901-B Peachtree-Dunwoody Road Atlanta, Georgia 30328 Attention: General Counsel	Equinix, Inc. 901 Marshall Street Redwood City, CA 94063

(c) Binding Effect. Subject to the provision of Section 15 hereof and all other restrictions set forth herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

(d) Limitation Of Landlord's Liability. Notwithstanding any provision to the contrary contained herein, Tenant shall look solely to the estate and interest of Landlord in and to the land and the Building, and Landlord shall have no personal liability, in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant, or Tenant's use of the Leased Premises, and Tenant agrees that the liability of Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant, or Tenant's use of the Leased Premises, shall be limited solely to such estate and interest of Landlord in as to the Land and the Building and that Landlord shall have no personal liability as provided above in this sentence. No properties or assets of Landlord other than the estate and interest of Landlord in and to the land and the Building, and no property owned by any partner of Landlord, shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) or for the satisfaction of any other remedy of Tenant arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Leased Premises. Further, in no event whatsoever shall any partner in Landlord have any liability or responsibility whatsoever arising out of or in connection with this Lease, the relationship of Landlord and Tenant, or Tenant's use of the Leased Premises.

(e) Accord And Satisfaction. No receipt and retention by Landlord of any payment tendered by Tenant in connection with this Lease, or application of the Deposit, will give rise to, or support or constitute, and accord and satisfaction, notwithstanding any accompanying statement, instrument or other assertion to the contrary (whether by notation on a check or in a transmittal letter or otherwise), unless Landlord expressly agrees in a separate writing to an accord and satisfaction.

(f) Severability. If any term or provision, or any portion thereof, of this Lease, or the application thereof to any person or circumstances shall, to any extent, be illegal, invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held illegal, invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. It is the intention of the parties hereto that if any such provision is held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is legal, valid and enforceable.

(g) Waiver/Consent. No term, condition or provision of this Lease shall be deemed waived, unless waived in writing by the party against whom such waiver is to be enforced. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval hereunder shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

(h) Time. Time is of the essence hereof.

(i) Applicable Law. This License shall be construed according to the laws of the Commonwealth of Virginia in which the Land is located.

(j) Anticipatory Repudiation. If, prior to the commencement of the Term, Tenant notifies Landlord of or otherwise unequivocally demonstrates an intention to repudiate this Lease, Landlord may, at its option, consider such anticipatory repudiation a breach of this Lease and an Event of Default hereunder. In addition to any other remedies available to Landlord hereunder or at law or in equity or by statute or otherwise, Tenant shall pay in full for all tenant improvements constructed or installed within the Leased Premises as of the date of such breach and for materials ordered at Tenant's request for the Licensed Premises, attorneys' fees, brokerage fees, costs of reletting and loss of Rent.

(k) Entire Agreement. This Lease sets forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises, Building, and Project, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as set forth herein.

(l) Waiver of Jury Trial. Landlord and Tenant each hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other, on any claim or matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use and occupancy of the Leased Premises and/or any claim of injury or damage.

(m) Captions. Any headings preceding the text of the several Sections or Subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Lease, nor shall they affect the meaning, construction or effect of this Lease.

(n) Force Majeure. In the event that Landlord shall be delayed, hindered in or prevented from the performance of any act or obligation required hereunder by reason of acts of God, strikes, lockouts, labor troubles or disputes, inability to procure or shortage of materials or labor, failure of power or any utilities whatsoever, delay in transportation, fire, vandalism, accident, flood, severe weather, other casualty, restrictive governmental laws, regulation, or orders (including, but not limited to, mandated changes in plans and specifications or the Landlord's Work resulting from changes in pertinent codes and regulations or interpretations thereof), riot, insurrection, civil commotion, sabotage, explosion, war, natural or local emergency, acts or omissions of others, including, but not limited to, Tenant, or other reasons of a similar or dissimilar nature not solely the fault of, or under the

exclusive control of, Landlord, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for the period equivalent to the period of such delay.

(o) Surrender. Tenant agrees to yield up and surrender the Leased Premises, at the expiration or earlier termination of this Lease, clean and neat, and in the same condition and repair in which they are required to be kept by Tenant throughout the Term, reasonable wear and tear excepted.

(p) Effect of Submission. The submission by Landlord to Tenant of this Lease shall not constitute a reservation of, or an option for, the leasing of the Leased Premises and this Lease shall have no binding force and effect unless and until executed by Landlord and Tenant and, if required pursuant to applicable loan documents, approved by any current Mortgagee.

(q) Recording. Tenant shall not record this Lease or a

memorandum or other notice thereof without the written consent of Landlord (which consent may be withheld in Landlord's sole and absolute discretion), and Tenant's recording of this Lease or a memorandum or other notice hereof will be void and an Event of Default hereunder.

(r) Independent Covenants. Tenant's covenants to pay Rent, and any other payments required of Tenant hereunder, are independent of all other covenants and agreements herein contained. All obligations of Landlord hereunder shall be construed as covenants, not as conditions.

(s) Brokers. Landlord and Tenant represent and warrant to each other that, except as set forth below in this Section 28(s), neither has had any dealings, negotiations or consultations with respect to the Leased Premises or this transaction with any broker or other intermediary. In the event that any broker or other intermediary claims a commission or other compensation with respect to this transaction, the party alleged to have created the right to such commission or compensation shall be responsible for and will indemnify and save harmless the other party from and against any and all costs, fees, expenses (including, without limitation, reasonable attorneys' fees), liabilities and claims incurred or suffered by the other party as a result thereof. Landlord hereby represents that in the event GSHH/LBG, LLC representing Landlord is entitled to a commission with respect to the transaction herein contemplated, Landlord shall be responsible for a reasonable commission pursuant to terms and conditions contained in separate agreements.

(t) Counterparts. This Lease may be executed in counterparts, each of which shall constitute one and the same agreement.

(u) Hazardous Waste. The term "Hazardous Substance," as used in this Lease, shall mean pollutants, petroleum, contaminants, infections, toxic or hazardous waste, asbestos, radioactive materials, polychlorinated biphenyls or any other substances, materials or debris, the removal of which is required or the use, handling, deposit, or storage of which is restricted, prohibited, regulated or penalized by any "Environmental Law", which term shall mean any federal, state or local law, statute, ordinance, rule, code, regulation or requirement

directly or indirectly relating to pollution or protection of the environment. Except as consented to by Landlord pursuant to this Lease, Tenant hereby covenants and agrees, for itself, its agents, contractors, subtenants and employees, that (i) no activity will be conducted on all or any part of the Leased Premises or balance of the project that will produce or cause the release of any Hazardous Substances or otherwise violate or fail to comply with any Environmental Law; (ii) the Leased Premises and the balance of the Project will not be used in any manner for the storage (for any period of time whatsoever) of any Hazardous Substances; (iii) no portion of the Leased Premises or balance of the Project will be used as a landfill or a dump; (iv) no underground tanks of any type will be installed on the Lease Premises or the balance or the Project; (v) no surface or subsurface conditions shall exist or come into existence that constitute, or with the passage of time may constitute, a public or private nuisance on the Leased Premises or the balance of the Project; and (vi) no Hazardous Substances shall be brought onto or into the Leased Premises or balance of the Project. If any such Hazardous Substance is brought or found located in or on the Leased Premises, the same shall be immediately removed by Tenant, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws, by Tenant, at Tenant's sole cost and expense. If, at any time during or after the Term, the Leased Premises are found to be so contaminated or subject to said conditions, or if Tenant shall, by act or omission, breach any of its obligations under this Section 28(u), an Event of Default shall exist. The provisions of this Section 28(u) shall survive the expiration or earlier termination of this Lease.

(v) Authority. Tenant represents and warrants that the individual executing this Lease on behalf of Tenant is authorized to execute and deliver this Lease; that Tenant is validly formed or organized and in good standing in the state of its incorporation or formation and authorized to transact business in the jurisdiction in which the Land is located; that Tenant has the power and authority to enter into this Lease; and that all action required to authorize Tenant to enter into this Lease has been taken. Upon receipt of Landlord's request, Tenant will provide Landlord with evidence satisfactory to Landlord confirming all of the above representations and warranties.

(w) Joint and Several. In the event this Lease is executed by

more than one party as Tenant, the liability of all such parties shall be deemed to be joint and several for all purposes hereunder.

(x) Transfer by Landlord. In the event of any sale, transfer or other disposition of Landlord's interest in the Project, Landlord shall automatically and without any further act or instrument be released and relieved of and from any and all obligations and liabilities of Landlord occurring from and after the day of any such transfer and in such event Landlord's successor or transferee by accepting such sale, transfer or assignment shall thereby automatically assume and be liable for all obligations and liabilities of Landlord which accrue from and after such sale or transfer and Tenant agrees to look solely to such successor or transferee for the performance of any such duties and obligations and in satisfaction of all such obligations and liabilities under this Lease Agreement, notwithstanding that all pre-paid rent, pre-paid Common Area Maintenance fees and all Security Deposits are transferred to Landlord's successor or transferee.

(SIGNATURES TO FOLLOW)

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the date first above written.

LANDLORD:

WITNESS: Laing Beaumeade, Inc.,
a Georgia corporation

[signature illegible] By: [signature illegible] (SEAL)
- ---------- ----------

Its: E.V.P.

TENANT:

WITNESS: Equinix, Inc.
a Delaware corporation

[signature illegible] By: /s/ Jay S. Adelson (SEAL)
- ---------- ----------

Its: CTO

WITNESS:

[signature illegible] By: /s/ Albert M. Avery (SEAL)
- ---------- ----------

Its: CEO

EXHIBIT "A"

DESCRIPTION OF LEASED PREMISES

[Graphic of Floor Plan]

EXHIBIT "B"

LAND DESCRIPTION

[Graphic of Land]

EXHIBIT "C"
ANNUAL BASE RENT

<TABLE>
<CAPTION>

FROM	TO	RENTAL RATE	MONTHLY	ANNUALLY
<S>	<C>	<C>	<C>	<C>
Jan. 15, 1999	Jan. 31, 1999	$[*]	$[*]	$[*]
Feb. 1, 1999	Jan. 31, 2000	$[*]	$[*]	$[*]
Feb, 1, 2000	Jan. 31, 2001	$[*]	$[*]	$[*]
Feb, 1, 2001	Jan. 31, 2002	$[*]	$[*]	$[*]
Feb, 1, 2002	Jan. 31, 2003	$[*]	$[*]	$[*]
Feb, 1, 2003	Jan. 31, 2004	$[*]	$[*]	$[*]
Feb, 1, 2004	Jan. 31, 2005	$[*]	$[*]	$[*]
Feb, 1, 2005	Jan. 31, 2006	$[*]	$[*]	$[*]
Feb, 1, 2006	Jan. 31, 2007	$[*]	$[*]	$[*]
Feb, 1, 2007	Jan. 31, 2008	$[*]	$[*]	$[*]
Feb, 1, 2008	Jan. 31, 2009	$[*]	$[*]	$[*]

</TABLE>

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*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT "D"

WORK AGREEMENT

THIS WORK AGREEMENT is entered into the 18th day of November 1998 by and between Laing Beaumeade, Inc. ("Landlord") and Equinix, Inc. ("Tenant"), and attached as Exhibit "D" to that certain Lease (the "Lease") of even date herewith, by and between Landlord and Tenant. All terms used in this Exhibit "D" shall have the same meanings set forth in the Lease except as otherwise defined herein.

1. Landlord's Work. It is hereby understood and acknowledged by the parties hereto that Landlord is leasing the Leased Premises to Tenant in "as is" condition with all faults, and that Landlord has made no representations respecting the condition of the Leased Premises or the Project not expressly contained herein. Landlord shall have no obligation to perform any work in, or for the benefit of the Leased Premises except as follows:

(a) At no cost to Tenant, Landlord shall supply building standard warehouse lighting and natural gas powered, ceiling mounted building standard warehouse heaters, (the "Landlord's Work").

2. Tenant's Work. Tenant hereby agrees to provide all work and materials for the construction and/or installations of all alterations and improvements in the Leased Premises (including interior construction, interior design, telecommunications cabling and installation, and other associated finishes and fixtures) required by Tenant for the operation of Tenant's business therein (the "Tenant's Work") in accordance with (a) the final plans and working drawings approved by Landlord, (b) all of the terms and conditions for making improvements and alterations as set forth in Paragraph 13 of the Lease, (c) the terms and conditions set forth in this Exhibit "D", and (d) all applicable codes, laws and regulations. As part of the Tenant's Work, Tenant, at Tenant's sole expense, shall install and maintain such fire extinguishers and other fire protection devices as may be required from time to time by any agency having jurisdiction thereof and/or the underwriters of the insurance company(ies) insuring the Project. Tenant shall timely pay all expenses incurred by Tenant in connection with the Tenant's Work, whether such payments are due contractors, subcontractors or others.

3. Permits and Licenses. Tenant shall not commence the Tenant's Work until Tenant has delivered to Landlord a building permit approved by the applicable governmental authorities. Tenant shall be responsible for obtaining

all other necessary permits and licenses for the Tenant's Work and shall be responsible for the payment of all fees associated therewith. Tenant shall also be responsible for the performance of the Tenant's Work in accordance with all applicable Federal, state and county laws, ordinances, regulations, restrictions and codes (including, but not limited to, the Americans With Disabilities Act), and in accordance with the provisions of Paragraph 13 of the Lease.

4. Insurance.

(a) During the period commencing on the date Landlord tenders possession of the Leased Premises for construction of the Tenant's Work and continuing until the

construction of the Tenant's Work is complete. Tenant shall carry and maintain at no expense to Landlord builder's completed value "all-risk" insurance, including collapse and transit coverage.

(b) During the period commencing on the date Landlord tenders possession of the Leased Premises or construction of the Tenant's Work and continuing until the construction of the Tenant's Work is complete, Tenant shall require each contractor and subcontractor performing all or any portion of the Tenant's Work to carry and maintain or no expense to Landlord;

(i) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, Leased Premises-operations coverage, broad form property damage endorsement and independent contractor's protective liability coverage in an amount not less than Two Million Dollars ($2,000,000.00) combined single limit per occurrence provided that such coverage may be provided through an umbrella insurance policy affording comparable coverage, naming Landlord as an additional insured and other meeting the criteria set forth in Paragraph 10 of the Lease.

(ii) worker's compensation or other similar insurance in the form and amounts required by law.

(c) Certified copies of insurance policies or certificates of insurance for the foregoing coverage shall be delivered to Landlord prior to commencement of the Tenant's Work and, on renewal of such policies, not less than twenty (20) days before expiration of the term of the policy.

5. Temporary Utilities.

(a) Tenant shall pay the costs of all utilities furnished to the Leased Premises during the period Tenant is performing the Tenant's Work.

(b) Tenant, at its expense, may provide temporary telephone service to the Leased Premises during the period Tenant is performing the Tenant's Work.

6. Plans Approval; Schedule.

(a) It is agreed that Tenant will develop construction drawings and specifications for completion of the Tenant's Work to be performed in the Leased Premises. All such construction drawings and specifications are expressly subject to Landlord's written approval; however, notwithstanding any such approval by Landlord, Tenant shall be solely responsible for the content of the construction drawings and specifications (including compliance with all applicable laws, including, but not limited to, compliance with the Americans With Disabilities Act), and coordination of the construction drawings and specifications with base Project design. Tenant shall reimburse Landlord upon demand for the Landlord's reasonable out-of-pocket costs for review of Tenant's plans, drawings and specifications (including, but not limited to, the cost of review of mechanical, electrical and plumbing plans and review (if any) for compliance with applicable laws). Tenant, upon written notice from Landlord, shall immediately pay said costs to Landlord as Additional Rent under the Lease.

(i) Tenant will deliver to Landlord, for Landlord's approval, Tenant's proposed construction schedule and a complete set of Tenant's preliminary construction drawings and specifications for the entire Leased Premises prepared by Tenant's architect. Such construction drawings and specifications shall set forth, among other things:

(A) the location of equipment;

(B) the location and specification of telephone and other communication outlets;

(C) the location and specification of electrical outlets, especially those required to accommodate items such as computers and 220 volt equipment;

(D) the location of heat-producing machines, and specification of heat output (BTU/hour) and required operating conditions (maximum/minimum temperature, hours of operation);

(E) the location, manufacture, specifications and plans for any heating, air conditioning or ventilation units to be installed in the Leased Premises.

(ii) Within seven (7) days after such delivery, Landlord shall deliver to Tenant in writing its approval of such construction drawings and specifications or changes to such construction drawings and specifications that will be required to obtain Landlord's approval.

(iii) Within seven (7) days after delivery of Landlord's report containing required and/or suggested revisions to Tenant's preliminary construction drawings and specifications, Tenant shall deliver to Landlord Tenant's revised preliminary construction drawings and specifications containing the required revisions and such suggested revisions as Tenant chooses to incorporate, together with electrical and mechanical drawings prepared by a professional engineer.

(iv) Within five (5) days after such delivery, Landlord shall deliver its confirmation that all required revisions have been made (if such is the fact) and its approval of the revised preliminary plans (or if all such revisions have not been made, Landlord shall, within said 5 day period, not if Tenant of any additional revisions which are required to obtain Landlord's approval, and Tenant shall then cause such additional revisions to be made within the time period specified in (iii) above). If within said 5 day period, the Landlord's required revisions are fully incorporated into the preliminary drawings, Landlord's approval of said revised preliminary drawings shall be considered as Landlord's final approval.

(b) All construction drawings and specifications to be prepared by Tenant or on Tenant's behalf pursuant to this Exhibit "D" shall be prepared at Tenant's sole cost and expense.

(c) Landlord reserves the right from time to time to require, without the consent or approval of Tenant, that Tenant modify, amend or change the Tenant's final

construction drawings and specifications as may be necessary to comply with any applicable law or regulation of any governmental authority or insurance board.

(d) Upon completion of the Tenant's Work, Tenant shall deliver to Landlord one (1) complete Mylar film or "blue-line" set of "as-built" plans for the Tenant's Work, and a copy of the Tenant's permanent certificate of occupancy for the Leased Premises.

7. Coordination of Tenant's Work. Tenant shall, upon the execution of the Lease, designate in writing to Landlord the individual ("Tenant's Agent") having authority to approve plans and specifications on Tenant's behalf and to authorize changes or additions to work during construction. Authorization by Tenant's Agent shall be deemed to be authorization by Tenant.

8. Performance of Tenant's Work.

(a) Tenant agrees to complete at Tenant's sole cost and expense all work to the Leased Premises as shown on the Tenant's final construction plans and specifications and all other work necessary to complete the Leased Premises for Tenant's occupancy.

(b) All materials used in the performance of the Tenant's Work shall be of top quality and in new condition. All systems shall be in good working order when completed. All equipment installed shall be Underwriter's Laboratory approved and be covered by a standard manufacturers and installation warranties, and Tenant shall perform, or cause its contractor to perform, all of the Tenant's Work in a good and workmanlike manner and in compliance with all applicable codes, laws and regulations.

(c) Subject to the provisions of paragraph 4(c) herein, Tenant shall have the right to select its own contractors and subcontractors (subject to Landlord's consent over such contractors and subcontractors, which consent shall not be unreasonably withheld, conditioned or delayed) to perform any work in the Leased Premises, provided that:

(i) the contractors employed in connection with the Tenant's Work shall be licensed, bonded and reputable contractors, and shall comply with

any applicable law and reasonable work rules and regulations established by Landlord from time to time for all work in the Leased Premises (including, but not limited to those set forth herein in paragraph 10 of this Exhibit "D");

(ii) in Landlord's reasonable judgement, such work or the identities or presence of such contractors or their subcontractors will not result in delays, stoppages or other action or the threat thereof which may interfere with construction progress of or delay in completion of other work in the Building or in any other project then under construction by Landlord, or in any manner impair any guarantee or warranty from Landlord's contractor or its subcontractors, or conflict with any labor agreements applicable to the construction of the Project by Landlord; and

(iii) each such contractor and subcontractor, and the nature and extent of the work to be performed by it, shall be approved by Landlord (but such approval shall not relieve Tenant of its responsibility to comply with the applicable provisions of this Exhibit

nor constitute a waiver by Landlord of any of its rights under the Lease). Tenant shall be responsible for negotiating all fees with Tenant's permitted contractors and subcontractors, irrespective of whether Tenant employs Landlord's contractor another contractor or subcontractor.

(d) Tenant shall defend, indemnify and hold harmless Landlord and its property and asset managers and their respective agents, employees, officers and partners, harmless from and against any claim, demand, loss, damage, cost, liability, suit, or expense, whether occurring incurred or arising before or after the Lease Commencement Date, arising from or out of or in connection with, the performance of the Tenant's Work, and, without limiting the foregoing. Landlord shall have the right to offset against the Tenant Allowance (as defined below) any monies incurred, payable or paid by or on behalf of Landlord with respect to which Landlord is entitled to be indemnified, or may invoice the same as Additional Rent pursuant to the Lease and payable upon demand from Landlord.

9. Construction Rules. Tenant hereby agrees that, with respect to any all Tenant's Work, Tenant and each of Tenant's contractors, subcontractors, suppliers, laborers and others performing all or any portion of the Tenant's Work shall comply with the rules and regulations listed in Exhibit "H" attached hereto.

EXHIBIT "E"

RULES AND REGULATIONS

The following rules and regulations have been formulated for the safety and well-being of all tenants of the Building.

Landlord may waive the compliance by a tenant to any of these rules and regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized agent, (ii) any such waiver shall not relieve such tenant from the obligation to comply with such rules or regulations in the future unless expressly consented to by Landlord and (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the rules and regulations unless such other tenant has received a similar waiver in writing from the Landlord.

Landlord shall not be responsible to any tenant for the non-observance or violation of or by any other tenant of any of these rules and regulations at any time.

1. The Common Areas shall not be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Leased Premises except as provided herein. Landlord shall have the right to control and operate the Common Areas, except those areas as defined in Exhibit A of the Lease, in such manner as Landlord, in Landlord's sole discretion, deems best for the benefit of the tenants generally. No tenant shall permit the visit to the Leased Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of Common Areas.

2. No awning, antennas, or other projections shall be attached to the outside walls of the Building, except as provided herein.

3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules or other Common Areas of the Building without the prior written consent of Landlord.

4. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, chemicals, paints cleaning fluids or other substances shall be thrown or placed therein. Without limiting any of the provisions of the Lease which this Exhibit C forms a part of and the rights and remedies of Landlord thereunder, all damages resulting from any misuse of the plumbing fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors, or licensees, shall have caused the same.

5. There shall be no marking, painting, drilling into or other forms(s) of defacing of any part of the Project (exclusive of the Leased Premises) or of any part of the Leased Premises visible from the Common Areas. Tenant shall not construct, maintain, use or operate within the Leased Premises any electrical devices, wiring, or apparatus in connection with a loud speaker system or other sound systems, except as

reasonably required for its communication system and approved prior to the installation thereof by Landlord. No such loud speaker or sound system shall be constructed, maintained, used or operated outside of the Leased Premises.

6. No bicycles, vehicles, animals, birds, or pets of any kind shall be brought into or kept in or about the Leased Premises. No cooking (except for hot-plate cooking by Tenant's employees for their own consumption, the equipment for and location of which are first approved by Landlord) shall be done or permitted by Tenant on the Leased Premised. Tenant shall not cause or permit any unusual or objectionable odors to be produced upon or permeate of originate from the Leased Premises. Tenant shall be obligated to maintain sanitary conditions in any area approved by Landlord for food preparation and consumption.

7. Other than expressly permitted under the Lease, no spaced in the Building shall be used for the manufacturing of goods, merchandise, or other property, or for the sale or auction of merchandise, goods, or property of any king. The office area of the Leased Premises may be used only for office use.

8. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of the Building for neighboring buildings or premises or those having business with them whether by the use of any mechanical instrument, radio, talking machines, tape machine, unmusical noise, other sound or sound system or in any other way. No tenant shall throw anything out of the doors or windows or down the corridors or stairs. In addition, Tenant shall not permit any vibrations from the operation of Tenant's machines, fixtures, mechanical equipment or otherwise to exist to any degree or extent as to be objectionable to Landlord or any other tenant(s) in the Building.

9. No flammable, combustible, explosive, hazardous or toxic fluid, chemical or substance shall be brought into, or kept or generated upon, the Leased Premises or balance of the Project, except for materials defined by the Federal Code of Regulations for consumer products with packaging as defined under Department of Transportation Packaging Regulations CFR - 49, paragraph 171-100, except as provided herein.

10. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall and changes be made in the existing locks or mechanisms thereof, except as provided herein. The doors leading to the Common Areas shall be kept closed during business hours except as they may be used for ingress or egress. Each tenant shall, upon the termination or expiration of its tenancy, restore to the Landlord all keys of or to offices, storage, toilet rooms, or with respects to any and all other portions of the Leased Premises or Building, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to Landlord the cost thereof.

11. Tenant shall not pay any employees on the Leased Premises, except those actually working for Tenant on the Leased Premises.

12. Landlord reserves the right to exclude from the Building at all times any person who is not known or does not properly identify himself to any Building management, security guard on duty, or security system monitor. Each tenant shall be responsible for all persons for whom he authorizes entry into or exit out of the Building, and shall be liable to Landlord for all acts or omissions of such persons.

13. The Leased Premises shall not, at any time, be used for lodging or sleeping or any immoral or illegal purpose.

14. Tenant, before closing and leaving the Leased Premises at any time, shall see that all windows are closed and all lights are turned off.

15. Landlord's employees shall not perform any work or do anything outside of their regular duties, unless under special instruction from the

management of the Building. The requirements of tenants will be attended to only upon application to Landlord and any such special requirements shall be billed to the applicable tenant (and paid with the next installation of Base Rent) at the schedule of charges maintained by Landlord from time to time or at such charge as is agreed upon in advance by Landlord and such tenant.

16. Canvassing, soliciting, and peddling in the Building are prohibited and each tenant shall cooperate to prevent the same.

17. There shall not be used in any space or in the public halls of the Building, either by any tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks except those equipped with rubber tires and side guards, and each tenant shall be responsible to Landlord for any loss or damage result from any deliveries of such tenant to the Building. All material handling equipment used on the concrete warehouse floor shall have rubber tires.

18. Mats, trash, or other objects shall not be placed in the Common Areas. All trash shall be disposed of in a manner acceptable to Landlord.

19. No sign, advertisement, notice, or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside or inside of the Building, or on any other portion of the Project, without the prior written consent of the Landlord and the Beaumeade Owners Association Architectural Review Committee. In the event of the violation of the foregoing by any tenant, Landlord may charge the expense incurred by such removal to the tenant responsible for such violation.

20. INTENTIONALLY DELETED.

21. Tenant acknowledges and agrees that all company, non-company, customer, contractor, and vendor trucks including but not limited to tractors trailers, wheeled containers of any type, tractor cabs, cube and straight bed trucks shall park only at the rear of, immediately adjacent to and in alignment with the Tenant's Leased Premises. Such parking shall not infringe upon neighboring tenant's dock and loading areas. All parked vehicles shall be removed from the truck court no less than every ten

(10) days. In no event and at no time whatsoever shall Tenant's un-used vehicles remain parked in the truck court, parking lots, or adjacent to the Building in excess of ten (10) days. All non-wheeled containers, regardless of size, shall be stored inside the Leased Premises. Tenant acknowledges and agrees that parking in the front of Building shall be in common with other tenants and shall be used only for employee, visitor and customer automobiles, pick-up trucks, passenger vans, and motorcycles. In no event and at no time whatsoever shall Tenant's parking of vehicles encroach upon the Project's Fire Lane(s). In no event and at no time whatsoever shall Tenant's parking of vehicles include boats, recreational vehicles, aircraft, trailers, cranes, campers, tents, or any other vehicle or storage device which is not approved in writing, in advance by Landlord.

EXHIBIT "F"
SPECIAL STIPULATIONS

1. RENEWAL OPTION

A. Tenant shall have the right to renew this Lease for three (3) additional terms of five (5) years each commencing on February 1, 2010, February 1, 2015 and February 1, 2020 (hereinafter referred to as the "Renewal Lease Term"). Said right to renewal shall be subject, however, to the following conditions precedent:

1. Tenant shall give Landlord written notice of its exercise of each such renewal option at least one hundred eighty (180) days prior to the expiration of the Term and each Renewal Lease Term: and

2. Tenant shall not be in material default in performance of or with respect to any of the terms, covenants, and conditions of the Lease.

B. All of the terms, covenants and conditions of this Lease shall continue in full force and effect during each Renewal Lease Term, except that Annual Base Rent shall be adjusted at the commencement of each Renewal Lease Term to the greater of the then prevailing market rate for renewing tenants in similar buildings in Ashburn, Virginia as defined by independent, third party industrial/warehouse real estate broker licensed and in good standing in the Commonwealth of Virginia or 103% of the base rental for the month prior to the expiration of the term or the expiration of the Renewal Lease Term.

2. ENVIRONMENTAL MATTERS

A. Tenant covenants that it will not cause or permit, knowingly, and Hazardous Wastes to be brought upon, disposed on or stored in or on the Premises or any Hazardous Material to be released in, on or about the Premises and that it will comply with any and all applicable laws, ordinance, rules regulations and requirements respecting the presence, use or release of Hazardous Materials in, on or about the Premises, unless otherwise set forth herein.

B. Tenant covenants that it will immediately notify Landlord, in writing, of any existing, pending or threatened (a) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws; (b) third party claims; (c) regulatory actions: and/or (d) contamination of the Premises.

C. Tenant shall, at Tenant's expense, investigate, monitor, re-mediate, and/or clean up any Hazardous Material, Hazardous Waste, or other environmental condition on, about, or under the Premises required as a

result of Tenant's use of Hazardous Material or occupancy of the Premises.

D. Tenant covenants that it shall keep the Premises free of any lien imposed pursuant to any Environmental Laws.

E. Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgements, damages, penalties, fines, costs (including without limitation, actual and reasonable attorney's fees and court costs), liabilities or losses (collectively, the "Tenant Indemnified Claims") resulting from (i) the presence of Hazardous Wastes in or about the Premises (other than Hazardous Wastes present as of the date of this Lease which are covered by Landlord's indemnity in subparagraph (F) below) or the release of Hazardous Materials in, on or about the Premises on or after the date of this Lease, except to the extent that the Tenant Indemnified Claims are caused by Landlord, its agents, employees or contractors, and (ii) any Hazardous Waste placed or any Hazardous Substances released elsewhere in Laing at Beaumeade by Tenant, its agents, invitees, employees and contractors.

F. Landlord shall indemnify, defined and hold Tenant harmless from and against any and all claims, judgments, damages, penalties, fines, costs (including without limitation, actual and reasonable attorney's fees and court costs), liabilities or losses (collectively, the "Landlord Indemnified Claims") resulting from the presence of Hazardous Wastes in or on the Premises as of the date of this Lease or the release of Hazardous Materials in or on the Premises as of the date of this Lease or the release of Hazardous Materials in or on the Premises prior to the date of this Lease, except to the extent that the Landlord Indemnified Claims are caused by Tenant, its agents, employees, invitees or contractors.

G. The provisions of this Special Stipulation "3" shall survive the expiration or termination of this Lease.

H. Landlord represents that, to the knowledge of this individual(s) executing this Lease on behalf of Landlord, no "Hazardous Waste", as said term defined in the Resource Conversation and Response Act, as amended 42 U.S.C. (S)6901 et. seq. ("RCRA"), has been brought upon, disposed or stored in or on the premises, and no hazardous material as hereinafter defined has been released in or on the Premises.

I. For the purpose of this Lease, the term "Hazardous Material", is defined to include those matters described in the Environmental Response Compensation and Liability Act, as amended, 42 U.S.C. (S)6901 et. seq. (CERCLA"). As used herein the term "Hazardous Materials" shall also mean (1) asbestos, or any substance containing asbestos; (2)

polychlorinated biphenyls; (3) lead; (4) radon; (5) pesticides; (6) petroleum or any other substances containing hydrocarbons; (7) any substance which, when on the Premises, is prohibited by any Environmental Laws; and (8) any other substance, material or waste which, (i) by any Environmental Laws requires special handling or notification of any governmental authority in its collection, storage, treatment, or disposal or (ii) is defined or classified as hazardous, dangerous or toxic pursuant to any legal requirement.

J. For purposes of this Lease, Environmental Laws shall mean; any and all federal, state and local laws, statues, codes, ordinances, regulations, rules or other requirements to human health or safety or the environment, including, but not limited to, those applicable to the storage, treatment, disposal, handling and release of any Hazardous Waste or Hazardous Materials, all as amended or modified from time to time.

3. LANDLORD'S CONSTRUCTION CRITERIA. Tenant is granted the right to select and authorize a general contractor, (hereinafter referred to as "Tenant's Contractor") to construct any improvements to the Premises, subject to the provisions contained in Exhibit "H" (hereinafter referred to as "Construction Criteria"), attached hereto and hereby incorporated herein. All costs associated with any contemplated improvements to Premises by Tenant shall be the sole responsibility of Tenant.

4. RIGHT OF FIRST OFFER. During the Term of the Lease and each Renewal Lease Term, the Tenant shall have a one time right of first offer to lease contiguous space (hereinafter referred to as the "Expansion Premises", illustrated in Attachment "A", attached hereto and hereby incorporated herein) prior to the Expansion Premises being leased to a third party, on the same terms and conditions then in effect under the Lease, expect as follows:

(d) the term of the Expansion Premises shall be for a minimum of thirty six (36) months. In the event Tenant elects to exercise the right of first offer, the lease term for the Leased Premises shall be extended so as to expire co-terminus with the Expansion Premises space.

(e) the rent for the Expansion Premises shall be equal to the annual cost per square foot currently in effect for the Leased Premises at the date of occupancy and shall adjust annually as stated in Exhibit "C" of the Lease and Paragraph One above.

(f) the Expansion Premises shall be leased in "as is" condition.

(g) Tenant shall pay One Hundred Percent (100%) of all costs incurred with preparing the Expansion Premises for Tenant's occupancy.

Landlord shall notify Tenant when the Expansion Premises are available to be leased. Tenant shall then have ten (10) days in which to notify Landlord in writing exercising Tenant's right to lease the Expansion Premises on the terms described above. If Tenant exercises the right to lease the Expansion Premises, said lease shall commence the earlier of ninety (90) days after Tenant's notice exercising the right, or the date the Expansion Premises is available for lease. After Tenant validly exercises the right of first offer provided herein, the parties shall execute a lease expansion agreement for the Expansion Premises using the Landlord's standard document.

The foregoing right of first offer shall apply only with respect to the Expansion Premises and may not be exercised with respect to any other space. If Tenant shall fall to exercise such right of first offer after notice by Landlord as provided herein, Landlord may freely lease the Expansion Premises and the foregoing right of first offer shall be of no further force or effect. In the event Landlord falls to lease the Expansion Premises to a third party within one hundred eighty (180) days from receipt of Tenant's notice to not exercise its right of first offer, Tenant's right of first offer shall be re-instated based on the same terms and conditions as previously agreed to. The foregoing right of first offer shall be subject and subordinate to any other rights of tenants to lease the Expansion Premises, if such rights have already been granted prior to the date of this Lease.

If Tenant shall exercise the right of first offer granted herein, Landlord does not guarantee that the Expansion Premises will be available on the commencement date for the lease thereof for any reason beyond Landlord's reasonable control. In such event, Rent with respect to the Expansion Premises shall be abated until Landlord legally delivers the same to Tenant, as Tenant's sole recourse.

Tenant's exercise of such right of first offer shall not operate to cure any default by Tenant of any of the terms or provisions in the Lease, nor to extinguish or impair any rights or remedies of Landlord arising by virtue of such default. The right of first offer shall, at Landlord's election, be null and void, if Tenant is in default under the lease on the date the Tenant exercises its rights hereunder or at anytime thereafter, and prior to the commencement of the Lease for the Expansion Premises. If the Lease or Tenant's right to possession of the Premises shall terminate in any manner whatsoever before Tenant shall exercise the right herein provided, or if Tenant shall have subleased the Premises, then immediately upon such termination or sublease, the right of first offer herein granted shall simultaneously terminate and become null and void. Such right is personal to Tenant. Under no circumstances whatsoever shall the subtenant under a sublease of the Premises have any right to exercise the right of first offer granted herein unless such subtenant is a wholly owned subsidiary of Tenant. Tenant agrees that time in giving notices hereunder is of the essence of this provision.

5. RIGHT OF FIRST OFFER TO LEASE SPACE IN FUTURE BUILDING. Provided the Lease is not in default and Landlord elects to develop, construct and lease to the general public a fifth building immediately adjacent to [*], Ashburn, Virginia, Tenant shall have a one time right of first offer to lease 10,000 or more square feet in the proposed building (hereinafter referred to as the

"Future Premises", illustrated in Attachment "B", attached hereto and hereby incorporated herein) prior to the building being offered to lease to the general public on the same terms and conditions then in effect under the Lease, except as follows:

(a) the term of the Lease for the Future Premises shall be for a minimum of sixty (60) months. In the event Tenant elects to exercise the right of first offer, the lease term for the Leased Premises shall be extended so as to expire co-terminus with the Expansion Premises space. In the event the Tenant elects to exercise the right of first offer to lease the entire Future Premises, the lease term for the Leased premises shall be terminated so as to expire with Tenant's occupancy of the Future Premises.

(b) the rent for the Future Premises shall be equal to the annual cost per square foot currently in effect for like warehouse buildings in the Ashburn, Virginia sub-market at the date of occupancy and shall adjust annually.

(c) the Future Premises shall be leased in "as is" condition.

(d) Tenant shall pay One Hundred Percent (100%) of all costs incurred with preparing the Future Premises for Tenant's occupancy.

Landlord shall notify Tenant seven (7) months in advance of when the Future Premises are available to be leased. Tenant shall then have thirty (30) days in which to notify Landlord in writing exercising Tenant's right to lease the Future Premises on the terms described above. If Tenant exercises the right to lease the Future Premises, said lease shall commence on the date the Future Premises is available for lease. After Tenant validly exercises the right of first offer provided herein, the parties shall execute a lease agreement for the Future Premises. After Tenant validly exercised the right of first offer provided herein, Tenant shall have the option to participate in the design, planning, and construction of the portion of the Future Premises which Tenant leases in order to prepare the leased premises for installation of Tenant's equipment. Under no circumstances whatsoever shall Tenant's participation interfere with Landlord's ability to design, plan and construct the Future Premises for lease to the general public.

The foregoing right of first offer shall apply only with respect to the Future Premises and may not be exercised with respect to any other space. If Tenant shall fail to exercise such right of first offer after notice by Landlord as provided herein, Landlord may freely lease the Future Premises and the foregoing right of first offer shall be of no further force or affect. The foregoing right of first offer shall be subject and subordinate to any other rights of tenants to lease the Future Premises, if such rights have already been granted prior to the date of this Lease.

If Tenant shall exercise the right of first offer granted herein, Landlord does not guarantee that the Future Premises will be available on the commencement date for the lease thereof for any reason beyond Landlord's reasonable control. In such event, Rent

with respect to the Future Premises shall be abated until Landlord legally delivers the same to Tenant, as Tenant's sole recourse.

Tenant's exercise of such right of first offer shall not operate to cure any default by Tenant of any of the terms or provisions in the Lease, nor to extinguish or impair any rights or remedies of Landlord arising by virtue of such default. The right of first offer shall, at Landlord's election, be null and void, if Tenant is in default under the lease on the date the Tenant exercises its rights hereunder or at any time thereafter, and prior to the commencement of the Lease for the Future Premises. If the Lease or Tenant's right to possession of the Leased Premises shall terminate in any manner whatsoever before Tenant shall exercised the right herein provided, or if Tenant shall have subleased the Leased Premises, then immediately upon such termination or sublease, the right of first offer herein granted shall simultaneously terminate and become null and void. Such right is personal to Tenant. Under no circumstances whatsoever shall the subtenant under a sublease of the Leased Premises have any right to exercise the right of first offer granted herein. Tenant agrees that time in giving notices hereunder is of the essence of this provision.

EXHIBIT "G"

ROOF LICENSE AGREEMENT

THIS AGREEMENT made as of this 18/th/ day of November, 1998 between
Laing Beaumeade, Inc. ("Licensor") and Equinix, Inc. ("Licensee"), having an

address at [*], Suite C, Ashburn, Virginia 20147.

1. Premises and Duration. Licensor hereby grants to Licensee a license, subject to the terms and conditions herein set forth, to use certain premises shown on the drawing attached hereto as Exhibit A ("Roof Premises") located on the roof ("Roof") of the building known as Laing at Beaumeade ("Building") located at [*], Ashburn, Virginia 20147 for the purposes described in paragraph 4. below. The term of the license (the "Term") shall commence on [*] ("Commencement Date") and terminate on January 31, 2009 ("Termination Date") unless terminated prior thereto as hereinafter provided.

2. Rent. On or before the first day of each month of the Term, Licensee shall pay Licensor Base Rent in the amount of [*] Dollars ($[*]). Base Rent shall be prorated for any partial month at the rate of 1/30/th/ of the monthly amount. Base Rent shall be subject to Base Rent Escalations, as described in Paragraph 5. In addition to Base Rent, Licensee shall pay for electricity consumed in the Roof Premises, as described in Paragraph 22.

3. Security Deposit. Upon its execution of this Agreement, Licensee shall pay the amount of [*] Dollars $[*] ("Security Deposit") to Licensor.

4. Use. Licensee shall use the Roof Premises for the installation, maintenance, use and removal of the following items (the "Items"): any and all antenna, transmit and/or receiving equipment, cabling and appurtenances as necessary to utilize roof space for Licensee's intended use, and for no other purpose. Licensee shall not use the Roof Premises or the Items so as to interfere in any way with the ability of other occupants of the Building or occupants of other buildings to receive radio, television, telephone, short-wave, long-wave or other signals of any sort, nor so as to interfere with the use by Licensor or such occupants of electric, electronic or other facilities, equipment, appliances, personal property and fixtures, nor so as to interfere in any way with the use of any antennae, satellite dishes or other electronic or electric equipment or facilities

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*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

currently or hereafter located on the Roof or any other floor or area of the Building or other buildings. Licensee shall not use the Premises in any way so as to increase Licensor's insurance payments, and at Licensor's option shall pay such increases. The location of the Items within the Premises shall be subject to Landlord's advance written approval.

5. Indemnity and Insurance. Licensee shall indemnify, defend and save harmless Licensor and its partners, trustees, beneficiaries, directors, officers, employees, affiliates and agents ("Indemnitees") from and against any and all claims and/or liability resulting from any act or omission of Licensee and/or Licensee's installation (including without limitation, damage cause by over stress), use, maintenance or removal of the items or use of the Roof Premises or Building. It is understood and agreed that all items kept, stored or maintained on the Roof Premises shall be so kept, stored or maintained at the sole risk of Licensee. Licensee shall notify its insurance carriers of this License Agreement and shall obtain any additional coverage or increase its policy limits as necessary to fully cover any loss relating to the Items, or Licensee's installation, use, maintenance or removal of the Items, or use of the Roof Premises. Licensee hereby waives all rights of subrogation of its insurers with respect to claims against the Indemnitees. Tenant shall maintain comprehensive general liability insurance with at least $2,000,000 combined single limit per occurrence, with the Indemnitees as additional insureds, workers compensation coverage in statutory amounts, and employer's liability insurance of at

least $500,000 per occurrence.

6. Access to Premises. Licensor shall permit Licensee reasonable access to the Roof Premises for the purposes permitted hereunder, during normal business hours at the Building upon reasonable advance notice and scheduling through Licensor's management and security personnel. Access after normal business hours may be granted by Licensor in its sole discretion and for such reasonable charges as Licensor shall impose. Licensor reserves the right to enter the Roof Premises, without notice, at any time for the purpose of inspecting the same, or of making repairs, additions, or alterations to the Building, and to exhibit the Roof Premises to prospective tenants, purchasers, or others, or for any other reason not inconsistent with Licensee's right hereunder. In connection with exercising such rights, Licensor may, if reasonably necessary temporarily disconnect and/or move the Items without liability to Licensee. The exercise by Licensor of any of its rights under this Paragraph shall not be deemed an eviction or disturbance of Licensee's use of the Roof Premises.

7. Installation, Use, Alterations and Removal. Licensee shall not install the Items, or thereafter make any alterations, additions or improvements to the Roof Premises or the Items without Licensor's prior written consent. Licensee acknowledges that it has inspected the Roof Premises and agrees to accept the same "as is". Licensor shall approve or reject the proposed installation of the Items within a reasonable time after Licensee submits (1) plans and specifications for the installation of the Items, (2) copies of all required governmental and quasi-governmental permits, licenses, and authorizations which Licensee will obtain at its own expense, and (3) a certificate of insurance evidencing the coverage required herein. Licensor may withhold approval if the installation or operation of the Items may damage the structural integrity of the Building, interfere with any service provided by Licensor or any occupant, reduce the amount of leasable space in the Building, detract from the appearance of the Building, or for any other reasonable ground. Licensor may require that any installation or other work be done under the supervision of Licensor'' employees or agents, and in a manner so as to avoid damage to the Building. Upon termination of this Agreement, by expiration or otherwise, Licensee shall disconnect and remove the Items and fully repair and restore the Roof Premises to the same or a better condition that prior to this Agreement, ordinary wear and tear, and damage from fire or other casualty not the fault of Licensee excepted. Licensee shall promptly and properly repair during the Term and upon termination of this Agreement any roof leaks or other damage or injury to the Roof, the Building or the Roof Premises caused by Licensee's use of the Roof Premises or its installation, use, maintenance or removal of the Items. If Licensee does not immediately repair any such leaks, damage or injury or does not remove the Items when so required, Licensee hereby authorizes Licensor to make such repairs or remove and dispose of the Items and charge Licensee for all costs and expenses incurred in doing so. Licensor shall not be liable for any property so disposed of or removed by Licensor.

8. Assignment and Sublicensing. Licensee shall not, by operation of law or otherwise, assign or otherwise transfer or encumber this License or the rights granted hereunder, or sublicense the whole or any part of the Roof Premises. Licensee may not let any other party tie into or use the Items or the Roof Premises, and Licensee may not transmit or distribute signals through the Items to any parties not affiliated with Licensee. Any such transfer without Licensor's consent shall at Licensor's option be null, void and of no effect. If Licensee desires to assign or sublicense, Licensor may consent to the same in its absolute discretion and upon such terms and conditions as Licensor may impose. In the alternative,

Licensor may elect to terminate this Agreement, by written notice to Licensee within thirty (30) days after receiving Licensee's request for approval. Notwithstanding anything to the contrary in this Paragraph 8, Licensee may, without Landlord's prior consent and without Landlord's participation in any proceeds, sublet the Roof Premises or assign the license agreement to: (i) a subsidiary, affiliate, division or corporation controlling, controlled by or under common control with Licensee; (ii) a successor corporation related to Licensee, by merger, consolidation, non bankruptcy reorganization, or governmental action; or (iii) a purchaser of substantially all of Licensee's assets located in the Roof Premises. For the purpose of this License Agreement, sale of Licensee's capital stock through any public exchange shall not be deemed an assignment, subletting or any other transfer of the License Agreement or the Roof Premises.

9. License. The interest herein created is a license and no leasehold or tenancy is intended to be or shall be created hereby. Licensor, at its sole option may require Licensee to terminate operation of the Items, if Licensee or the Items is causing physical damage to the Building, if Licensee or the Items is disturbing or annoying any other occupant of the Building, or if Licensee defaults in any other way under this Agreement.

10. Entire and Binding Agreement. This Agreement contains all of the agreements between the parties relating to the Roof Premises and Items, and may not be modified in any manner other than by agreement, in writing, signed by both parties. The terms, covenants and conditions contained herein shall inure to the benefit of and be binding upon Licensor, Licensee and their successors and assigns, except as provided herein.

11. Heavy Objects. Licensee shall not bring into or install in the Roof Premises any objects, including the Items contemplated hereunder, the weight of which, singularly or in the aggregate, would exceed the maximum safe load per square foot of the Roof Premises. Licensee shall engage and cause a licensed and qualified engineer to certify the same to Licensor before Licensee shall install, affix or place the Items upon the Roof Premises.

12. Applicable Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia.

13. Execution and Delivery. The submission of this Agreement for examination or execution does not constitute an offer or reservation of any option for the Roof Premises, and this

Agreement shall become effective only upon execution and delivery thereof by both parties.

14. Defaults. In addition to any other specified herein, it shall be a default hereunder if Licensee vacates or abandons the Items or the Roof Premises for more than ten (10) consecutive days. In the event of any default which is not cured within five (5) days after written notice by Licensor, Licensor shall have the right to terminate this Agreement and recover the possession of the Roof Premises through peaceful self-help, forcible detainer proceedings or any other lawful means, and to recover all damages and losses sustained as a result of such default and termination of this Agreement, including without limitation loss of Rent that would otherwise be received hereunder. In the event of default, Licensor shall also have the right to discontinue providing electricity to the Roof Premises. In the event of any litigation between the parties, the prevailing party shall be entitled to receive its reasonable attorney's fees and costs as part of the judgment.

15. Recording. Licensee shall not record this Agreement.

16. Lease. Any default under this Agreement shall be a default under the Lease, and any default under the Lease shall be a default under this Agreement.

EXHIBIT A TO EXHIBIT G, ROOF LICENSE AGREEMENT OF LEASE DATED NOVEMBER 18, 1998 BETWEEN LAING BEAUMEADE, INC. AND EQUINIX, INC. SHOWING ROOF AREA CROSS HATCHED

[Graphic of Roof Area]

EXHIBIT "H"

CONSTRUCTION CRITERIA

I. REQUIREMENTS FOR TENANT PERFORMANCE OF TENANT CONSTRUCTION

1. Proposed plans/scope of work shall be submitted to Landlord for review and approval prior to commencement of work.

2. Tenant's selection of Contractors shall meet Landlord's approval criteria.

3. Tenant's Contractors shall comply with Landlord's rules for working on the property.

4. At completion of work, Tenant shall furnish Landlord with the following:

a) lien waivers, in a form satisfactory to Landlord, certifying that Contractors have been paid in full for work completed.

b) a copy of the "Occupancy Permit" from Loudoun County, Virginia.

II. APPROVAL CRITERIA FOR TENANT CONTRACTORS

1. Must have been in business a minimum of three (3) years operating under the same name.

2. Must have a substantial history of successful Tenant work.

3. Must have a history of performance of Tenant work quality equal to that proposed for the building.

4. Must have a good credit history and be financially sound.

5. Must meet Landlord's insurance requirements and supply Landlord with appropriate Certificates of Insurance.

6. Tenant's Contractor must comply with the rules for operating on the property.

III. CONTRACTOR'S INSURANCE REQUIREMENTS

1. Prior to execution of contract agreements and commencing of work, all Tenant Contractors shall provide to Landlord a Certificate of Insurance indicating the following coverage and limits, and providing for a Thirty (30) Day Notice of Cancellation to Landlord of the stated policies or changes to coverage or limits.

2. Minimum Required Coverage and Limits:

A. Comprehensive General Liability

Minimum $500,000 combined single limit. (B.1. and P.D. combined).

B. Comprehensive Automobile Liability

Minimum $500,000 combined single limit.

C. Umbrella Liability

Minimum $1,000,000 combined single limit.

D. Worker's Compensation

Statutory for the Commonwealth of Virginia and domicile of the Subcontractor.

E. Employer's Liability

$100,000

III. Public Liability Insurance shall be provided on the basis described below:

A. Comprehensive Automobile Liability Insurance
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1. All owned or licensed vehicles.

2. All hired vehicles.

B. Comprehensive General Automobile Liability Insurance
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1. Premises - Operations Liability

2. Independent Contractor's Protective Liability

3. Products and Completed Operations Liability

4. Personal Injury Coverage (employee exclusion eliminated)

5. "X, C, and U" Hazards

6. Broad Form Property Damage

7. Contractual Insurance

IV. SPECIAL CONDITIONS - LOW-RISE BUILDINGS

1. Clean-up of construction areas is to be performed on a daily basis. Public areas are to be kept clean at all times. Outside areas are to be kept clean at all times including the sweeping and hosing down of asphalt and walkways after deliveries.

2. Construction work of a loud nature, such as concrete coring or hammer drilling, is strictly prohibited during the weekday hours of 8:00 a.m. to 6:00 p.m. Screw guns are not to be used on demising walls during these hours as well.

3. Any welding and/or use of cutting torches shall be performed in strict adherence of OSHA Standards. This work shall only be performed in the presence of a Tenant Construction Management representative or Tenant's General Contractor Site Supervisor. A fire extinguisher shall be readily accessible in case of fire. Fireproof blankets are to be placed over combustibles in the area.

4. All construction employees are to park away from buildings so as not to interfere with tenant parking. No parking in visitors, maintenance, or handicapped spaces will be permitted.

5. If construction workers use utility sinks for clean-up, they are to clean the sink after usage. Use of toilet vanities for cleaning tools is prohibited. Do not use the utility sinks for the disposal of paint or sheet rock mud. Parking lot catch basins are not to be used for disposal of any cementatious waste, paint, sheet rock mud, etc.

6. No dumping of any kind is permitted on the development grounds.

7. Do not leave drink cans, bottles, etc sitting in the window sills. Put them in trash containers.

8. Raise blinds in the construction areas prior to commencement of work. Return to down position and clean upon completion.

9. Construction workers are to be fully clothed at all times.

10. No blaring radios are allowed. Definition of blaring shall be determined by the Tenant Coordinator and/or the Property Manager.

11. Contractor shall furnish his own cleaning equipment and supplies.

12. No equipment or materials shall be left sitting in public areas.

13. Tenant Coordinating Contractor shall furnish a portable toilet for the use of tenant construction personnel. Personnel are not to use the toilets of existing tenants.

14. Tenant construction personnel are prohibited from using the phones of existing tenants.

15. Tenant construction personnel are to use rear doors of suite being constructed and under no circumstances is the front door to be used. Front door is to be kept locked at all times.

16. When demolition of an existing space occurs, the electrical contractor is responsible for removing all old phone lines and equipment. Care is to be taken to avoid removing lines for other tenants that may be in use. This cost is to be included in the contractor's bids.

17. Utility Interruption Procedures

    Contractor or Subcontractor, its employees, and assigns shall NOT
    ---
    disrupt any building or tenant utility, including but not limited to electrical, water, gas, telephone, sewer and elevator service, during the hours of 7:30 a.m. and 5:30 p.m. without the prior written approval of Laing Properties, Inc. Additionally, Contractor or Subcontractor must give Laing Properties, Inc. twenty-four (24) hours verbal notice of any building or tenant utility disruption to occur between the hour of 5:30 p.m. and 7:30 a.m.

18. Site Excavation Procedures

    Any Contractor or Subcontractor planning to perform excavation work on a Laing Properties project MUST arrange to have all utilities located by the appropriate agency as well as arranging with Laing Properties to locate Laing's underground structures, including but not limited to irrigation, communication and power lines, prior to starting excavation. Written authorization just be obtained from Laing Properties after all subsurface structures are located and prior to starting excavation.

19. Liquidated Damage Clause - Utilities and Site Excavation

In consideration of the fact that actual damage for utility interruptions is difficult to estimate or compute, Contractor and Subcontractor agrees that a $500,000 per occurrence liquidated damage will be assessed against Contractor or Subcontractor for failure to give proper notice or obtain authorization and/or an $1,000.00 per occurrence liquidated damage will be assessed against Contractor or Subcontractor for an unauthorized interruption of utility service.

EXHIBIT "I"

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, _____ among _____ a national banking association chartered pursuant to the laws of the United States of America (hereinafter referred to as "Lender"), EQUINIX, INC., a California corporation (hereinafter referred to as "Tenant"), and LAING BEAUMEADE, INC., a Georgia corporation, (hereinafter referred to as the "Landlord").

WITNESSETH

WHEREAS, Landlord and Tenant have entered into a certain lease (hereinafter referred to as the "Lease") executed as of November 18, 1998 relating to a portion of the premises (the "Demised Premises") described in Exhibit A attached hereto and by this reference made a part hereof (hereinafter referred to as the "Premises"); and

WHEREAS, Lender has made or has committed to make a loan to Landlord in the principal amount of $_____ secured by a deed of trust (hereinafter referred to as the "Mortgage"), including an assignment of leases and rents from Landlord to Lender, covering the Premises; and

WHEREAS, Tenant has agreed that the Lease shall be subject and subordinate to the Mortgage held by Lender, provided Tenant is assured of continued occupancy of the Demised Premises under the terms of the Lease;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the sums of Ten Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary it is hereby agreed as follows.

1. Lender, Tenant and Landlord do hereby covenant and agree that the Lease with all rights opinions, liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the Mortgage and to any renewals, modifications, consolidations, replacements and extensions thereof and to all advancements made thereunder.

2. Lender does hereby agree with Tenant that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu foreclosure or otherwise, so long as Tenant complies with and performs its obligations under the Lease, (a) Lender will take no action which will interfere with or disturb Tenant's possession or use of the Demise Premises or other rights under the Lease, and (b) the Demised Premises shall be subject to the Lease and Lender shall recognize Tenant as the tenant of the Demised Premises for the remainder of the term of the Lease in accordance with the provisions thereof, provided, however, that Lender shall not be subject to any offsets or defenses which Tenant might have against

any prior landlord except those which arose under the provisions of the Lease out of such landlord's default and accrued after Tenant had notified Lender and given Lender the opportunity to cure same as hereinbelow provided, nor shall Lender be liable for any act or omission of any prior landlord, nor shall Lender be bound by any rent or additional rent which Tenant might have paid for more than the modification of the Lease made without its consent.

3. Tenant does hereby agree with Lender that in the event Lender becomes the owner of the premises by foreclosure, conveyance in lieu of foreclosure or otherwise, then Tenant shall attorn to and recognize Lender as the landlord under the Lease for the remainder of the term thereof; and Tenant shall perform and observe its obligations thereunder, subject only to the terms and conditions of the Lease. Tenant further covenants and agrees to execute and deliver upon request of Lender or its assigns, an appropriate agreement of attornment to Lender and any subsequent titleholder of the Premises.

4. So long as the Mortgage remains outstanding and unsatisfied, Tenant will

mail or deliver to Lender, at the address and in the manner hereinbelow provided, a copy of all notices permitted or required to be given to the landlord by Tenant under and pursuant to the terms and provisions of the Lease. At any time before the rights of the landlord shall have been forfeited or adversely affected because of any default of the landlord, or within the time permitted the landlord for curing any default under the Lease as therein provided (but not less than sixty (60) days from the receipt of notice), Lender may, but shall have no obligation to, pay any taxes and assessments, make any repairs and improvements, make any deposits or do any other act or thing required of the landlord by the terms of the Lease; and all payments so made and all things so done and performed by Lender shall be as effective to prevent the rights of the landlord from being forfeited or adversely affected because of any default under the Lease as the same would have been if done and performed by the landlord.

5. Tenant acknowledges that Landlord will execute and deliver to Lender an assignment of the Lease as security for said loan, and Tenant hereby expressly consents to such assignment.

6. Landlord and Tenant hereby certify to Lender that the Lease has been duly executed by Landlord and Tenant and is in full force and effect, that the Lease and any modifications and amendments specified herein are a complete statement of the agreement between Landlord and Tenant with respect to the leasing of the Demised Premises, and the Lease has not been modified or amended except as specified herein; that to the knowledge of Landlord and Tenant, no party to the Lease is in default thereunder; that no rent wider to the Lease has been paid more than thirty (30) days in advance of its due date; and that Tenant, as of this date, has no charge, lien or claim of offset under the Lease, or otherwise, against the rents or other charges due or to become due thereunder.

7. Unless and except as otherwise specifically provided herein, any and all notices, elections, approvals, consents, demands, requests and responses thereto ("Communications") permitted or required to be given under this Agreement shall be in writing, signed by or on behalf of the party giving the same, and shall be deemed to have been properly given and shall be effective upon the earlier of receipt thereof or deposit thereof in the United States mail, postage prepaid, certified with return receipt requested, to the other party at the address of such other party set forth hereinbelow or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any Communication must be given shall commence on the date of receipt thereof, and provided further that no notice of change of address shall be effective with respect to Communications sent prior to the time of receipt thereof. Receipt of Communications hereunder shall occur upon actual delivery whether by mail, telecopy transmission, messenger, courier service, or otherwise, to an individual party or to an officer or general or limited partner of a party or to any agent or employee of such party at the address of such party set forth hereinbelow, subject to change as provided hereinabove. An attempt delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the Lender in accordance with this provision prior to the sending of the Communication shall also be deemed to be and constitute receipt. Any Communication, if given to Lender, must be addressed as follows, subject to change as provided hereinabove and, if given to Tenant, must be addressed as follows, subject to change as provided hereinabove:

EQUINIX, INC.
[*], Suite C
Ashburn, Virginia 20147
Attention: Branch Manager

and, if given to landlord, shall be addressed as follows:

Laing Beaumeade, Inc.
5901 B Peachtree Dunwoody Road, Suite 555
Atlanta, Georgia 30328
Attention: Robert K. Stubbs, Esq.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-title and assigns. When used herein, the term "landlord" refers to Landlord and to any successor to the interest of Landlord under the Lease.

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*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal of the date first above written.

LENDER:

By: _____

Title: _____

[BANK SEAL]

TENANT: EQUINIX, INC.,
a California corporation

By: _____

Title: _____

Attest: _____

Title: _____

LANDLORD: LAING BEAUMEADE, INC.,
a Georgia corporation

By: _____

Title: _____

Attest: _____

Title: _____

EXHIBIT "J"

LANDLORD'S APPROVED GENERAL CONTRACTOR LIST

1. Fox Seko, 485 Spring Park Place, Herndon, Virginia 22071; telephone 703/904-2700; contract Jeff Roberts

2. Fisher and Stracban, 11820 Coakley Circle, Rockville, Maryland 20852; telephone 301/881-6797; contact Richard Strachan

3. J. R. Austin Co., 4981 Montgomery Lane, Bethesda, Maryland 20814; telephone 301/657-7600; contact Scott Austin

4. Kfoury Construction Group, 11307 Sunset Hills Road, Reston, Virginia 22090; telephone 703/736-100; contact Jeff Martello

5. The Leapley Company, 1724 Kalorama Road, N.W., Washington, D.C. 20009; telephone 202/483-1800; contact Dennis Leapley

6. G & F Associates, 3920 University Drive, Fairfax, Virginia 22030; telephone 703/293-7000; contact Mark Geminyani

7. R. W. Murray Co., 4511-A Daly Drive, Chantilly, Virginia 20151; telephone 703/818-0980; contact Chuck Loving

8. K. F. Brumback Construction Corporation, 323 Seneca Road, Great Falls, Virginia 22066; telephone 703/450-2725; contact Ken Brumback

9. Minkoff Company, Inc., 5223 River Road, Bethesda, Maryland 20816; telephone 301/652-8711; contact Jim Lippert

10. Tucon Construction, 105 Executive Drive, Suite 200, Dulles, Virginia 20166; telephone 703/478-3500; contact Scott Houston

11. Willett Custom Printing and Construction, Inc., P.O. Box 244, Port Tobacco, Maryland 20677; telephone 301/645-9638; contact Chris Willett

EXHIBIT "K"

Special Tenant Requirements

Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be included as part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in the Lease and in this Exhibit to the Lease shall be construed to mean the Lease (and all exhibits thereto), as amended and

supplemented by the Exhibit. All terms not otherwise defined in the Exhibit shall have the same meanings as set forth in the Lease.

1. Use.

1.1 Tenant's Use of Premises and Buildings and Land. Tenant is permitted (a) to construct, maintain, operate and repair electronic, transmitting and receiving equipment and supporting structures on the Premises, including the roof of the Building, (b) to construct, maintain, operate and repair an equipment room on the Premises, including the construction of an upgraded fire suppression system which shall be a dry pipe, pre-action water based system and Tenant reserves the right to install an environmentally approved, gas, fire suppression system, (c) to install, upgrade, maintain, operate, and repair utility lines, transmission lines, and telecommunications conduit and cabling (collectively, the "Conduits") in such locations on the Building and Land as set forth in plans and specifications, which shall be subject to Landlord's approval which shall not be unreasonably withheld, conditioned or delayed, (d) reasonable ingress and ogress over existing roadways on the Land for Tenant's truck and other vehicles, to maintain Tenant's equipment, and the Conduits (collectively, "Equipment"). The Equipment shall include, without limitation, the antenna, batteries, uninterruptible power supply and such other equipment necessary thereto. Tenant shall have access to and use of Premises, the Building and Land and the Conduits, 24 hours per day, 365 days per year.

1.2 Tenant's Use of Conduit Ducts. Tenant shall have the right to install, maintain, operate and repair the Conduits in any of Landlord's conduit ducts located on the Building and Land, so long as Tenant's use of the Conduits does not Interfere with Landlord's use of Landlord's conduit ducts located on the Building and Land, if required for provisioning of any utility service provider to the building. Tenant will install separate conduit where applicable.

2. Compliance With Law. Nothing contained in this Exhibit shall in any way limit or negate Tenant's obligation to comply with laws in accordance with the terms of the Lease.

3. Initial Installation and Testing. Tenant shall have the right, at Tenant's sole cost and expense, at any time following the execution of this Lease by Tenant in a form mutually acceptable to Landlord and Tenant, to enter upon the Building and Land and to carry out any tests, inspections, pre-installation activities on the Building and Land as necessary for the construction and installation of the Equipment, including without limitation, engineering and environment surveys, physical inspections, soil test borings, and underground trenching. Immediately following the completion of such tests, inspections, or pre-installation activities, Tenant shall, at Tenant's sole cost and expense, repair any damage to the Building ad Land

caused by such inspections or pre-installation activities, including re-paying and re-landscaping any affected areas of the Building and Land. Any such entry onto the Building and Land prior to the Commencement Date of the Lease shall be on all of the terms and provisions of the Lease, expected for Tenant's obligation to pay rent.

4. Equipment Ownership Surrender. The Equipment shall be the property of and owned by Tenant throughout the Lease Term, and shall in all event be deemed trade fixtures, even if affixed to the Premises or Building or Land. On or before the Expiration Date or earlier termination of this Lease. Tenant shall remove its Equipment from the Premises and Building and Land and restore the Leased Premises as outlined in Paragraph 13 (n) of this Lease. Landlord hereby expressly waives and releases any and all contractual liens and security interests or constitutional and/or statutory liens and security interests arising by operation of law or under the Lease to which Landlord might now or hereafter be entitled on any of the Equipment, Tenant's HVAC Unit or Tenant's Generator. Landlord further agrees that the Equipment, Tenant's HVAC Unit, and Tenant's Generator shall be exempt from execution, foreclosure, sale, levy, attachment, for any Tenant default hereunder, and that the Equipment, Tenant's HVAC Unit, and Tenant's Generator may be removed at any time from the Premises or the Building and Land by Tenant.

5. Emergency Power Generator. Tenant shall have the right, at any time during the Lease Term, at Tenant's option and at Tenant's sole cost and expense: (a) install and emergency power generators ("Tenant's Generator") on the Leased Premises as noted on Exhibit A, in such location as reasonably approved by Landlord, to provide back-up emergency power for the Equipment and for Tenant's HVAC Unit, and (b) store fuel, above ground, on the Premises or elsewhere as noted in Exhibit A, in such locations as reasonably approved by Landlord, in such amounts as Tenant reasonably determines necessary for Tenant's Generator.

6. No Interference: Relocation.

6.1 No Interference. Neither Landlord nor any of Landlord's agents, employees, or contractors (collectively, the "Landlord Parties") shall interfere in any way with the Equipment or with Tenant's access to the Equipment and Antennas, the Conduits, Tenant's HVAC Unit, or Tenant's Generator (the "Interference"). Landlord agrees that prior to Landlord's carrying out any construction, maintenance or repair activities on the Land in the vicinity of, the Antennas, the Conduits, Tenant's HVAC Unit, or Tenant's Generator (if such are not located within the Premises), Landlord shall provide three (3) days' prior written notice of Landlord's or Landlord Parties' intent to carry out such construction, maintenance or repair work including the date, time and location in which such work will take place. Tenant shall have the right to monitor and inspect such work will take place. Tenant shall have the right to monitor and inspect such work at Tenant's own risk, and at Tenant's sole cost and expense. Landlord and Landlord's Parties shall exercise all due care in carrying out such work. Landlord shall use reasonable efforts to immediately notify the Tenant's designated contact person by telephone or facsimile in the event of Landlord's actual knowledge of fire, power failure, bomb threats, or other unplanned events which could adversely impact Tenant's operations.

6.2 Remedies. Upon written notice from Tenant, stating with specificity that Landlord or one or more of the Landlord Parties is creating an Interference in violation of Section 6.1 above, Landlord shall take immediately all necessary measures at Landlord's sole cost and expense to eliminate the Interference, including, hiring agents to work extended hours, until the Interference is eliminated.

6.3 Relocation. In no event shall Landlord relocate Tenant or the Equipment to other premises, or require Tenant to relocate its Equipment for any length of time to any other location, either in or on the Building or Land or elsewhere.

7. Co-Location. Landlord acknowledges that Tenant's business to be conducted on the Premises requires the installation on the Premises of certain communications equipment by certain licenses and customers of Tenant (collectively, "Customers") in order for such Customers to interconnect with Tenant's terminal facilities or to permit Tenant to manage or operate such Customer's equipment, or otherwise as may be required pursuant to applicable statutes and regulations. Notwithstanding anything to the contrary contained in the Lease, Landlord hereby consents in advance to any sublease, license agreements, "co-location agreement" or similar agreement (collectively, "Customer License") between Tenant and such a Customer of the limited purpose of permitting such arrangements as described above. The effectiveness of such advance consent to a particular Customer License is conditioned upon such Customer License being in writing and consistent with the provisions of this Lease (although Tenant will only be required to provide Landlord a copy of the executed Customer License if the Landlord requests it in writing).

8. Sound Control. Tenant is responsible for taking the necessary measures to reduce the sound transmissions caused by the Equipment. In addition, Tenant's Generator shall be installed in a weatherproof, walk-around type, sound attenuating enclosure which shall limit the sound to no more that 85 dBA as measured at three (3) feet from any side, top or bottom, under all operating conditions.

9. Confidentiality. Landlord shall keep all Confidential Information of Tenant confidential. For the purposes of this Lease, "Confidential Information" includes any data or information pertaining to Tenant or Tenant's business, regardless of medium, that is provided by Tenant to Landlord, including Tenant's plans and specifications or electrical power requirements, site plans, or copies of any such information, but excludes any information (a) approved in writing by Tenant for releases to third parties, (b) that Landlord possesses independently of Tenant, or (o) that Tenant places in the public domain.

10. Indemnity. Tenant agrees that Paragraph 10 (c) of the Lease pertains to this Exhibit.

LANDLORD:

WITNESS:

Laing Beaumeade, Inc.
a Georgia corporation

_____ By: [signature illegible] (SEAL)

Its: _____

TENANT:

WITNESS

Equinix, Inc.
a Delaware corporation

_____ By: /s/ Jay S. Adelson (SEAL)

Its: CTO

WITNESS:

_____ By: /s/ Albert M. Avery (SEAL)

Its: CEO

EXHIBIT 10.12

CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY
WITH THE SECURITIES AND EXCHANGE COMMISSION.

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE--NET
(Do not use this form for Multi-Tenant Buildings)

1. Basic Provisions ("Basic Provisions")

1.1 Parties: This Lease ("Lease"), dated for reference purposes only June 10, 1999, is made by and between ROSS VENTURES II, INC,. a California corporation ("Lessor") and EQUINIX, INC., a California corporation ("Lessee"), (collectively the "Parties," or individually a "Party").

1.2 Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, and commonly known as [*], San Jose, located in the County of Santa Clara, State of California and generally described as (describe briefly the nature of the property and, if applicable, the "Project", if the property is located within a Project) an industrial/office building of approximately [*] square feet of rentable floor space and land on which same is located, more particularly described in Exhibit "A" hereto, ("Premises"). (See also Paragraph 2 for further provisions.)

1.3 Term: eleven (11) years and six (6) months ("Original Term") commencing September 1, 1999 ("Commencement Date"), and ending February 28, 2000 ("Expiration Date"). (See also Paragraph 3.)

1.4 Early Possession: Upon execution hereof ("Early Possession Date") (See also Paragraphs 3.2 and 3.3.)

1.5 Base Rent: $[*] per month ("Base Rent"), payable on the first (1st) day of each month commencing on the Commencement Date continuing for 6 months. (See also Paragraph 4.)

[X] If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See also Paragraph 1 of Addendum.

1.6 Base Rent Paid Upon Execution: $_____ as Base Rent for the period _____.

1.7 Security Deposit: See Paragraph 2 of Addendum ("Security Deposit"). (See Paragraph 5.)

1.8 Agreed Use: See Paragraph 5 of Addendum. (See also Paragraph 6.)

1.9 Insuring Party: Lessor is the "Insuring Party" unless otherwise stated herein. (See also Paragraph 8.)

1.10 Real Estate Brokers: (See also Paragraph 15).

(a) Representation: The following real estate brokers (collectively, the "Brokers") and brokerage relationships exist in this transaction (check appropriate boxes):

[_] _____ represents Lessor exclusively ("Lessor's Broker");

[X] Commercial Properties Services Company (CPS) represents Lessee exclusively ("Lessor's Broker"); or

[X] _____ represents both Lessor and Lessee ("Dual Agency").

(b) Payment to Brokers: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Broker the fee agreed to in their separate written agreement.

1.11 Guarantor. The obligations of the Lessee under this Lease are to be guaranteed by N/A ("Guarantor"). (See also Paragraph 37)

1.12 Addenda and Exhibits. Attached hereto is an Addendum or Addenda consisting of Paragraphs ___ through ___ and Exhibit _____ _____, all of which constitute a part of this Lease.

2. Premises.

2.1 Letting. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. Unless otherwise provided herein, any statement of size set forth in this Lease, or that may have been

used in calculating rental, is an approximation which the Parties agree is reasonable and the rental based thereon is not subject to revision whether or not the actual size is more or less.

2.2 Condition. Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs first ("Start Date"). Landlord warrants that the structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "Building") shall be free of material defects. If a non-compliance with said warranty exists as of the Start Date, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify same at Lessor's expense. If, after the Start Date, Lessee does not give Lessor written notice of any non-compliance with this warranty within: (i) one year as to the surface of the roof and the structural portions of the roof, foundations and bearing walls, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. See "AS IS" Provision in Paragraph 3 of Addendum.

2.3 Compliance. As used in this Lease, "Applicable Requirements" means all applicable laws, covenants, or restrictions of record, building codes, regulations and ordinances in effect on the Start Date.

2.4 Acknowledgements. Lessee acknowledges that: (a) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (b) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, and (c) neither Lessor, Lessor's agents, nor any Broker has made any oral or written representations or warrants with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (a) Broker has made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (b) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

3. Term.

3.1 Term. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 Early Possession. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such early possession. All other terms of this Lease, however, (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such early possession shall not affect the Expiration Date.

_____
*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

3.3 Delay in Possession. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Execution Date. If, despite said efforts, Lessor is unable to deliver possession as agreed, Lessee shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until it receives possession of the Premises. If possession is not delivered within sixty (60) days after the Execution Date, Lessee may, at its option, by notice in writing to Lessor within ten (10) days after the end of such sixty (60) day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said ten (10) day period, Lessee's right to cancel shall terminate. Except as otherwise provided, if possession is not tendered to Lessee by the Start Date and Lessee does not terminate this Lease, as aforesaid, any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession of the Premises is not delivered within four (4) months after the Execution Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 Lessee Compliance. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Commencement Date, including the payment of Rent, notwithstanding

Lessor's election to withhold possession pending receipt of such receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 Rent Defined. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 Payment. Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. Rent for any period during the term hereof which is for less than one (1) full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating.

5. Security Deposit. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of Lessee's obligations under this Lease. If Lessee fails to pay Rent after any applicable cure period, or otherwise Breaches under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount due Lessor or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of said Security Deposit, Lessee shall within ten (10) days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within fourteen (14) days after the expiration or termination of this Lease, if Lessor elects to apply the Security Deposit only to unpaid Rent, and otherwise within thirty (30) days after the Premises have been vacated pursuant to Paragraph 7.4(c) below, Lessor shall return to that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs owners and/or occupants of, or causes damage to neighboring properties. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within five (5) business days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in use. See Paragraph 5, Addendum)

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substance shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons

entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used by Lessee in the normal course of the Agreed Use, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring properties to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination or injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or earlier termination) of protective modifications and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which is has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, permits and attorney's and consultant's fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or earlier termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such_agreement.

(e) Lessor Indemnification. Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which existed as a result of Hazardous Substances on the Premises prior to the Start Date or which are caused by the negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entitles having jurisdictions with respect to the existence of Hazardous Substances on the Premises prior to the Start Date, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises,

in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's Investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13). Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds $2,000,000.00 given written notice to Lessee, within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date sixty (60) days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within ten (10) days thereafter, give

written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition $2,000,000.00. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee, shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the reasonable recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said requirements are now in effect or become effective after the Start Date. Lessee shall, within ten (10) days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving failure of Lessee or the Premises to comply with any Applicable Law.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30 below) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a contamination is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspections, so long as such inspection is reasonably related to the violation or contamination. Notwithstanding the foregoing, Lessor shall not be allowed to enter the Premises without providing Lessee with at least twenty-four (24) hours prior notice and being escorted by one or Lessee's representatives, except in case of an emergency.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 6.3 (Lessor's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage and Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole cost and expense, keep the Premises, Utility Installations, and Alterations in good order, condition and repair (whether or not such portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, heating, air conditioning, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), foundations, ceilings, roofs, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, about, or adjacent to the Premises. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) Service Contracts. Lessee shall, at Lessee's sole cost and expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) fire sprinkler systems, including fire alarm and/or smoke detection, (iii) landscaping and irrigation systems, (iv) roof covering and drains, (v) driveways and parking lots, (vi) basic utility feed to the perimeter of the Building, if reasonably required by Lessor.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee. It is the intention of the

Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises and they expressly waive the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) Definitions; Consent Required. The term "Utility Installations" refers to all floor and window coverings, air lines, power panels, electrical distribution, security, fire protection systems, communication systems, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a). Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Utility Installations to the interior of the Premises (excluding the roof), without such consent but not upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, and the cumulative cost thereof during the term of this Lease as extended does not exceed $50,000 in the aggregate or $10,000 in any one year. See Paragraph 4 Addendum.

(b) Consent. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consents shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount equal to the quarter of one month's Base Rent, or $10,000, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to one and one-half times the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor. See Paragraph 4 Addendum.

(c) Indemnification. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanics' or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to one and one-half times the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. In Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be owner of all or any specified part of the Lessee Owned Alterations, and Utility Installations. Unless otherwise instructed per Paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or earlier termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises. See Paragraph 4 of Addendum.

(b) Removal. By delivery to Lessee of written notice from Lessor not earlier than ninety (90) and not later than thirty (30) days prior to the end of the term of this Lease. Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or

termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent. See Paragraph 4 of Addendum.

(c) Surrender/Restoration. Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear,

casualty, condemnation, and damage attributable to the willful misconduct or negligence of Lessor, its agents, employees and contractors, and damage attributable to Lessor's default hereunder excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee Owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee, and the removal, replacement, or remediation of any soil, material or groundwater contaminated by Lessee. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 Payment For Insurance. Lessee shall pay for all insurance required under Paragraph 8. Premiums for policy periods commencing prior to or extending beyond the Lease term shall be prorated to correspond to the Lease term. Payment shall be made by Lessee to Lessor within ten (10) days following receipt of an invoice.

8.2 Liability Insurance.

(a) Carried by Lessee. Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $2,000,000 per occurrence with an "Additional Insured-Managers or Lessors of Premises Endorsement" and contain the "Amendment of the Pollution Exclusion Endorsement" for damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. All insurance to be carried by Lessee shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

8.3 Property Insurance-Building, Improvements and Rental Value.

(a) Building and Improvements. The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any groundlessor, and to any Lender(s) insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full replacement cost of the Premises, as the same shall exist from time to time, but not less than the amount required by Lenders, but in no event more than the commercially reasonable and available insurable value thereof. If Lessor is the Insuring Party, however, Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee under Paragraph 8.4 rather than by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage the perils of flood and/or earthquake, if desired by Lessor, including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered of loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $1,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss. Lessor shall use insurance proceeds as necessary, to rebuild the Premises, unless this Lease is terminated pursuant to Paragraph 9 hereof.

(b) Rental Value. The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor and Lender, insuring the loss of the full Rent for one (1) year. Said insurance shall provide that in the event the Lease is terminated by reason of an insured loss, the period of indemnity for such coverage shall be extended beyond the date of the completion of repairs or replacement of the Premises, to provide for one full year's loss of Rent from the date of any such loss. Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next twelve (12) month period. Lessee shall be liable for any deductible amount in the event of such loss.

8.4 Lessee's Property/Business Interruption Insurance. ** subject to its Lender's rights therein and as Lessee otherwise elects.

(a) Property Damage. Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $25,000 per occurrence. The proceeds from any such insurance shall be used by Lessee** for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations. Lessee shall provide Lessor with written evidence that such insurance is in force.

(b) Business Interruption. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) No Representation of Adequate Coverage. Lessor makes no representation that the limits or forms of coverage of insurance specified therein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required hereunder shall be in companies duly licensed to transact business in the state where the Premises are located, and maintaining during the policy term a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not be limited by the amount of insurance carried or required, or by any deductibles applicable thereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnity, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, permits, attorney's and consultant's fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor from Liability. Lessor shall not be liable for injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, tire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, weather the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building of which the Premises are a part, or from other sources or places. Lessor shall not be liable for any damages arising from any act or neglect of any other tenant of Lessor. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury of Lessee's business or for any loss of income or profit therefrom.

9. Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in six (6) months or less from the date of the of the damage or destruction. Lessor shall notify Lessee in

writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "Premises Total Destruction" shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in six (6) months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within thirty (30) days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits Involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable building codes, ordinances or laws, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance as defined in Paragraph 6.2(a), in, on, or under the Premises.

9.2 Partial Damage-Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, the shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within ten (10) days following receipt of written notice of such shortage and request therefore. If Lessor receives said funds or adequate assurance thereof within said ten (10) day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within ten (10) days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or have this Lease terminate thirty (30) days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage-Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within thirty (30) days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective sixty (60) days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within ten (10) days after the receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within thirty (30) days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible and the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate sixty (60) days following the date of such Destruction. If the damage or destruction was caused by the gross negligent or willful misconduct of Lessee, Lessor shall have the

right to recover Lessor's damages from Lessee, except as released and waived in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last six (6) months of this Lease there is damage for which the cost to repair exceeds one (1) month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective sixty (60) days following the date of occurrence of such damage by giving a written termination notice to Lessee within thirty (30) days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is ten days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during the period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premised Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Lessor shall be obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within ninety (90) days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than sixty (60) days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within thirty (30) days thereafter, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination--Advance Payments. Upon termination of this Lease pursuant to this Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

9.8 Waive Statutes. Lessor and Lessee agree that the terms of this Lease shall govern the effect of any damage to or destruction of the Premises with respect to the termination of this Lease and hereby waive the provisions of any present or future statute to the extent inconsistent herewith.

10. Real Property Taxes.

10.1 Definition of "Real Property Taxes." As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or level against any legal or equitable interest of Lessor in the Premises, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address and where the proceeds so generated are to be applied by the city, county or other local taxing authority of a jurisdiction within which the Premises are located. The term "Real Property Taxes" shall also include tax, fee, levy, assessment or charge, or any license therein, imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises.

10.2 (a) Payment of Taxes. Lessee shall pay the Real Property Taxes applicable to the Premises during the term of this Lease. Subject to Paragraph 10.2(b), all such payments shall be made at least ten (10) days prior to the delinquency date. Lessee shall promptly furnish Lessor with satisfactory evidence that such taxes have been paid. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such taxes shall be prorated to cover only the portion of the tax bill applicable to the period that this Lease is in effect, and Lessor shall reimburse Lessee for any overpayment. If Lessee shall fail to pay any required

Real Property Taxes, Lessor shall have the right to pay the same, and Lessee shall reimburse Lessor therefor upon demand.

(b) Advance Payment. In the event Lessee incurs a late charge on any Rent payment, Lessor may, at Lessor's option, estimate the current Real Property Taxes, and require that such taxes be paid in advance to Lessor by Lessee, either: (i) in a lump such amount equal to the installment due, at least twenty (20) days prior to the applicable delinquency date, or (ii) monthly in advance with the payment of the Base Rent. If Lessor elects to require payment monthly in advance, the monthly payment shall be an amount equal to the amount of the estimated installment of taxes divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable tax bill is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable taxes. If the amount of collected by Lessor is insufficient to pay such Real Property Taxes when due, Lessee shall pay Lessor, upon demand, such additional sums as are necessary to pay such obligations. All moneys paid to Lessor under this Paragraph may be intermingled with other moneys of

Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any balance of funds paid to Lessor under the provisions of this Paragraph may at the option of Lessor, be treated as an additional Security Deposit.

10.3 Joint Assessment. If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.4 Personal Property Taxes. Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall such property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said personal property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within ten (10) days after receipt of a written statement.

11. Utilities. Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered. (All subject to Paragraphs 6 through 6.3 of Exhibit "A" to Addendum hereto.

12. Assignment and Subletting. (All subject to Paragraph 10 of Exhibit "A" to Addendum hereto)

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or otherwise transfer or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) A change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of twenty-five percent (25%) or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than twenty-five percent (25%) of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon thirty (30) days written notice, increase the monthly Base Rent to one hundred ten percent (110%) of the Base Rent then in effect. Further, in the event of such Breach and rental

adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to one hundred ten percent (110%) of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to One Hundred Ten Percent (110%) of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, any assignment or subletting shall not: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept any Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for the Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach of Lessee, Lessor may proceed directly against Lessee, any Guarantors or any one else responsible for the performance of the Lessee's obligations under this Lease, including the sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises. If any, together with a fee of $1,000, as consideration for Lessor's consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested.

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment or entering into such sublease, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented in writing.

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. Lessor shall not, by reason of the foregoing or any other assignment of such sublease, nor by reason of the collection of the Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee.. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor the Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under the sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or rules under this Lease. A "Breach" is defined as the occurrence of any one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonably level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of five (5) business days following written notice to Lessee.

(c) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized or subletting, (iv) a Tenancy Statement, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42 (easements), or (viii) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of ten (10) days following written notice to Lessee.

(d) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of thirty (30) days after written notice; provided, however, that if the nature of Lessee's Default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(e) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. (S) 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not within thirty (30) days; provided; however, in the event that any provision of this subparagraph (e) is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(f) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

13.2 Remedies. If Lessee fails to perform any affirmative duties or obligations, within ten (10) days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of a reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. The costs and expenses of any such performance by Lessor shall be due and payable by Lessee upon receipt of invoice therefor. If any check given to Lessor by Lessee shall not be honored by the bank upon which it is drawn, Lessor, at its option, may require all future payments to be made by Lessee to be made only by cashier's check. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination: (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the

amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent (1%). Efforts by Lessor to mitigate damages caused by Lessee's Default or Breach of this Lease shall not waive Lessor's right to recover damages under this Paragraph 12. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding the unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraphs 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the required by Paragraphs 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as It becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's rights to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions" shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee to Lessor of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within ten (10) days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall pay to Lessor a one-time late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, not received by Lessor, when due as to scheduled payments (such as Base Rent) or within thirty (30) days following the date on which it was due for non-scheduled payment, shall bear interest from the date when due, as to scheduled payments, or the thirty-first (31st) day after it was due as to non-scheduled payments. The interest ("Interest") charged shall be equal to the prime rate reported in the Wall Street Journal as published closest prior to the date when due is plus four percent (4%), but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) Notice of Breach. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than thirty (30) days after receipt by Lessor, and any lender whose name and address shall have been furnished Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such thirty (30) day period and thereafter diligently pursued to completion.

(b) Performance by Lessee on Behalf of Lessor. In the event that neither Lessor nor Lender cures said breach within thirty (30) days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent and amount equal to the greater of one month's Base Rent or the Security Deposit, and to pay an excess of such expense under protest, reserving Lessee's right to reimbursement from Lessor. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than ten percent (10%) of any building portion of the premises, or more than twenty-five percent (25%) of the land area portion of the premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within ten (10) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ten (10) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold,

the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokers Fee.

15.1 Deleted

15.2 Deleted

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with the Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend, and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within ten (10) business days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Tenancy Statement" form published by the American Industrial Real Estate Association plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such ten day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and

effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrances may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate.

(c) If Lessor desires to finance, refinance up to four (4) times in any given twelve (12) month period or sell the Premises, or any part thereof, Lessee and all Guarantors shall deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past three (3) years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "Lessor" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Except as provided in Paragraph 15, upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined. Notwithstanding the above, the subject to the provisions of Paragraph 20 below, the original Lessor under this Lease, and all subsequent holders of the Lessor's interest in this Lease shall remain liable and responsible with regard to the potential duties and liabilities of Lessor pertaining to Hazardous Substances as outlined in Paragraph 6 above.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of an other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. Subject to the provisions of Paragraph 17 above, the obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, the individual partners of Lessor or its or their individual partners, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against the individual partners of Lessor, or its or their individual partners, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Broker that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to the Lease and as to the nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and Attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Lessor or Lessee under this Lease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

23. Notices.

23.1 Notice Requirements. All notices required or permitted by this Lease shall be in writing and may be delivered in person (by hand or by courier) or may be sent by, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. Notices

delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt, provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

24. Waivers. No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent. The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of moneys or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

25. Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a short form memorandum of this Lease for recording purposes. The Party requesting recordation shall be responsible for payment of any fees applicable thereto.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or earlier termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to one hundred twenty-five percent (25%) of the Base Rent applicable during the month immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In consulting this Lease, all headings and titles are for the convenience of the parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

29. Binding Effects; Choice of Law. This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. Subordination; Attornment; Non-Disturbance.

30.1 Subordination. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed by upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lessor's Lender") shall have no liability or obligation to perform any of the obligations of Lessee under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 Attornment. Subject to the non-disturbance provision of Paragraph 30.3, Lessee agrees to attorn to a Lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Security Device, and that in the event of such foreclosure, such new owner shall not: (i) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership, (ii) be subject to any offsets or defenses which Lessee might have against any prior lessor, or (iii) be bound by prepayment of more than one month's rent.

30.3 Non-Disturbance. With respect to Security Devices now existing or hereafter entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable agreement (a "Non-Disturbance Agreement") from the Lender which Non-

Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within sixty (60) days after the execution of this Lease, Lessor shall use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said sixty (60) days, then Lessee may, at Lessee's option, directly contact Lessor's lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 Self-Executing. The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided however, that, upon written request from Lessor or a Lender or Lessee in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any such subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorney's Fees. If any Party brings an action or proceeding involving the Premises to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorney's fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party of its claim or defense. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorney's fees reasonably incurred. In addition, Lessor shall be entitled to attorney's fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach.

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times (subject to last sentence of Section 6.4 above) for the purpose of showing the same to prospective purchasers, lenders, or lessees, and making such alterations, repairs, improvements or additions to the Premises as Lessor may reasonably deem necessary. All such activities shall be without abatement of rent or liability to Lessee may at any time place on the Premises any ordinary "For Sale" signs and Lessor may during the last six (6) months of the term hereof place on the Premises any ordinary "For Lease" signs. Lessee may at any time place on or about the Premises any ordinary "For Sublease" sign.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard reasonableness in determining whether to permit an auction.

34. Signs. Except or ordinary "For Sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all of any existing subtenancies. Lessor's failure within ten (10) days following any such event to elect to the contrary by written notice to the holder of any lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' or other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgement that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests for reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail

within ten (10) business days following such request.

37. Guarantor. deleted

37.1 deleted.

37.2 deleted.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options.

39.1 Definition. "Option" shall mean: (a) the right to extend the term of or renew this Lease or to extend or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase or the right of first refusal to purchase the Premises or other property of Lessor. See Option to Extend Addendum - Attached.

39.2 Options Personal To Original Lease. Each Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 Multiple Options. In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 Effect of Default on Options.

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid monetary (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given three (3) or more notices of monetary Default, whether or not the Defaults are cured, during the twelve (12) month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term, (i) Lessee fails to pay Rent for a period of thirty (30) days after such Rent becomes due (without any necessity of Lessor to give notice thereof), (ii) Lessor gives to Lessee three (3) or more notices of monetary Default during any twelve month period, whether or not the Defaults are cured, or (iii) if Lessee commits a Breach of this Lease.

40. Multiple Buildings. deleted.

41. Security Measures. Lessee hereby acknowledges that the rental payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees, and their property from the acts of third parties.

42. Reservations. Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights, and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps, and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay.

44. Authority. If either Party hereto is a corporation, trust, limited partnership company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each party, within thirty (30) days after request, deliver to the other party satisfactory evidence of such authority.

45. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. Offer. Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed by all Parties hereto.

47. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification.

48. Multiple Parties. If more than one person or entity is named herein as either Lessor or Lessee, such multiple Parties shall be the joint and several responsibility to comply with the terms of this Lease.

49. Mediation and Arbitration of Disputes. An Addendum requiring the Mediation and/or the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease [_] is [X] is not attached to this Lease.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATIVE OR RECOMMENDATIONS IS MADE BY THE AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION OR B ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES, SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO REVISED TO COMPLY WITH THE STATE IN WHICH THE PREMISES IS LOCATED.

The parties hereto have executed this Lease at the place on the dates specified above to their respective signatures.

Executed at Cupertino, California	Executed at _____
on _____	on _____
by LESSOR:	by LESSEE:
ROSE VENTURES II, INC.,	EQUINIX, INC.
a California corporation	a California corporation
By: /s/ Stephen P. Diamond	By:_____
Name Printed: Stephen P. Diamond	Name Printed:
Title: President	Title:
By:_____	By: /s/ [signature illegible
Name Printed: _____	Name Printed: _____
Title:_____	Title:_____
Address:_____	Address:_____
Telephone: (408) 247-1111	Telephone: (___)_____
Facsimile: (408) 247-8811	Facsimile: (___)_____

Federal ID No. _____ Federal ID No._____

NOTE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION, 700 So. Flower Street, Suite 600, Los Angeles, California 90017. (213) 687-8777. Fax No. (213) 687-8616

OPTION(S) TO EXTEND

STANDARD LEASE ADDENDUM

Dated June 20, 1999

By and Between (Lessor) Rose Ventures II, Inc.

(Lessee) EQUINIX, Inc.

Address of Premises: [*], San Jose, CA

Paragraph 39.1.1

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for three (3) additional sixty (60) month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least six months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below:

(Check Method(s) to be Used and Fill In Appropriately)

[_] I. Cost of Living Adjustment(s) (COLA)

a. On (Fill in COLA Dates):
_____
_____
_____
the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): [_] CPI W (Urban Wage Earners and Clerical Workers) or [_] CPI U (All Urban Consumers), for (Fill in Urban Area):
_____
All Items (1982-1984 = 100), herein referred to as "CPI"

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month two months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is two months prior to (select one): the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or (Fill in Other "Base Month"): _____. The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be

transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

[X] II. Market Rental Value Adjustment(s) (MRV)

a. On (Fill in MRV Adjustment Date(s)) proposed commencement dates of each Option Term following due notice of Lessee's exercise of said Option, the Base Rent shall be adjusted to the "Market Rental Value" of the properly as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next thirty days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

(i) Within fifteen days thereafter, Lessor and Lessee shall each select an appraiser or broker ("Consultant" - check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The three arbitrators shall within thirty days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified fifteen days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closet to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) The new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

3) Annual upward adjustments of rent during Option Terms shall be determined when Market Rent Value Adjustments are determined hereunder.

[_] III. Fixed Rental Adjustment(s) (FRA)

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:
----------	$ ----------
----------	$ ----------
----------	$ ----------
----------	$ ----------

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23

of the Lease.

EXHIBIT "A"

All that certain real property situate in the City of San Jose, County of Santa Clara, State of California, described as follows:

Parcel 2, as shown on that certain Parcel Map filed for record on November 16, 1982 in the office of the Recorder of the County of Santa Clara, State of California in Book [*] of Maps at Pages [*] and [*].

Together with the following described "Transfer Area"

Beginning at the most Westerly corner of Parcel 1, as shown on that certain Parcel Map filed for record on November 16, 1982 in Book [*] of Maps at Pages [*] & [*], Santa Clara County Records;

Thence from said Point of Beginning, North 37(degrees) 00' 37" East 150.00 feet along the Northwesterly line of said Parcel 1;

Thence South 52(degrees) 59' 50" East 412.39 feet along a line parallel and 105.00 feet Northeasterly, measured at right angles, to the Southwesterly line of said Parcel 1;

Thence North 37(degrees) 99' 10" East 13.40 feet;

Thence South 52(degrees) 59' 50" East 399.20 feet along a line parallel and 163.40 feet Northeasterly, measured at right angles, to the Southwesterly line of said Parcel 1, to a point in a non-tangent curve in the Southeasterly common boundary between said Parcel 1 and said Parcel 2;

Thence Southwesterly along said non-tangent curve to the right, the center of which bears North 26(degrees) 32' 24" West, having a radius of 3485.00 feet, through a central angle of 3(degrees) 02' 33" for an arc length of 185.05 feet to the most Southerly corner of said Parcel 1;

Thence along said Southwesterly line of said Parcel 1 North 52(degrees) 59' 50" West 724.80 feet to the point of beginning.

Excepting therefrom all that portion thereof as conveyed to the State of California by instrument recorded December 31, 1986 in book [*] at Page [*] of Official Records, being more particularly described as follows:

A portion of Parcel 2 as shown on that certain Parcel Map filed for record in the office of the Recorder of Santa Clara County on November 16, 1982 in Book [*] of Maps, at pages [*] and [*], more particularly described as follows:

Commencing at the Southerly corner of said Parcel 2; thence along the Southwesterly line of said Parcel 2 N. 52(degrees) 59' 50" W., 512.23 feet; thence leaving said line, from a tangent that bears N. 74(degrees) 14' 29" E., along a curve to the left with a radius of 3520.00 feet, through an angle of 8(degrees) 03' 39", an arc length of 495.22 feet to the Northeasterly line of said Parcel 2; thence along last said line S. 52(degrees) 59' 50" E., 240.02 feet to the Southeasterly line of said Parcel 2; thence along last said line S. 36(degrees) 50' 07" W., 414.00 feet to the point of commencement.

And Excerpting therefrom that portion of land as granted to the State of California by Deed filed for record in the office of the Recorder for the County of Santa Clara on December 10, 1992 in Book M [*] at Page [*] Official Records, and being more particularly described as follows:

Being a portion of Parcel 2, as shown on that certain Parcel Map filed for record on November 16, 1982 in Book [*] of Maps at Pages [*] and [*], Santa Clara County Records, described as follows:

Beginning at the most Westerly corner of that certain 64.00 foot wide Parcel of land shown as "[*] to be dedicated" on said Parcel Map; thence from said Point of Beginning along the Southwesterly line of said 64.00 foot wide Parcel S. 52(degrees) 23' 23" E. 55.12 feet to the most Northerly corner of Parcel 3, as shown on said Parcel Map; thence leaving said Southwesterly line along the Northwesterly line of said Parcel 3 from a tangent bearing of S. 60(degrees) 26' 43" W. along a curve to the right with a radius of 3519.83 feet through a central angle of 0(degrees) 25' 29" for an arc length of 26.09 feet to a point in a line parallel with and distant Southwesterly 24.00 feet, measured at right angles, from said Southwesterly line; thence along said parallel line N. 52(degrees) 23' 23" W. 44.91 feet to a point on the general Southwesterly line of Parcel 1 as shown on said Parcel Map; thence leaving said parallel line along said Southwesterly line N. 37(degrees) 36' 37" E. 24.00 feet to the point of beginning.

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Addendum to Lease

This is an Addendum to the foregoing Lease dated June 10, 1999, between ROSE VENTURES II, INC., a California Corporation, as Lessor, and EQUINIX, INC., a California Corporation, as Lessee. The provisions of this Addendum shall be in addition to and shall supersede and control any contrary provisions of the foregoing Lease.

1. Rental Adjustments. The initial Base Rent of $[*] per month shall commence on the Commencement Date and apply during Months 1 through 6. Thereafter, said base rent shall be adjusted as follows:

   a. $[*] per month for Months 7-12;
   b. $[*] per month for Months 13-18;
   c. $[*] per month for Months 19-24; and
   d. For each 12-month period thereafter, monthly Base Rent shall be adjusted upward by [*] percent ([*]%) of the monthly Base Rent payable in the last month preceding each such 12-month perio d.

2. Security Deposit. Upon execution hereof, Lessee shall deliver to Lessor a $[*] irrevocable standby letter of credit to be held by Lessor as and for a security deposit pursuant to paragraph 5 of the foregoing Lease. Said letter of credit shall be in a standard form reasonably acceptable to Lessor. Lessor may only draw upon said letter of credit to cure a monetary Breach by Lessee which has not been timely cured by Lessee under this Lease. In the event of any draw upon said letter of credit, Lessor shall provide to Lessee a written accounting of the amount of such draw, the Breach to which it has been applied and such Breach shall be deemed cured as of the date of such application, provided that the full amount available originally under said Letter of Credit is restored by Lessee within ten (10) business days after the date of such accounting notice. Upon delivery of proof satisfactory to Lessor that Lessee has constructed, or caused to be constructed, and has paid for, tenant improvements for the building on the leased premises, as previously approved by Lessor, costing at least $10,000,000.00 in the aggregate, then Lessee may pay Lessor cash in the sum of $[*] to be held as the Security Deposit under paragraph 5 of the foregoing Lease, and Lessor shall thereupon surrender the letter of credit for cancellation.

3. Lessee Accepts Premises AS IS. Except as otherwise provided in paragraph 2.2 of the foregoing Lease, Lessee agrees to accept the leased premises and all of the improvements thereon IN THEIR PRESENT "AS IS" CONDITION ON THE DATE OF EXECUTION OF THIS LEASE, AND WITHOUT WARRANTY, EXPRESS OR IMPLIED, FROM THE LESSOR. Lessee acknowledges the importance of, and takes responsibility for, obtaining full and comprehensive inspections of the leased premises and improvements thereon by competent, professional contractors, inspectors and other experts, and affirms Lessee's decision to lease the same is being made in reliance thereon, and not on any representations made by Lessor or Lessor's agent.

4. Lessee-Owned Alterations and/or Utility Installations. Notwithstanding anything to the contrary contained in paragraphs 7.3 and 7.4 of the foregoing Lease, all Lessee-installed equipment shall remain the property of Lessee and owned by Lessee throughout the Lease term, and any option terms thereafter exercised, and shall be deemed trade fixtures, even if affixed to the leased premises, the building thereon, or the land surrounding said building. In addition, all of the terms and conditions contained in Exhibit "A" hereto, entitled "Special Tenant Requirements," hereby are consented to by Lessor and made a part hereof by reference.

5. Use. In addition to the uses allowed under paragraph 6.1 of the foregoing Lease, Lessee may use the leased premises for executive and general office use, the installation, operation, modification and maintenance of equipment and facilities in connection with the Lessee's telecommunications businesses and any other legally permitted uses. Other uses allowable include those further described in paragraph sections one (1) through one-point-ten (1.10) on the attached Exhibit "A" entitled "Special Tenant Requirements," including but not limited to use of conduits, fiber entrances and risers, copper entrances and risers, roof space for ancillary equipment, antenna pad and riser, overhead space use, exterior lighting, floor loading capacity and other associated rights, fire protection and drainage, non-exclusive use of wet, waste, vent and drainage piping, and use of batteries.

6. Parking/Truck Access. Lessee shall be allowed one (1) on-site parking space for each 1,000 square feet of rentable space provided the same are available on the site of the leased premises. Lessee shall also be provided

vehicular access for trucks delivering or removing equipment to and from the building on the leased premises.

7. Compliance With Applicable Laws. Nothing contained in this Addendum or in Exhibit "A" hereto shall in any way limit or negate Lessee's obligation to comply with laws in accordance with the terms of this Lease.

8. Expansion of Building. In the event Lessee needs additional space on the site, Lessor, at its expense, shall construct a building in the existing parking area for Lessee. The building shall be in shell condition in accordance with the appropriate building/zoning codes. The rent shall be the rent Lessee is paying per square foot under the Lease in the year the building is completed and during each lease year thereafter through the Lease Term under the terms and conditions of the Lease.

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

9. Additional Revisions to Lease:

Section Number	Revisions to Section
Par. 6.2(a)	At the end of the fifth sentence (which begins with "Notwithstanding the foregoing ..." the following phrase is hereby inserted: "provided that Lessee also may, without Lessor's prior consent, but in compliance with all Applicable Requirements, use any ordinary and customary materials reasonably required to be used by Lessee in the normal course of Lessee's business permitted on the Premises even if such use constitutes a Reportable Use."
Par. 6.2(b)	In the first sentence, after the words "previously consented to by Lessor," the following phrase is hereby inserted: "(or other than as permitted by the fifth sentence of Paragraph 6.2(a) above)."
Par. 6.2(d)	Add to the end of this paragraph the following sentences: "Lessor may not enter into any settlement or other compromise with respect to any claim covered by the indemnity set forth in this section in which Lessee has expressly agreed to indemnify and defend Lessor and is actively doing so, without Lessee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and if a claim is settled or compromised without such consent, Lessee shall not be obligated to provide indemnification under this section. If Lessor or any other indemnified party obtains recovery of any of the amounts that Lessee has paid to them pursuant to the indemnity set forth in this section, then Lessor or such other indemnified party, as applicable, shall promptly pay to Lessee the amount of such recovery."
Par. 7.3(b)	Lessor shall not require a bond for alterations unless such alterations exceed $250,000 and no bonds will be required for Lessee's initial tenant improvements.
Par. 8.3(a)	Notwithstanding anything to the contrary in this Lease, Lessee shall not be obligated to pay the premium for any earthquake insurance carried by Lessor on the Premises unless Lessor's lender requires Lessor to maintain such earthquake insurance. Lessor represents and warrants that its current lender does not require such insurance under its loan documents and Lessor agrees to use its best faith efforts to not have any modifications to the existing loan documents or any future lender on the Premises require earthquake insurance to be obtained by Lessor. If Lessor's lender does require earthquake insurance to be obtained on the Premises, Lessee agrees to reimburse Lessor for the cost of the premium for such earthquake insurance up to a maximum of Twenty-Five Thousand Dollars ($25,000) per calendar year in which such earthquake insurance is required. Lessee shall reimburse Lessor for

	Lessee's portion of any such earthquake insurance premium within ten (10) business days of Lessor providing Lessee with a written receipt of Lessor's payment of such premium.
Par. 8.6	At the beginning of the first sentence, the phrase "Notwithstanding any other provision of this Lease and" is hereby inserted. At the end of the first sentence the phrase "or actually insured by the parties" is hereby inserted.
Par. 8.7	The opening clause of this paragraph is revised to read as follows: "Except for the negligence and/or willful misconduct of Lessor, its agents, employees, contractors, and invitees, or Lessor's breach of this Lease." Also, in the first sentence, the phrase "involving, or in connection with," is hereby deleted. Insert at the end of this paragraph the following: "Lessor may not enter into any settlement or other compromise with respect to any claim covered by the indemnity set forth in this section in which Lessee has expressly agreed to indemnify and defend Lessor and is actively doing so, without Lessee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, and if a claim is settled or compromised without such consent, Lessee shall not be obligated to provide indemnification under this section. If Lessor or any other indemnified party obtains recovery of any of the amounts that Lessee has paid to them pursuant to the indemnity set forth in this section, then Lessor or such other indemnified party, as applicable, shall promptly pay to Lessee the amount of such recovery."
Par. 8.8	At the beginning of this paragraph, the phrase "Except for the negligence and/or willful misconduct of Lessor, its agents, employees, employees, contractors, and invitees occurring before the Start Date, or Lessor's breach of this Lease," is hereby inserted.
Par. 9	Add the following to Paragraph 9: "In the event Lessor elects to terminate this Lease pursuant to this Paragraph 9, Lessee shall have the right, within ten (10) days after receipt of such notice, to agree in writing on a basis satisfactory to Lessor to pay for the entire cost of repairing such damage less only the amount of insurance proceeds, if any, received by Lessor, in which event the notice of termination shall be ineffective and this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such ten (10) day period this Lease shall be terminated pursuant to such notice of termination by Lessor."
Par. 10.1(b)	In the first line, after the words "payment", insert the words "more than 2 times during any calendar year." Delete item (ii) and all references to that option in the rest of this paragraph.
Par. 12	The following provision is hereby added to this paragraph: "Notwithstanding any other provision of this Lease to the contrary, Lessee may grant a security interest in its rights under this Lease to the entity that provides the equipment financing to Lessee. The entity holding the security interest in this Lease as authorized under this section may foreclose on such security interest and transfer this Lease to the party purchasing at the foreclosure, provided that Lessor consents to such party as the new tenant hereunder, which consent shall not be unreasonably withheld or delayed. In addition, the entity that provides the equipment financing to Lessee shall have the right to enter the Premises for purposes of inspecting its collateral and conducting a foreclosure sale if Lessee defaults on such financing. Lessor disclaims any right or title in the equipment financed by Lessee, and such equipment can be removed from the Premises at any

	time, provided that Lessee repairs any damage caused by such removal."
Par. 12.1(a)	In the second line, Lessor shall not unreasonably withhold or condition its consent, and if Lessor does not respond to Lessee's request for consent within fifteen (15) days, Lessee shall give Lessor another such request, and if Lessor does not respond to Lessee's second request for consent within ten (10) days following Lessee's request, then Lessor shall be deemed to have consented to the assignment.
Par. 12.3	This paragraph is hereby revised to provide for a 50/50 split of any excess rent. In the third line of this paragraph, after the word "herein", insert the following: ", except such terms and conditions shall not apply to the transactions with Tenant's Customers as set forth in Paragraph 8 of the Special Tenant Requirements attached hereto as Exhibit A to the Addendum."
Par. 17	In the event of a transfer by Lessor, Lessor shall nevertheless be liable for its indemnification obligations under the Lease and any breach of the Lease existing as of the date of the transfer, provided that written notice of such indemnification obligations for such breach has been given to such Lessor before such transfer of title occurs.
Par. 24	The provisions of the first sentence hereby are made mutual to both Lessor and Lessee.
Par. 30	For the sole benefit of Lessee and as a condition to the effectiveness of this Lease (which may be waived solely by Lessee), Lessor shall deliver to Lessee a draft non-disturbance agreement on or before execution of this Lease by Lessor and Lessee.
Par. 30.1	Add the following sentence to Paragraph 30.1: "Any subordination agreement entered into by Tenant pursuant to this Paragraph 30 must provide that absent a Breach by Tenant under this Lease or termination of this Lease, any insurance proceeds associated with any damage and destruction of the Premises shall be made available for restoration of the Premises in accordance with the provisions of Paragraph 9 of this Lease."
Par. 39.2	In recognition of the fact that Lessee remains obligated for the performance of this Lease following any "assignment," Lessee shall have the right to transfer each Option to any transferee under Paragraph 10 of the Special Tenant Requirements attached to the Addendum as Exhibit A.
Option(s) to Extend	Paragraph A(iv) is hereby revised to make it inapplicable to Extend any transfer pursuant to Paragraph 10 of Exhibit A to the Addendum, any agreements with the Customers as more particularly provided in paragraph 12.3, and the requirement that the Lessee be in full possession at the time the Option is exercised is hereby changed to a minimum of 50% possession.
Par. 7.1 of Exhibit A to Addendum	Add the word "Equipment" after the word "Antenna" in this paragraph.

This Addendum is executed concurrently with, and as a part of, the foregoing Lease.

Lessor:	Lessee:
- ------	------
ROSE VENTURES II, INC.	EQUINIX, INC.

a California Corporation a Delaware Corporation

By:_____ By:_____
Stephen P. Diamond
Its President Its:_____

By:_____

Its:_____

Exhibit "A"
to ADDENDUM
Special Tenant Requirements

Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be included as part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in this Exhibit to the Lease shall be construed to mean the Lease and all exhibits thereto, as amended and supplemented by the Exhibit. All terms not otherwise defined in the Exhibit shall have the same meanings as set forth in the Lease.

1. Use.

1.1 Tenant's Use of Premises and Building and Land. Tenant is permitted (a) to construct, maintain, operate and repair electronic, transmitting and receiving equipment and supporting structures on the Premises, including the roof of the Building, (b) to construct, maintain, operate and repair an equipment room on the Premises, including the construction of an upgraded fire suppression system, (c) to install, upgrade, maintain, operate, and repair utility lines, transmission lines, and telecommunications conduit and cabling (collectively, the "Conduits") in such locations on the Building and Land as set forth in plans and specifications, which shall be subject to Landlord's approval which shall not be unreasonably withheld, conditioned or delayed, (d) reasonable ingress and egress over existing roadways on the Land for Tenant's trucks and other vehicles, to maintain Tenant's equipment and the Conduits (collectively, "Equipment"). The Equipment shall include, without limitation, the antenna, batteries, uninterruptable power supply and such other equipment, necessary thereto and more particularly as set forth hereafter. Tenant shall have access to and use of the Premises, the Building and Land and the Conduits, 24 hours per day, 365 days per year.

1.2 Tenant's Use of Conduit Ducts. Tenant shall have the right to install, maintain, operate and repair the Conduits in any of Landlord's conduit ducts located on the Building and Land, so long as Tenant's use of the Conduits does not interfere with Landlord's use of Landlord's conduit ducts located on the Building and Land. If required by any service provider to the Building or by Landlord, Tenant shall install separate conduits where applicable.

1.2.1 Fiber Entrances and Risers. Tenant shall have the right to install, maintain, operate, augment and repair the Conduits in any of Landlord's conduit ducts located on the Property, so long as Tenant's use of the Conduits does not interfere with Landlord's use of Landlord's conduit ducts located on the Property. At a minimum Tenant shall have the right to utilize two utility entrances within the Building and the right to install from these dual, diverse entrances eight (8), exclusive, four (4") inch conduits for a total of sixteen conduit ducts to the Leased Premises.

1.2.2 Copper Entrances and Risers. Tenant shall have the right to install, maintain, operate, augment and repair the conduit ducts and risers from the existing copper telephone point of entry to Tenant's Leased Premises.

1.3 Roof Space for Ancillary Equipment. Tenant shall have the right as part of their Lease interest in the Building or Land to utilize space on the Roof or other space as required and approved in advance by Landlord, for the purpose of installing and maintaining equipment used in conjunction with Tenant's use of the Premises. Tenant's use of such space shall be exclusive in nature and Tenant shall have the right to accrue such space and equipment from others. Tenant's use of this space shall be in conjunction with the Leased Premises.

1.4 Antenna Pad and Riser. Tenant shall have the right as part of their Lease interest in the Building or Land to utilize space on the Roof or other space as required and approved in advance by Landlord, for the purpose of installing and maintaining equipment used in conjunction with Tenant's use of the Premises. Tenant's use of such space shall be exclusive in nature and Tenant shall have the right to accrue such space and equipment from others. Tenant's use of this space shall be in conjunction with the Leased Premises.

1.5 Overhead Space Use. Tenant shall have the right to utilize all space from above seven (7") feet to the bottom of any beam ("Overhead Space") for any of Tenant's equipment. Utilization of this space is at Tenant's sole discretion. Tenant may also elect, to relocate any existing piping, ventilation, sprinkler, waste, drainage or any and all other piping, collectively ("Piping") from this Overhead Space. Relocation of such Piping will be at Tenant's sole cost and expense and approved in advance by Landlord. Landlord approval of such relocation may not be unreasonably withheld.

1.6 Exterior Lighting. Tenant shall have the right to install, maintain, operate, augment and repair exterior lighting at the Building. Tenant will do so at Tenant's sole cost and expense and within governmental boundaries.

1.7 Floor Loading Capacity and Augmentation, Ceiling and Access to Space Above and Below - Tenant shall have the right to install and augment existing floor and ceiling loading capacity of the Tenant's Premises, including but not limited to work necessary to complete this task within Tenant's Premises. Such augmentation of floor and ceiling loading shall be at Tenant's sole cost and expense and subject to Landlord's reasonable approval of plans for such installation or augmentation.

1.8 Fire Protection and Drainage - Tenant shall have the right to install, maintain, augment and operate a separate Gas Fire Protection System ("Gas Fire Protection System") on the Premises. Such Gas Fire Protection System shall be in addition to any existing system on the Premises, shall be installed at Tenant's sole cost and expense, and shall meet all Local, State and Federal Governmental regulation. Further, if a Water-based Fire Protection System ("Water-based Fire Protection System") exists on the Property, Tenant shall have the right to augment the current system, at Tenant's sole costs and expense, to operate as a Pro-action, Dry Pipe, Water-based Fire Protection System. Tenant shall have the to install, operate, maintain, a new Water-based Fire Protection System, at Tenant's sole cost and expense, in any space adjacent, below or above Tenant's Premises or any where on the (Property, Building or Land), and Tenant shall have the right to augment or repair the existing Water-based Fire Protection System any where on the (Property, Building or Land). Additionally, Tenant reserves the right to install, operate, maintain, repair and augment, at Tenant's sole cost and expense, drainage, existing or new, within Tenant's Premises or any where on the (Property, Building or Land) that would be necessary to divert water from the Water-based Fire Protection System from Tenant's Premises.

1.9 Non-exclusive Use of Wet, Waste Vent and Drainage piping - Tenant shall have the right to install, maintain, augment and operate on the Premises any and all piping necessary and customary for utilizing water, waste, vent and drainage. Further, Landlord agrees that Tenant shall have the right to a non-exclusive easement for the installation of such piping in common areas or through others space as deemed necessary and appropriate for Tenant use of water, waste, vent and drainage.

1.10 Battery - Tenant shall have the right to install, maintain, and operate on the Premises a battery power plant ("Battery Power Plant"). Such battery power plant shall be for the sole use of Tenant and for the operations of the Premises for Tenant's intended use. The installation and operation of the Battery Power Plant shall be a Tenant's sole cost and expense and shall meet all Local, State and Federal Governmental requirements.

2. HVAC, Special Requirement and Rights. Landlord understands that Tenant's intended use of the HVAC property involve special requirements for the heating, cooling and ventilation ("HVAC") of the Premises. Therefore, in addition to the existing heating, cooling and ventilation located at the Building, at Tenant's option, instead of, the HVAC utilities supplied to the Premises by Landlord. Tenant shall have the right at Tenant's option, to install in the Premises or elsewhere on the Property, in such location as reasonably approved by Landlord, a separate self-contained twenty-four (24) hour a day heating, ventilation and air-conditioning HVAC unit ("Tenant's HVAC Unit")

subject to Landlord's prior approval of the plans and specifications for the work and electrical requirements of Tenant's HVAC Unit, which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant shall pay all costs of electrical power for such unit in the manner set forth in above.

3. Compliance With Law. Nothing contained in this Exhibit shall in any way limit or negate Tenant's obligation to comply with laws in accordance with the terms of the Lease.

4. Initial Installation and Testing. Tenant shall have the right, at Tenant's sole cost and expense, at any time following the execution of this Lease by Tenant in a form mutually acceptable to Landlord and Tenant, to enter upon the Building and Land and to carry out any tests, inspections, pre-installation and installation activities on the Building and Land as necessary for the construction and installation of the Equipment, including without limitation, engineering and environmental surveys, physical inspections, soil test borings, and underground trenching. Immediately following the completion of such tests, inspections or pre-installation activities, Tenant shall, at Tenant's sole coat and expense, repair any damage to the Building and Land caused by such inspections or pre-installation activities, including repaving and re-landscaping any affected areas of the Building and Land. Any such entry onto the Building and Land prior to the Commencement Date of the Lease shall be on all of the terms and provisions of the Lease, except for Tenant's obligation to pay rent.

5. Equipment Ownership; Surrender. The Equipment shall be the property of and owned by Tenant throughout the Lease Term, and shall in all event be deemed trade fixtures, even if affixed to the Premises or Building or Land. On or before the Expiration Date or earlier termination of this Lease. Tenant shall remove its Equipment from the Premises and Building and Land. Landlord hereby expressly waives and releases any and all contractual liens and security interest or constitutional and/or statutory liens and security interests arising by operation of law or under the Lease to which Landlord might now or hereafter be entitled on any of the Equipment, Tenant's HVAC Unit or Tenant's Generator. Landlord further agrees that the Equipment, Tenant's HVAC Unit, and Tenant's Generator shall be exempt from execution, foreclosure, sale, levy, attachment, for any Tenant default hereunder, and that the Equipment, Tenant's HVAC Unit, and Tenant's Generator may be removed at any time from the Premises or the Building and Land by Tenant.

6. Utilities; Emergency Power Generator. Tenant shall have the right, at any time during the Lease Term, at Tenant's option and at Tenant's sole cost and expense: (a) install an emergency power generator(s) ("Tenant's Generator") on the Premises or elsewhere on the Land, as noted in Exhibit A, in such location as reasonably approved by Landlord, to provide back-up emergency power for the Equipment and for Tenant's HVAC Unit, and (b) store fuel above ground, on the Premises or elsewhere on the Land, as noted in Exhibit A, in such locations as reasonably approved by Landlord, in such amounts as Tenant reasonably determines necessary for Tenant's Generator.

7. No Interference; Relocation.

7.1 No Interference. Neither Landlord nor any of Landlord's agents, employees, or contractors (collectively, the "Landlord Parties") shall interfere in any way with the Equipment or with Tenant's access to the Equipment and Antennas, the Conduits, Tenant's HVAC Unit, or Tenant's Generator (the "Interference"). Landlord agrees that prior to carrying out any construction, maintenance or repair activities which are in the vicinity of the Premises, the Antennas, the Conduits, Tenant's HVAC Unit, or Tenant's Generator (if such are not located within the Premises), Landlord shall provide three (3) days' prior written notice of Landlord's or Landlord Parties' intent to carry out such construction, maintenance or repair work including the date, time and location in which such work will take place. Tenant shall have the right to monitor and inspect such work at Tenant's own risk, and at Tenant`s sole cost and expense. Landlord and Landlord Parties shall exercise all due care in carrying out such work. Landlord shall use reasonable efforts to immediately notify the Tenant's designated contact person by telephone or facsimile in the event of fire, power failure, bomb threats, or other unplanned events which could adversely impact Tenant's operations.

7.2 Remedies. Upon written notice from Tenant, stating with specificity that Landlord or one or more of the Landlord Parties is creating an Interference in violation of Section 7.1 above, Landlord shall take immediately all necessary measures at Landlord's sole cost and expense to eliminate the Interference, including hiring agents to work extended hours, until the Interference is eliminated. If Landlord does not eliminate the Interference,

Tenant shall have the right, at Tenant's option, in addition to any other remedy at law or in equity, to (a) eliminate the Interference, and deduct the cost of eliminating the Interference from the Base Rent next due, (b) obtain injunctive relief enjoining or restraining whatever Interference may have occurred or be occurring, without posting a bond or other security and without proving damages, it being expressly recognized by Landlord that any Interference will cause irreparable harm to Tenant which cannot be fully compensable by damages, or (c) immediately terminate this Lease, in which event, this Lease shall be of no further force and effect and Tenant shall have no further obligations hereunder.

7.3 Relocation. In no event shall Landlord relocate Tenant or the Equipment to other premises, or require Tenant to relocate its Equipment for any length of time to any other location, either in or on the Building or Land or elsewhere.

8. Customer Equipment. Landlord acknowledges that Tenant's business to be conducted on the Premises requires the installation of certain communications equipment by certain licensees and customers of Tenant (collectively, "Customers") in order for such Customers to interconnect with Tenant's terminal facilities or to permit Tenant to manage or operate such Customers' equipment, or otherwise as may be required pursuant to applicable statutes and regulations. These contracts or licenses with the Customers shall not be deemed subject to the Assignment and Sublease section of the Lease and these Customer contracts or licenses do hereby have the Landlord's consent at no consideration to Landlord for the limited purpose of permitting the services and uses described above.

9. Sound Control. Tenant is responsible for taking the necessary measures to reduce the sound transmissions caused by the Equipment. In addition, Tenant's Generator shall be installed in a weatherproof, walk-around type, sound attenuating enclosure which shall limit the sound

to no more than 85 dBA as measured at three (3) feet from any side, top to bottom, under all operating conditions.

10. Transferability. Without Landlord's prior consent to consideration to Landlord but with notice to Landlord, Tenant shall have the right to assign the Lease to any affiliate, division or corporation, controlling, controlled by or under common control with Tenant or a successor entity related to Tenant by merger, consolidation, nonbankruptcy reorganization or governmental action, or a purchaser of substantially all of Tenant's assets located at the premises. For purposes of the Lease, the sale of the Tenant's capital stock through any public exchange or any issuance for purposes of raising financing shall not be deemed an assignment or any other transfer of the Lease or the Premises.

11. Confidentiality. Landlord shall keep all Confidential Information of Tenant confidential. For the purposes of this Lease, "Confidential Information" includes any data or information pertaining to Tenant or Tenant's business, regardless of medium, that is provided by Tenant to Landlord, including Tenant's plans and specifications or electrical power requirements, site plans, or copies of any such information, but excludes any information (a) approved in writing by Tenant for release to third parties, (b) that Landlord possesses independently of Tenant, or (c) that Tenant places in the public domain.

12. Condition at Surrender. On or before Lease termination and Tenant's surrender of the Premises to Landlord, Tenant shall remove all of its equipment, personal property and any of the special tenant improvement installations set forth in this Exhibit, for which Landlord notifies Tenant in writing that they are to be removed at Lease termination when Landlord approves the plans for the improvements. Tenant shall repair and restore the Premises from any damages caused by the removal of any equipment, personal property or tenant improvements.

EXHIBIT 10.14

*CONFIDENTIAL TREATMENT REQUESTED.
CONFIDENTIAL PORTION HAS BEEN FILED
SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment") is made this 9th day of September, 1999, by and between TRIZECHAHN CENTERS, INC., a California corporation d/b/a TrizecHahn Beaumeade Corporate Management ("Landlord"), as successor in interest to Laing Beaumeade, Inc. ("Original Landlord"), and EQUINIX, INC., a Delaware corporation ("Tenant").

W I T N E S S E T H:

WHEREAS, by that certain Lease dated as of November 18, 1998 (the "Lease"), Original Landlord leased to Tenant, and Tenant leased from Original Landlord, approximately [*] square feet of rentable area (the "Original Premises"), known as Suite C, located on the first (1st) floor of the building located at [*], Ashburn, Virginia (the "Building"), upon the terms and conditions set forth in the Lease;

WHEREAS, all of the right, title and interest of Original Landlord in the Building was transferred to Landlord and all of the right, title and interest of Original Landlord in the Lease was assigned to Landlord;

WHEREAS, Tenant desires to lease from Landlord, and Landlord desires to lease to Tenant, an additional [*] rentable square feet of space located on the first (1st) floor of the Building (hereinafter referred to as the "Expansion Space"), upon the terms and conditions hereinafter set forth;

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

WHEREAS, the Original Premises and the Expansion Space are hereinafter collectively referred to as the "Leased Premises"; and

WHEREAS, Landlord and Tenant desire to amend the Lease to reflect their understanding and agreement with regard to the lease of such additional space, and to otherwise amend the Lease, as more particularly set forth herein.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. Any capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

2. The Lease is hereby further amended by adding thereto a new Section 29, to read as follows:

"29. EXPANSION SPACE

A. Term. Landlord hereby leases unto Tenant, and Tenant hereby leases from Landlord, approximately [*] square feet of rentable floor area (hereinafter referred to as the `Expansion Space') located on the first (1st) floor of the Building, which Expansion Space is hereby agreed to be that certain space which is shown on Exhibit H attached hereto and made a part hereof, for a term (the `Expansion Space Term') commencing on June 1, 1999 (the `Expansion Space Commencement Date'), and continuing through and including the last day of the Term of the Original Premises, unless earlier terminated pursuant to the provisions of this Lease.

B. "As-is" Condition. Tenant accepts the Expansion Space in its "as-is" condition.

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C. Expansion Space Base Rent. In addition to the Base Rent

for the Premises as set forth in Exhibit C hereof, commencing on the Expansion Space Commencement Date and continuing thereafter throughout the Expansion Space Term, Tenant covenants and agrees to pay to Landlord Base Rent for the Expansion Space in the following amounts (the `Expansion Space Base Rent'):

Expansion Space Period	Expansion Space Base Rent Per Square Foot Per Annum	Expansion Space Base Rent	Expansion Space Monthly Base Rent
6/1/99 - 1/31/00	$[*]	$[*]	$[*]
2/1/00 - 1/31/01	$[*]	$[*]	$[*]
2/1/01 - 1/31/02	$[*]	$[*]	$[*]
2/1/02 - 1/31/03	$[*]	$[*]	$[*]
2/1/03 - 1/31/04	$[*]	$[*]	$[*]
2/1/04 - 1/31/05	$[*]	$[*]	$[*]
2/1/05 - 1/31/06	$[*]	$[*]	$[*]
2/1/06 - 1/31/07	$[*]	$[*]	$[*]
2/1/07 - 1/31/08	$[*]	$[*]	$[*]
2/1/08 - 1/31/09	$[*]	$[*]	$[*]

D. Except as otherwise herein expressly provided, Expansion Space shall be deemed a part of the Premises for all purposes of this Lease, such that both Landlord and Tenant shall have such respective rights and obligations with respect to Expansion Space as apply to the remainder of the Leased Premises."

3. Section 4.(a) of the Lease (captioned "Operating Expenses") is hereby amended by deleting from the end thereof the language "[*]% ([*])" and inserting the following language in lieu thereof: "[*]% ([*])."

4. Section 2 of the Lease (captioned "Payment") is hereby amended by deleting therefrom the language: "at Landlord's address set forth at Section 28.(b) hereof" and

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inserting the following language in lieu thereof: "and delivered to TrizecHahn Beaumeade Corporate Management at NationsBank, P.O. Box #631557, Baltimore, Maryland 21263-1557."

5. Section 28.(b) of the Lease (captioned "Notices") is hereby amended by deleting therefrom all of the language in the column headed "Notice to Landlord" and inserting the following language in lieu thereof: "TrizecHahn Mid-Atlantic Management Services LLC, 1250 Connecticut Avenue, N.W., Suite 500, Washington D.C. 20036 Attention: Portfolio Manager-[*]".

6. Section 28.(s) of the Lease (captioned "Brokers") and Exhibit D to the Lease (captioned "Work Agreement") shall not be applicable to the Expansion Space.

7. Landlord and Tenant represent and warrant to each other that the person signing this First Amendment on its behalf has the requisite authority and power to execute this First Amendment and to thereby bind the party on whose behalf it is being signed .

8. Landlord and Tenant represent and warrant to each other that neither of them has employed any broker in procuring or carrying on any negotiations relating to this First Amendment. Landlord and Tenant shall indemnify and hold each other harmless from any loss, claim or damage relating to the breach of the foregoing representation and warranty by the indemnifying party.

9. Except as expressly amended and modified herein, all terms, conditions and provisions of the Lease shall remain unmodified and in full force and effect. In the event of any conflict between the terms and conditions of the Lease and the terms and conditions of this First Amendment, the terms and conditions of this First Amendment shall govern and control.

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EXHIBIT 10.15

[***]=Certain information in this Exhibit has been omitted and filed separately with the Securities and Exchange Commission.

LEASE AGREEMENT

between

NEXCOMM ASSET ACQUISITION I, LP,

as Landlord,

and

EQUINIX, INC.,

as Tenant

Infomart
The Technology Community

[*]
Dallas, Texas 75207
214-800-8000

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

INFOMART The Technology Community
is a registered servicemark of
IFM Services, LLC, [*],
Suite 6038, Dallas, Texas 75207

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

LEASE AGREEMENT
INFOMART
THE TECHNOLOGY COMMUNITY

THIS LEASE AGREEMENT ("Lease") is made and entered into as of the 21st day of January, 2000, by and between NEXCOMM ASSET ACQUISITION I, LP, a Texas limited partnership ("Landlord"), whose address is 1950 Stemmons Freeway, Dallas, Texas 75207 and EQUINIX, INC., a Delaware corporation ("Tenant"), whose address is 901 Marshall Street, Redwood City, California 94063, Attention: Keith Taylor.

ARTICLE 1

BASIC LEASE INFORMATION AND DEFINED TERMS

Section 1.1. Basic Lease Information.

(a) Base Rent shall mean the following:

From the Commencement Date until the Rental Commencement Date, Base Rent shall be [*] Dollars ($[*]),

From the Rental Commencement Date through May 31, 2002, Base Rent shall be [*] Dollars ($[*]) per month,

From the June 1, 2002 through May 31, 2004, Base Rent shall be [*] Dollars ($[*]) per month,

From the June 1, 2004 through May 31, 2006, Base Rent shall be [*] Dollars ($[*]) per month,

From the June 1, 2006 through May 31, 2008, Base Rent shall be [*] Dollars ($[*]) per month,

From the June 1, 2008 through May 31, 2010, Base Rent shall be [*] Dollars ($[*]) per month.

(b) Base Year shall mean 2000.

(c) Building shall mean the office building and information processing center located on the Land.

(d) Building Rules shall mean all rules and regulations adopted or modified by Landlord from time to time for the safety, care, cleanliness, and reputation of the Building and for the preservation of good order in the Building. The current Building Rules are attached at Exhibit "C."

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(e) Commencement Date shall mean the Effective Date. Tenant shall be deemed to commence occupancy of the Premises on the date Tenant takes possession of the Premises for the purpose of equipping, furnishing, and improving the Premises. "Rental Commencement Date" shall mean the earlier of [*] months after the Effective Date or June 1, 2000. Base Rent shall be adjusted accordingly if the Rental Commencement Date is other than June 1, 2000.

(f) Common Areas shall mean those areas within the Project devoted to corridors, elevator foyers, restrooms, lobby areas, meeting rooms, and other similar facilities provided for the common use or benefit of tenants generally.

(g) INFOMART shall mean "INFOMART - The Technology Community" and shall include the Project as it currently exists or as it may from time to time hereafter be expanded or modified.

(h) Insurance Costs shall mean all costs incurred by Landlord in obtaining insurance on the Project, including property, liability, and casualty insurance on the Building, but excluding all insurance costs which Tenant is required to provide under Section 7.3 below.

(i) Land shall mean the tract of real property which is described in Exhibit "A" to this Lease.

(j) Lease Term shall mean a term commencing on the Rental Commencement Date and continuing for one hundred twenty (120) full calendar months.

(k) Permitted Use shall mean use for the installation, maintenance and operation of information processing and telecommunications products and services, for offices, and for storage and service areas incidental and related to such uses, and to include collocation and other telecommunications related operations.

(l) Premises shall mean Suite No. 1034 in the Building, as outlined on the floor plan of the Building which is attached as Exhibit "B" to this Lease.

(m) Project shall mean, collectively, the Building, the Land, and all other improvements located on the Land (including parking areas, parking garages, plaza areas, and other similar areas relating to the Building).

(n) Rent shall mean, collectively, the Base Rent; Tenant's Proportionate Share of Insurance Costs, Utility Costs and Taxes; and any other amounts payable to Landlord by Tenant.

(o) Rentable Square Feet shall mean the Usable Square Feet

within the Premises, together with an additional amount representing a portion of the Common Areas, Service Areas and other non-tenant space on floors one (1) through six (6) in the Building. For purposes of this Lease, the parties have agreed that the Premises shall be deemed to consist of [*] Rentable Square Feet and floors one (1) through six (6) of the Building shall be deemed to consist of [*] Rentable Square Feet. However, both Landlord and Tenant acknowledge that

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neither of these figures was calculated by measuring the Common Areas, Service Areas and other non-tenant spaces in the Building and that neither Landlord nor Tenant shall have a right to demand remeasurement or recalculation of the Rentable Square Feet applicable to the Premises or the Building.

(p) Security Deposit shall mean [*] Dollars ($[*]).

(q) Service Areas shall mean those areas within the outside walls of the Building which are used for mechanical rooms, stairs, elevator shafts, flues, vents, stacks, pipe shafts, risers, raceways, and vertical penetrations (but shall not include any such areas for the exclusive use of a particular tenant).

(r) Taxes shall mean all taxes and assessments and governmental charges, whether federal, state, county or municipal, and whether levied or assessed by taxing districts or authorities presently taxing the Premises or the Project or any part of either, or by others, subsequently created or otherwise, and any other taxes and assessments attributable to the Project or its operation together with any costs incurred by Landlord (including attorneys' fees and costs of investigation) relative to any negotiation, contest, or appeal pursued by Landlord to reduce or prevent an increase in any portion of the Taxes, regardless of whether any reduction or limitation is obtained, provided that such costs are allocated only to the periods for which Landlord is trying to have the Taxes revised.

(s) Tenant's Proportionate Share shall mean a fraction, the numerator of which is the number of Rentable Square Feet within the Premises, and the denominator of which is the number of Rentable Square Feet on floors two (2) through six (6) of the Building. Accordingly, the parties acknowledge and agree that Tenant's Proportionate Share under this Lease is [*] percent.

(t) Trade Fixtures shall mean any and all signs and other equipment, including without limitation, the switch and related equipment to be installed by Tenant or placed by Tenant within the Premises pursuant to the provisions of this Lease and any and all items of property used by Tenant in the Premises, including furniture and equipment and "Tenant Equipment" as defined in Exhibit "D" attached hereto. However, the term Trade Fixtures shall not include any permanent leasehold improvements (including any floor, wall, or ceiling coverings, any interior walls or partitions, , or any property which is a part of or associated with any electrical, plumbing, or mechanical system other than the generator and cooling equipment to be installed by Tenant in accordance with the provisions of Exhibit D attached hereto and those items which are designated as being "Trade Fixtures" on the Plans and Specifications approved by both parties pursuant to the attached Work Letter), notwithstanding that the same may have been installed within the Premises by Tenant.

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(u) Usable Square Feet shall mean the gross number of square feet enclosed by the surface of the exterior glass walls, the midpoint of any walls separating portions of the Premises from those of adjacent tenants, the slab penetration line of all walls separating the Premises from Service Areas, and the corridor side of walls separating the Premises from Common Areas.

(v) Utility Costs shall mean all costs incurred by Landlord in providing electricity, gas, water, and sewage disposal facilities to the Building, (including electricity used for heating, air conditioning, operation of office machines), and other equipment used on or about the Building, and elevator and escalator service and lighting, but excluding all such costs which Tenant may, from time to time, be obligated to pay on a separately metered basis under the provisions of Section 4.3.

Section 1.2. Defined Terms. Each of the terms defined in Section 1.1 will be used as defined terms in this Lease (including the Exhibits to this Lease). In addition, other terms are defined in various sections of this Lease. All words which are used as defined terms in this Lease are delineated with initial capital letters and, when delineated with initial capital letters, shall have the meaning specified in the applicable provision of this Lease in which such term is defined.

ARTICLE 2

OCCUPANCY AND USE

Section 2.1. Premises and Term. In consideration for the obligation of Tenant to pay Rent and subject to and upon the terms and conditions stated in this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, the Premises for the Lease Term. Landlord will deliver possession of the Premises to Tenant on the Commencement Date. If Landlord requests, Tenant shall execute a memorandum (in a form approved by Landlord) specifying the date upon which the Commencement Date actually occurred.

Section 2.2. Leasehold Improvements. The Premises shall be delivered to Tenant in an "as is" condition, and Tenant shall install the initial leasehold improvements in the Premises in accordance with Section 5.1 below. Tenant has made a complete examination and inspection of the Premises and accepts the same in its current condition, "as is" and without recourse to Landlord. Landlord shall have no obligation to provide any leasehold improvements to the Premises or to repair, decorate, or paint the Premises, unless otherwise expressly set forth in this Lease. Landlord has made no representations or warranties to Tenant with respect to the condition of the Premises, the Building, or the Project. Tenant's occupancy of the Premises shall be deemed an acknowledgment by Tenant that the Premises are suitable for Tenant's intended use, and Landlord expressly disclaims any warranty that the Premises are suitable for Tenant's intended use. Landlord does not make any warranties, express or implied, with respect to the Premises, the Building, or the Project. All implied warranties (including those of habitability, merchantability, or fitness for a particular purpose) are expressly negated and waived.

Section 2.3. Use. The Premises may be used only for the Permitted Use specified in Section 1.1(k) and for no other purposes without the prior written consent of

Landlord. Tenant's use of the Premises shall be in compliance with the Building Rules and with all applicable Legal Requirements and Insurance Requirements. Tenant shall not, even if technically within the Permitted Use, use the Premises for any purpose which is dangerous to person or property, which creates a nuisance, which would violate the Building Rules, or which would violate any applicable Legal Requirement or Insurance Requirement. Tenant shall comply with, and shall cause any Tenant Related Parties to comply with, all Building Rules and all Legal Requirements and Insurance Requirements relating to the use, condition, or occupancy of the Premises. "Insurance Requirements" shall mean all terms of any insurance policy obtained by Landlord or Tenant covering or applicable to the Premises or the Project; all requirements for the issuing of each such insurance policy; and all orders, rules, regulations, and other requirements of the National Board of Fire Underwriters (or any other bodies exercising any similar functions) which are applicable to or affect the Premises, the Building, or the Project or any use or condition of the Premises, the Building, or the Project. "Legal Requirements" shall mean all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, and requirements of all governmental authorities, foreseen or unforeseen, which now or at any time hereafter may be applicable to the Premises, the Building, or the Project, including (a) the Americans with Disabilities Act, (b) all federal, state, and local laws, regulations, and ordinances pertaining to air and water quality, hazardous materials, waste disposal, and other environmental matters; and (c) all laws, codes, and regulations pertaining to zoning, land use, health, or safety. "Tenant Related Parties" shall mean Tenant's officers, partners, employees, agents, contractors, licensees, concessionaires, subtenants, customers, and invitees. In addition, the number of persons in the Premises shall not exceed a ratio of three (3) persons per one thousand (1,000) Rentable Square Feet within Premises ("Density Limit"). Notwithstanding the foregoing to the contrary, Tenant shall not be responsible for (a) making any alterations to the Premises, except to the extent such alterations are required due to Tenant's particular use of the Premises or alterations to the Premises made by Tenant, or (b) any remediation of hazardous materials which exist in the Premises prior to the execution date of this Lease. Notwithstanding anything in this Lease to the contrary, Landlord shall have the right to inspect the Density Limit within the Premises upon forty-eight (48) hour prior written notice to Tenant. Tenant shall have the right to accompany Landlord during any such inspection. In the event

Tenant fails to comply with the Density Limit two (2) times within a twelve (12) month period within the Lease Term, such second (2nd) failure may, at Landlord's sole election, constitute an event of default under this Lease; and Landlord shall then have the right to exercise any of the remedies set forth in Section 8.2 of this Lease as a result of that default.

Section 2.4. Atrium Space. Intentionally deleted.

Section 2.5. Peaceful Enjoyment. Tenant may peacefully occupy the Premises for the Permitted Use during the Lease Term subject to the terms and provisions of this Lease and provided that Tenant pays the Rent and performs all of Tenant's covenants and agreements contained in this Lease.

ARTICLE 3

RENT

Section 3.1. Rental Payments. Tenant shall pay Rent to Landlord for each month during the Lease Term as provided in this Lease. Rent shall be due and payable in advance on the first (1st) day of each month during the Lease Term. If the Commencement Date is a date other than the first (1st) day of a calendar month, the Rent for the portion of the calendar month in which the Commencement Date occurs shall be due and payable on the Commencement Date; and the Rent for such partial month shall be prorated based upon the number of days from the Commencement Date to the end of that calendar month. Rent for any partial month at the end of the Lease Term shall be prorated based upon the number of days from the beginning of that month to the end of the Lease Term. Rent shall be payable at the address for Landlord designated in the first (1st) paragraph of this Lease (or at such other address as may be designated by Landlord from time to time). Tenant shall pay all Rent under this Lease at the times and in the manner provided in this Lease, without abatement, notice, demand, counterclaim, or set-off except as otherwise provided for in this Lease.. Any charges or other sums payable by Tenant to Landlord under the terms of this Lease shall be considered as additional Rent. No payment by Tenant or receipt by Landlord of a lesser amount than the total amount of Rent then due shall be deemed to be other than on account of the earliest past due installment of Rent required to be paid under this Lease. No endorsement or statement on any check or in any letter accompanying any check or payment of Rent shall ever be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent then due or to pursue any other remedy available under this Lease, at law, or in equity.

Section 3.2. Interest/Late Charge. In the event that Tenant fails to pay any monthly Rent installment within five (5) days after the date on which any such Rent installment becomes due and payable, then Tenant shall also be obligated to pay interest on such past due amounts at a rate equal to the lesser of eighteen percent (18%) per annum or the highest rate of interest permitted by applicable law. Should Tenant make a partial payment of past due amounts, the amount of such partial payment shall be applied first to reduce all accrued and unpaid interest and late charges, in inverse order of their maturity, and then to reduce all other past due amounts, in the inverse order of their maturity. Tenant's failure to pay any installment of Rent when due may cause Landlord to incur anticipated costs (including processing and accounting costs), and the exact amount of these costs is extremely difficult to ascertain. Therefore, the late charges permitted under this Section 3.2 shall be liquidated damages for those costs and shall be in addition to and shall be cumulative of any other rights and remedies which Landlord may have under this Lease with regard to the failure of Tenant to make any payment of Rent or any other sum due under this Lease.

Section 3.3. Consecutive Late Payments. If Tenant fails in two (2) consecutive months to make Rent payments within five (5) days after the date when due, Landlord may require that future Rent payments be paid quarterly in advance instead of monthly and/or that all future Rent payments be made on or before the due date by cash, cashier's check, or money order (in which event, the delivery of Tenant's personal or corporate check will no longer constitute a payment of Rent under this Lease). The election by Landlord to exercise either or

both of the foregoing remedies shall be made by written notice to Tenant and shall be in addition to any interest and late charges accruing under Section 3.2, as well as any other rights and remedies accruing as a result of such default. Any acceptance of a monthly Rent payment in the form of a personal or corporate check by Landlord thereafter shall not be construed as a subsequent waiver of these rights.

Section 3.4. Security Deposit. The parties have agreed that [*] Security Deposit will be required of Tenant at the outset of this Lease. However, if Tenant is late in paying monthly rentals in two (2) consecutive months, or if Tenant is late paying monthly rentals three (3) or more times in a twelve (12) month period, then Landlord reserves the right at such time to demand (in writing) that a Security Deposit in the amount of [*] the average monthly rental payments be deposited with Landlord and retained for the remainder of the Lease Term. Tenant hereby grants to Landlord a security interest in the Security Deposit. Landlord shall have, and Landlord expressly retains and reserves, all rights of setoff, recoupment, and similar remedies available to Landlord under applicable laws or in equity. Landlord may commingle the Security Deposit with its other funds and shall receive and hold the Security Deposit without liability for interest. Upon default by Tenant, Landlord may from time to time, and without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrears of Rent or other sums then due from Tenant to Landlord or to pay the cost of any damage, injury, expense, or liability caused by any default by Tenant under this Lease. After any such application of any portion of the Security Deposit, Tenant shall pay to Landlord, immediately upon demand, the amount so applied so as to restore the Security Deposit to its original amount; and such amount shall then be deemed to be part of the Security Deposit. Tenant's failure to restore the Security Deposit may, at Landlord's sole option, constitute a default under this Lease. If Tenant is not in default under this Lease and after application of the Security Deposit to the repair of any damage or injury to the Project caused by Tenant or by any Tenant Related Party, any remaining balance of the Security Deposit held by Landlord shall be returned by Landlord to Tenant within a reasonable period of time after the expiration or termination of this Lease. The Security Deposit shall not be considered an advance payment of rental or a measure of Landlord's damages resulting from a default by Tenant.

Section 3.5. Tenant's Proportionate Share of Taxes, Insurance Costs and Utility Costs. In addition to the payment of the Base Rent, Tenant shall pay to Landlord Tenant's Proportionate Share of Utility Costs, Insurance Costs, and Taxes in accordance with the following provisions:

(a) Tenant shall pay to Landlord, either in the form of a lump sum payment due and payable within twenty (20) days of receipt of invoice by Landlord or on a monthly basis contemporaneously with the payment of Rent, as Landlord may elect, (i) an amount reasonably estimated by Landlord to be Tenant's Proportionate Share of all Utility Costs for each calendar year or portion thereof during the Lease Term, (ii) an amount reasonably estimated by Landlord to be Tenant's Proportionate Share of all Insurance Costs for each calendar year or portion thereof during the Lease Term, and (iii) an amount reasonably estimated by Landlord to be Tenant's Proportionate Share of the amount, if any, by which Taxes for each calendar year or portion thereof during the Lease Term exceeds Taxes for the Base Year.

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(b) If at any time Landlord shall have reasonable grounds to believe that actual Utility Costs, Insurance Costs, or Taxes will vary from such estimates, then Landlord reserves the right to revise such estimates accordingly. Upon any such revision, Landlord may, at Landlord's election, either (i) require Tenant to make a lump sum payment to Landlord reflecting such revised estimate or (ii) require Tenant to make the monthly payments due and payable to Landlord by Tenant under this Section be revised to an amount which will amortize such revised estimate over the remainder of the calendar year in which any such revision is made by Landlord.

(c) Within sixty (60) days after the end of any calendar year during which such payments were made by Tenant, a lump sum payment (or credit against the next succeeding installments of Base Rent, if any, in case of amounts owed by Landlord to Tenant) shall be made by Tenant to Landlord or by Landlord to Tenant, as the case may be, so that Tenant shall have paid to Landlord only Tenant's Proportionate Share of (i) Utility Costs for the previous calendar year, (ii) Insurance Costs for the previous calendar year, and (iii) the amount, if any, by which Taxes for the previous calendar year exceed Taxes for the Base Year, which obligation to make such reconciliation payment to Landlord or Tenant shall survive the termination of the Lease.

(d) Tenant is aware that the provisions of (S) 41.413 the Texas Property Tax Code (that statute or any successor thereto, being the "Protest Provision") provides tenants with the right to protest ad valorem real estate taxes under certain circumstances. Because Tenant recognizes that (a) due to the size of the Project and the number of tenants who are or will be occupying space in the Project during the Lease Term, Tenant's share of any Taxes will be relatively small and (b) the confusion which could result if several tenants file a real estate tax protest with respect to the Project, Tenant waives its

rights under the Protest Provision to the fullest extent allowed by law. In the event that Tenant's rights under the Protest Provision cannot be waived, Tenant will not protest any valuation of the Project unless Tenant notifies Landlord of Tenant's intent to do so and Landlord then fails to protest that valuation within thirty (30) days after Landlord receives Tenant's written notice. If Tenant files a protest under the Protest Provision without giving the required notice to Landlord, such filing shall, at Landlord's sole election, constitute a default under this Lease; and no cure period shall be applicable to such default. In addition, if Tenant exercises the right to protest under this Protest Provision, Tenant shall pay all costs of such protest and, if the Taxes are increased following that tax protest, Tenant shall pay such excess Taxes until the determination of the appraised value of the Project is changed by the appraisal review board, regardless of whether the increased Taxes are incurred during the Lease Term or thereafter.

ARTICLE 4

BUILDING SERVICES AND UTILITIES

Section 4.1. Services to be Furnished by Landlord to Tenant. Landlord shall furnish Tenant (subject to the terms and conditions of this Article 4) with the following services ("Building Standard Services") during the Lease Term:

(a) Central Heating and air conditioning in season to the enclosed public areas of the Building;

(b) Non-exclusive passenger escalator and/or elevator services and non-exclusive freight elevator service;

(c) Maintenance and repair of the roof, exterior walls, and public areas of the Building and electric lighting for all public areas of the Building;

(d) Janitorial service for the corridors and other public areas of the Building; and;

(e) Common use rest rooms and drinking fountains at locations provided for general use of the tenants in the Building and their guests and invitees.

The Building Standard Services shall be provided (i) during the hours and days which Landlord establishes from time to time as the normal business hours of the Building; (ii) at such locations, in such manner, and to the extent deemed by Landlord to be reasonably adequate for the use and occupancy of the Building, and with due regard for the prudent control of energy; (iii) subject to temporary cessation for ordinary repair, maintenance, and cleaning and during times when life safety systems override normal Building operating systems; and (iv) subject to the other limitations described in this Article 4.

Landlord recognizes that Tenant has the right to operate in the Premises twenty-four (24) hours a day, seven (7) days a week.

Section 4.2. Utilities. Landlord has caused the necessary mains, conduits, and other facilities necessary to supply normal water, electricity, telephone service, and sewage service to the Building. Landlord shall maintain those facilities within the Building but shall have no responsibility with respect to any of those facilities located outside the boundaries of the Project. To the extent the Building Standard Services require electricity, water, or other specified utilities supplied by public utilities, Landlord's obligations under this Lease shall only require Landlord to use reasonable efforts to cause the applicable public utilities to furnish those utilities; and Landlord shall not be responsible for, and shall have no liability with respect to, the quality, quantity, or condition of any services provided by such public utilities.

Section 4.3. Electrical Services. The facilities furnishing electrical service to the Building have the capacity for furnishing electricity in the amount of seven (7) watts per Usable Square Foot within the Premises ("Building Standard Capacity") and Tenant's Proportionate Share of Utility costs will be calculated on the basis that Tenant's electrical usage in the Premises is equal to the Building Standard Capacity. Landlord shall allow electrical services to the Premises to be provided from a mutually agreed upon transformer pad which is to be installed by Tenant as a part of the Initial Improvements. Such transformer pad and installed transformers shall serve the Premises with a dedicated access of not less than 56 watts per the Usable Square Feet within the Premises ("Approved Electrical Capacity"); and Tenant's lighting and receptacle/equipment loads in the Premises shall not have an electrical design load greater than the Approved Electrical Capacity. In the event Tenant's actual electrical usage within the Premises exceeds the Approved Electrical Capacity,

such excess electrical usage may

affect the capability of such electrical systems to furnish electricity to other tenants of the Building at the Building Standard Capacity. For this reason, Landlord shall have the right to determine the amount of any electrical usage by Tenant from time to time and, if such electrical usage by Tenant exceeds the Building Standard Capacity, may either separately meter Tenant's electrical usage within the Premises or require Tenant to reduce its electrical usage to the Building Standard Capacity. The cost of purchasing, installing, maintaining, and reading a separate meter shall be at Tenant's expense, and Tenant shall pay to Landlord, on demand, the cost of the consumption of electrical services within the Premises in excess of the Building Standard Capacity at rates determined by Landlord in accordance with applicable laws. In addition, Tenant shall pay for all costs of any wiring, risers, raceways, transformers, electrical panels, and other items required by Landlord, in Landlord's discretion, to accommodate Tenant's design loads and capacities that exceed the Standard Building Capacity, including, without limitation, all installation and maintenance costs relative to that equipment. Notwithstanding the foregoing, Landlord may refuse to install, and may withhold consent for Tenant's installation of, any wiring, transformers, electrical panels, or other equipment required to accommodate Tenant's excess electrical usage if, in Landlord's sole judgment, the same are not necessary or would cause damage or injury to the Project or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations or repairs to the Project, or would interfere with or create or constitute a disturbance to other tenants or occupants of the Project. In no event shall Landlord incur any liability for Landlord's refusal to install, or the withholding of consent for Tenant's installation of, any such facilities or equipment; and Landlord shall have no obligation to install any electrical facility or equipment to accommodate Tenant's electrical usage in excess of the Approved Electrical Capacity.

Section 4.4. Adverse HVAC Effect. Intentionally deleted."

Section 4.5. Interruption of Utilities or Services. In the event that any utility services to the Building or the Premises are interrupted, malfunction, or are subject to partial curtailment; any equipment, machinery, or facility within the Building furnished by Landlord breaks down or, for any cause, ceases to function; or an interruption or malfunction occurs with respect to any Building Standard Service, Landlord shall use reasonable efforts to repair (if related to facilities or equipment within the Project) or obtain the restoration of such services as soon as reasonably practicable. No such occurrence, nor Landlord's compliance with any Legal Requirement or with any voluntary governmental or business guidelines related to the conservation of energy, shall ever (a) cause Landlord to be liable or responsible to Tenant for any loss or damage which Tenant may sustain or incur as a result of any such occurrence, (b) be construed as an eviction of Tenant or as a disturbance of Tenant's use or possession of the Premises, (c) constitute a breach by Landlord of any of Landlord's obligations under this Lease, (d) work an abatement or reduction of Rent, (e) entitle Tenant to any right of setoff or recoupment, or (f) relieve Tenant of any of Tenant's obligations under this Lease. Landlord shall, as soon as reasonably practicable, notify Tenant of any interruption anticipated by Landlord in any utility services to the Building or the Premises.

Section 4.6. Telecommunications. In the event that Tenant desires to utilize the services of a telephone or telecommunications provider who is not then servicing the Project, such provider shall not be permitted to install its lines or other equipment within the Project without first obtaining the prior approval of Landlord (including Landlord's approval of any

plans or specifications for the installation of lines and/or other telecommunications equipment within the Project). Neither Landlord's approval of any provider nor Landlord's approval of any plans and specifications relative to the installation of any telecommunications equipment will ever constitute an indication, representation, or certification by Landlord as to the suitability, competence, or financial strength of that provider or as to the suitability of any telecommunications equipment provided. The failure of any provider to satisfy the standards and conditions set forth in Landlord's "Telecommunications Provider Requirements" shall constitute reasonable grounds for Landlord's refusal to approve that provider. Landlord reserves the right to (a) impose restrictions on any telecommunications provider that are reasonably necessary to protect the safety, security, appearance, and condition of the Building, and the safety and convenience of Landlord, tenants of the Building, and other persons; (b) impose a reasonable limitation on the time during which any telecommunication provider may have access to the Building to install any of its telecommunications facilities; (c) impose reasonable limitations on the number of telecommunications providers that have access to the Building; (d) require that each telecommunications provider agree to indemnify Landlord for damage caused in connection with the installation, operation, maintenance, repair, or

removal of any of its telecommunications facilities; (e) require Tenant or the telecommunications providers selected by Tenant to bear the entire cost of installing, operating, or removing all of its telecommunications facilities (including wiring and cabling); and (f) require any telecommunications provider to pay reasonable compensation to Landlord relevant to its installation. Landlord shall have no obligation to repair, maintain or replace any telecommunications facilities or equipment provided by a telephone or telecommunications provider selected by Tenant, notwithstanding any provision of this Lease to the contrary.

ARTICLE 5

ALTERATIONS, REPAIRS AND TRADE FIXTURES

Section 5.1. Alterations, Improvements and Additions.

(a) Tenant shall, at Tenant's expense, furnish, equip, and improve the Premises, to the extent necessary or appropriate for the proper operation of the Premises for the Permitted Use. Tenant's obligations to provide leasehold improvements within the Premises shall include partitions, lighting fixtures, floor and wall coverings, and other interior decoration and shall be of a design and quality consistent with the standards generally observed by Landlord and other tenants of the Building.

(b) All work to be done to improve, equip, or alter the Premises and any work in any other areas of the Project for which Tenant is responsible shall be subject to the following conditions:

(i) all such work shall be done at Tenant's sole cost, risk, and expense and in accordance with all Legal Requirements, Insurance Requirements, Building Rules, and construction guidelines and standards of Landlord;

(ii) all such work shall be performed in a good and workmanlike manner with labor and materials of such quality as Landlord may reasonably approve;

(iii) no such work shall be commenced until approved in writing by Landlord. Notwithstanding the foregoing, Landlord shall not unreasonably withhold its consent with respect to any alteration of the Premises which (A) does not involve work above the ceiling of the Premises, or (B) does not affect, in any way, the mechanical, electrical, plumbing and/or structural components of the Building and Landlord's consent shall not be required for work occurring entirely within the Premises which is necessary with respect to electrical, mechanical, or security services provided by Tenant to its Customers and provided that the requirements of clauses (A) and (B) in this sentence are satisfied;

(iv) all such work shall be performed in strict accordance with the plans and/or specifications previously approved by Landlord;

(v) all such work shall be prosecuted diligently and continuously to completion;

(vi) all such work shall be performed in a manner so as to minimize interference with the normal business operations of other tenants in the Building; the performance of Landlord's obligations under this Lease, any other lease for space in the Building, or any Financing Lien or Ground Lease covering or affecting all or any part of the Project; and any work being done in any other portion of the Project;

(vii) Landlord may impose such conditions with respect to such work as Landlord deems reasonably appropriate, including, without limitation, (A) requiring Tenant to furnish Landlord with security for the payment of all costs to be incurred in connection with such work and (B) requiring Tenant or Tenant's contractor to maintain insurance against liabilities which may arise out of such work;

(viii) such work shall be performed by contractors approved in writing by Landlord and, if requested by Landlord, any such contractor and all work to be performed by such contractor shall be fully bonded (with Landlord named as co-obligee) with companies and in amounts acceptable to Landlord in its reasonable discretion; and

(ix) upon completion of any such work and upon Landlord's request, Tenant shall deliver to Landlord evidence of payment, contractors' affidavits, and full and final waivers of all liens for labor, services, or material.

(c) No alterations, improvements, or additions made to the Premises by or on behalf of either Landlord or Tenant may be removed by Tenant without Landlord's prior written consent. All such alterations, improvements, or additions shall become the property of Landlord upon the termination or expiration of this Lease. Tenant shall have no (and hereby waives all) rights to payment or compensation for any such alteration, improvement, or addition to the Premises. However, Tenant's Trade Fixtures shall remain the property of Tenant as provided in Section 5.3 below.

(d) Tenant shall not allow any liens to be filed against the Premises or the Project in connection with the installation of any alterations, improvements, or additions to the Premises. If any such liens shall be filed, Tenant shall cause the same to be released immediately by payment, bonding, or other method acceptable to Landlord. If Tenant shall fail to cancel or remove any lien, then Landlord, at its sole option, may obtain the release of that lien; and Tenant shall pay to Landlord, on demand, the amount incurred by Landlord for the release of each lien, plus an additional charge (as determined by Landlord) to cover Landlord's administrative overhead and expenses.

(e) Tenant hereby indemnifies and holds Landlord harmless from all losses, costs, damages, claims, expenses (including attorneys' fees and costs of suit), liabilities, or causes of action arising out of or relating to any alterations, additions, or improvements that Tenant makes or causes to be made to the Premises or to any repairs made to any portion of the Project, including any occasioned by the filing of any mechanic's, materialman's, construction, or other liens or claims (and all costs or expenses associated with any such lien or claim) asserted, filed, or arising out of such work. Nothing contained in this Lease shall be deemed or construed in any way as constituting the consent of or request by Landlord, express or implied, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for the improvement, alteration, or repair of the Premises or the Project or as giving Tenant any right or authority to contract for or permit the rendering of any labor or the furnishing of any materials that would give rise to a lien against the Premises or the Project.

(f) Tenant shall have the sole responsibility for compliance with all applicable Legal Requirements and Insurance Requirements relative to any such alterations, improvements, or additions. Landlord's approval of any plans or specifications shall never constitute an indication, representation, or certification that such alterations, improvements, or additions will be in compliance with any applicable Legal Requirement or Insurance Requirement or as to the adequacy or sufficiency of the alterations, improvements, or additions to which such consent relates. In instances in which several sets of requirements must be met, the strictest applicable requirements shall control.

(g) Tenant shall not permit any weight exceeding two hundred fifty (250) pounds per square foot of floor area upon the floor of the Premises.

Section 5.2. Maintenance and Repairs. Tenant shall take good care of and maintain the Premises (including all plate glass, Trade Fixtures, and improvements, additions, or alterations situated in the Premises) in a first class, clean, and safe condition other than damage caused by the negligence of Landlord. Tenant shall not commit or allow any waste or damage to be committed on any portion of the Premises or the Project. Tenant shall repair or replace any damage to any part of the Project, caused by Tenant or by a Tenant Related Party. However, Landlord may, at its option, make such repairs, improvements, or replacements; and Tenant shall repay Landlord on demand the actual costs incurred by Landlord to make such repairs, improvements, or replacements plus an additional charge (as determined by Landlord) to cover administrative overhead. Landlord shall arrange for the repair and maintenance of the foundation, exterior walls, and roof of the Building; the public areas within the Building; the heating, air conditioning, and ventilation system within the Building; and the facilities providing

utility services (other than facilities installed by a telephone or telecommunications provider selected by Tenant) which are located within the Project (collectively, "Landlord's Repair Obligations"). Landlord, however, shall not be required to make any repairs arising as a result of, in whole or in part the act or negligence of Tenant or any Tenant Related Party; and the cost of those repairs shall be the obligation of Tenant. In the event that the Premises become in need of repairs which are within Landlord's Repair Obligations, Tenant shall give immediate notice to Landlord of the nature of such repair needs; and Landlord shall not be responsible in any way for failure to make any repairs until a reasonable time shall have elapsed after receipt by Landlord of such written notice.

Section 5.3. Trade Fixtures. All Trade Fixtures shall be and remain

the property of Tenant and may be removed by Tenant prior to or upon the expiration or termination of this Lease. Tenant shall repair any damage caused by such removal and restore the Premises to the condition existing prior to the installation of those Trade Fixtures. Any Trade Fixtures which are not removed from the Premises upon the expiration or termination of this Lease shall be deemed to have been abandoned by Tenant and shall, at Landlord's option, become the property of Landlord. In that event, Tenant shall have no (and hereby waives all) rights to payment or compensation for any such item.

Section 5.4. Surrender of Premises. Upon the expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord, broom-clean and in a good state of repair and condition, excepting only ordinary wear and tear. Upon request of Landlord, Tenant shall (a) demolish or remove all or any portion of any Trade Fixtures and other property and all alterations, improvements, or additions to the Premises made by or on behalf of Tenant and (b) restore the Premises to the condition existing prior to the installation of those Trade Fixtures or other property or the making of any such alterations, improvements, or additions. Upon the expiration or termination of this Lease, Tenant will deliver all keys to the Premises to Landlord and inform Landlord of all combinations on locks, safes, and vaults, if any, which remain in the Premises.

ARTICLE 6

RIGHTS RESERVED BY LANDLORD

Section 6.1. Landlord's Access. Landlord (and its agents, representatives, and contractors) shall have the right to enter upon the Premises with forty-eight (48) hours prior written to Tenant (and, in the case of an emergency, at any time) to (a) inspect the Premises; (b) make repairs, alterations, or additions; and (c) within six (6) months prior to the expiration of the Lease Term, show the Premises to prospective tenants, subtenants, mortgagees, and purchasers as Landlord may deem necessary or desirable. Except in case of emergency, Tenant shall have the right to have a representative present during any such entry into the Premises by Landlord Tenant shall not be entitled to any abatement or reduction of any Rent by reason of any such entry by Landlord, and no such entry shall ever be construed to be an eviction of Tenant, a default by Landlord, or a breach of the covenant of quiet enjoyment. In exercising its rights under this Section 6.1, Landlord shall use reasonable efforts to avoid (to the extent reasonable and practicable under the circumstances) material interference with Tenant's Permitted Use of the Premises.

Section 6.2. Assignment, Subletting, or Other Transfers by Tenant. Landlord reserves the right to approve any transfers of any interest of Tenant under this Lease. Tenant shall not, without having obtained Landlord's prior written consent, (a) assign, convey, or otherwise transfer (whether voluntarily, by operation of law, or otherwise) this Lease, the Premises, or any interest of Tenant under this Lease, (b) mortgage, pledge, or otherwise encumber any interest of Tenant under this Lease, (c) grant any concession or license within the Premises, (d) grant or transfer any management privileges or rights with respect to the Premises, (e) allow any lien, security interest, or other encumbrance to be placed upon any interest of Tenant under this Lease, (f) sublet all or any part of the Premises, or (g) permit any other party to occupy or use all or any part of the Premises. Any attempted transfer by Tenant without Landlord's prior written consent shall be of no force or effect and may, at Landlord's option, be a default by Tenant under this Lease. If Tenant is other than a natural person and if Tenant's voting securities are not traded on a national securities exchange, any conveyance, assignment, or transfer of more than a fifty-five percent (55%) interest in Tenant in a single transaction or in a series of transactions shall be deemed an assignment prohibited by this Lease. In the event of a transfer of any interest of Tenant under this Lease (whether with or without Landlord's consent), (h) each transferee shall fully observe all covenants and obligations of Tenant under this Lease; (i) no transferee shall use the Premises for any use except the Permitted Use; (j) such transfer shall be subject to all of the terms, covenants, and conditions of this Lease; (k) any transferee must assume in writing all of the applicable obligations of the Tenant under this Lease; and (l) any expansion, renewal, or like options granted to Tenant under this Lease shall automatically terminate as of the date of such transfer. No such transfer shall ever be construed to constitute a waiver of any of Tenant's covenants contained in this Lease, a release of Tenant from any obligation or liability of Tenant under this Lease, or a waiver of any of Landlord's rights under this Lease. The consent by Landlord to a particular transfer shall not constitute Landlord's consent to any other or subsequent transfer. No transferee of Tenant shall have any right to further sublease or assign, or otherwise transfer, encumber, pledge, or mortgage its interest under this Lease. Neither the voluntary or other surrender of this Lease by Tenant nor a mutual cancellation of this Lease shall ever constitute a merger of estates. Instead, any such early termination of this Lease shall, at the option of

Landlord, either terminate all or any existing subleases or subtenancies or operate as an assignment to Landlord of Tenant's interest in any or all such subleases or subtenancies.

Notwithstanding any provision of this Lease to the contrary, Tenant shall have the right, without obtaining the prior written consent of Landlord, to assign this Lease or sublet the Premises to (a any parent corporation of Tenant, (b) any subsidiary corporation of Tenant or of Tenant's parent corporation, (c) any entity in which Tenant, any parent corporation of Tenant or any subsidiary corporation of Tenant or of Tenant's parent corporation holds a majority of the outstanding shares or ownership interests, or (d) any corporation resulting from the merger, consolidation or reorganization of Tenant or Tenant's parent corporation with another corporation (collectively, "Affiliates"), but only if such Affiliate is "Credit Worthy" as of the date of such assignment or subleasing. As used herein, "Credit Worthy" shall mean that such Affiliate's has a net worth equal to not less than $5,000,000.00. Landlord agrees to release Tenant from all obligations under this Lease in the event the obligations of Tenant under this Lease are assumed under the provisions of the preceding sentence by a corporation whose Landlord acknowledges that Tenant's business to be conducted on the Premises requires the installation on the Premise of certain communications equipment by certain licensees and

customers of Tenant (collectively, "Customers") in order for such Customers to interconnect with Tenant's terminal facilities or to permit Tenant to manage or operate such Customers' equipment, or otherwise as may be required pursuant to applicable statures and regulations. Notwithstanding anything to the contrary in this Lease, Landlord hereby consents in advance to any sublease, license agreement, co-location agreement or similar agreement (collectively, "Customer License") between Tenant and such a Customer for the limited purpose of permitting such arrangements as described above. Any and all of the transactions permitted under this Section 6.2 shall not constitute an assignment, subletting or other transaction requiring the consent of Landlord under the provisions of this Section 6.2 and shall not be subject to any of the other provisions of this Section 6.2.

Notwithstanding the provisions of this Section 6.2, Landlord shall not unreasonably withhold its consent in connection with an assignment of this Lease or a subletting of all or any portion of the Premises to a qualified third party if (i) rent is to be at not less than the then market rate for comparable space within the Building, (ii) Landlord receives evidence satisfactory to Landlord that such proposed third-party is "Creditworthy" (as defined above), (iii) Landlord receives evidence satisfactory to Landlord that the proposed subtenant or assignee will immediately occupy and thereafter use the Premises, or applicable portion thereof, in accordance with the Permitted Use for the remainder of the Lease Term, or for the entire term of any sublease, if such expires prior to the expiration of the Lease Term, and (iv) the occupancy of the Premises, or applicable portion thereof, by the proposed third-party would not increase fire hazards, require substantial alterations to the Premises, or applicable portions thereof, reduce the rental value of rentable space within the Building, or adversely affect the reputation and image of the Building. In no event shall Landlord be deemed to have unreasonably withheld consent to an assignment or sublease to a third party who is owned or controlled by a foreign government, involved in lobbying activities, or reputed to be involved in illegal or illicit activities. Under no circumstances shall Tenant have the right, without first obtaining Landlord's prior consent, to advertise or to engage in any other promotional activities regarding an assignment or subletting of all or any portion of the Premises.

Landlord and Tenant shall divide equally the excess rentals from any approved assignee or sublessee (such excess to be the amount which equals the difference between the rentals or other consideration actually paid by such assignee or sublessee to Landlord less the [i] rentals required to be paid by Tenant hereunder, [ii] the brokerage commissions paid by Tenant in connection with such assignment or sublease, and [iii] attorneys' fees paid by Tenant in connection with such sublease or assignment).

Section 6.3. Assignment by Landlord. Landlord shall have the right
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at any time to transfer and assign, in whole and by operation of law or otherwise, Landlord's rights, benefits, privileges, duties, and obligations under this Lease, in the Building, or in any portion of the Project. Landlord shall be released from any further obligation under this Lease, and Tenant agrees to look solely to Landlord's successor in interest for the performance of, all obligations of Landlord accruing subsequent to the date of such transfer. All covenants of Landlord under this Lease shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective periods of ownership of Landlord's interest under this Lease.

Section 6.4. Alterations and Additions by Landlord. Landlord reserves
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the right to make alterations or additions to the Project at any time and from time to time. Landlord further reserves the right to construct (or permit others to construct) other buildings or improvements within the Project at any time and from time to time. Such rights set forth in the two preceding sentences include the right to construct additional stories to any building within the Project, the right to build adjoining buildings, the right to construct multi-level, elevated, underground, and other parking facilities within the Project, and the right to erect or build temporary scaffolds or other aids to such construction. Neither the diminution nor the shutting off of any light, air, or view nor any other effect on the Premises as a result of Landlord's exercise of the rights reserved in this Section 6.4 shall affect this Lease, abate or reduce Rent, or otherwise impose any liability on Landlord provided Landlord's exercise of such rights does not materially interfere with Tenant's Permitted Use of or access to the Premises.

Section 6.5. Subordination to Mortgages and Leases. This Lease shall be subject and subordinate at all times to (a) all ground or underlying leases now existing or which may be subsequently executed affecting the Project ("Ground Lease"), (b) the lien or liens of all mortgages and deeds of trust now existing or subsequently placed on the Project or Landlord's interest or estate in the Project ("Financing Lien"), and (c) all renewals, modifications, consolidations, replacements, and extensions of any Ground Lease or Financing Lien. The provisions of this Section shall be self-operative without the necessity of the execution of any other document by any party. However, Tenant shall execute and deliver any instruments, releases, or other documents requested by Landlord for the purpose of confirming the provisions of this Section or further subjecting and subordinating this Lease to any Ground Lease or Financing Lien. In the event of the enforcement by the lessor under any Ground Lease or by the holder of any Financing Lien of the remedies provided for by law or by such Ground Lease or Financing Lien, or in the event of the transfer of the Building or Landlord's interest or estate in any part of the Building by deed in lieu of foreclosure, Tenant, upon request of any person or party succeeding to the interest of Landlord as a result of such enforcement or deed in lieu of foreclosure, automatically will become the tenant of such successor in interest without change in the terms or provisions of this Lease. However, such successor in interest shall not be bound by any payment of Rent for more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease which have been actually delivered to such successor; liable for the return of any security deposit or other deposit unless such security deposit or other deposit has actually been delivered to such successor; or bound by any amendment or modification of this Lease made after the applicable Ground Lease or Financing Lien is placed against the Project without the written consent of any trustee, mortgagee, beneficiary, or lessor. Contemporaneously with Tenant's execution of this Lease, Tenant shall execute and deliver an instrument ("SNDA"), in the form attached hereto as Exhibit "F", confirming the attornment and other agreements contemplated by this Section. Notwithstanding anything to the contrary set forth in this Lease, the lessor under any Ground Lease or the holder of any Financing Lien may elect at any time to cause their interest in the Project to be subordinate to Tenant's interest under this Lease by filing an instrument in the real property records of Dallas County, Texas, affecting such election; and Tenant shall execute and deliver to Landlord immediately any such instruments or documents requested by the lessor under such Ground Lease or the holder of such Financing Lien for the purpose of confirming that such Ground Lease or Financing Lien is subordinated to Tenant's interest under this Lease. Provided that Tenant executes and delivers the SNDA to Landlord, Landlord shall, upon

execution of this Lease by Landlord, execute the SNDA and deliver the SNDA to the current holder of the Financing Lien on the Project, with the request that such current holder of the Financing Lien execute and return a fully executed copy of the SNDA to Landlord. Within ninety (90) days of Landlord's submission of the partially executed SNDA to the current holder of the Financing Lender, Landlord shall obtain, and deliver to Tenant, a fully executed copy of the SNDA. In addition, Landlord will use its reasonable efforts to obtain a non-disturbance agreement from any future holder of a Financing Lien on the Project, which shall be acceptable to Tenant if in form and content, except for the completion of the applicable blanks therein and the identity of the holder of the Financing Lien, reasonably comparable to the SNDA. Landlord's obligation to use reasonable efforts to obtain a non-disturbance agreement from future holders of a Financing Lien shall not, however, require Landlord to forego future financing or refinancing relative to the Project or a prospective sale of the Project; and Landlord shall have the sole and absolute discretion to determine at what point in the negotiation process to withdraw or waive Landlord's request that such lender execute a non-disturbance agreement.]

Section 6.6. Certificates. Within ten (10) days after Landlord's written request, Tenant will execute, acknowledge, and deliver to Landlord (and any other persons specified by Landlord) a certificate certifying as to such facts (to the extent true) as Landlord may reasonably request, including (a) that this Lease is in full force and effect, (b) the date and nature of each

modification to this Lease, (c) the date to which Rent and other sums payable under this Lease have been paid, and (d) that Tenant is not aware of any default under this Lease which has not been cured, except such defaults as may be specified in said certificate. Such request may be made by Landlord at any time, and from time to time, during the Lease Term. Any such certificate may be relied upon by Landlord and by such other persons specified by Landlord or to whom such certificate may be delivered. Tenant's failure to deliver any such certificate within the specified time period shall constitute a representation by Tenant that all factual statements made by Landlord relative to those matters are true and correct and may be relied upon by any person. Likewise, within ten (10) days after Tenant's request, Landlord will execute, acknowledge, and deliver to Tenant (and any other person specified by Tenant) a certificate certifying as to (a) the date to which Rent has been paid and (b) that Landlord is not aware of any default under the Lease that has not been cured, except such defaults as may be specified in said certificate. This request may be made by Tenant at any time, and from time to time, during the Lease Term. Any such certificate may be relied upon by Tenant and by such other persons specified by Tenant or to whom such certificate may be delivered.

Section 6.7. Building Rules. Landlord reserves the right to rescind any of the Building Rules and to make any modifications or additions to the Building Rules as shall be necessary or advisable for the safety, protection, care, and cleanliness of the Building and the Project, the operation of the Project, the preservation of good order in the Project, the protection and comfort of the tenants in the Building (and their agents, employees, and invitees), and the reputation of the Project. All amendments, modifications, and additions to the Building Rules shall be binding upon Tenant from the date on which notice of any such Building Rules is delivered to Tenant. While the Building Rules are intended to be of general applicability to all tenants of the Building, Landlord reserves the right to waive the applicability of any one or more of the Building Rules to a particular situation, but such waiver by Landlord shall not be construed as a waiver of such Building Rules with respect to any other comparable situation and shall not prevent Landlord from thereafter enforcing any of such Building Rules against or any

or all of the tenants in the Building. If there is any conflict between any subsequently enacted Building Rules and the terms and provisions of this Lease, the terms and provisions of this Lease shall control.

Section 6.8. Use of the Term "INFOMART". Landlord reserves the right to approve Tenant's usage of the term "INFOMART", and Tenant shall not use the term "INFOMART" in any of its activities (including advertising and marketing activities) without the prior written consent of Landlord. Copies of all proposed written materials and advertising containing references to the term "INFOMART" shall be furnished to Landlord in advance for its review and approval. Any permitted use of the term "INFOMART" by Tenant shall additionally include the phrase "The Technology Community" immediately after such use. Tenant shall not permit any third party to use the term "INFOMART" in any of its activities and shall report to Landlord any unauthorized uses of such term as it comes to its attention. The breach by Tenant of any provision in this Section 6.8 shall constitute an event of default under this Lease and shall entitle Landlord to exercise any right or remedy available to Landlord under this Lease, at law, or in equity. Tenant shall indemnify and hold Landlord harmless from and against any loss, cost, claim, liability, cause of action, or expense whatsoever (including attorney's fees and other costs and expenses of defending any such claim) arising or alleged to arise from any unauthorized use by Tenant, or any Tenant Related Party, of the term "INFOMART".

ARTICLE 7

CONDEMNATION AND CASUALTY

Section 7.1. Condemnation. In the event of a Total Taking of the Premises or the Building, then this Lease shall terminate as of the date when physical possession of the Premises or Building, as applicable, is taken by the condemning authority. If a Partial Taking occurs which relates to a material portion of the Building or if Landlord is required to pay any of the proceeds from such Partial Taking to the lessor under a Ground Lease or to the holder of a Financing Lien, then this Lease, at the option of Landlord, exercised by written notice to Tenant within thirty (30) days after the date of such Partial Taking, shall terminate regardless of whether the Premises are affected by such Partial Taking. In this event, Rent shall be apportioned as of the date when physical possession of the applicable portion of the Building is taken by the condemning authority. In the event of a Partial Taking of the Premises which results in the Premises being Untenantable, then Tenant may terminate this Lease as of the date of such Taking by giving Landlord written notice of Tenant's termination election within thirty (30) days after the date of such Taking; and Rent shall be apportioned as of the date of such Taking. If a Taking of the Premises occurs which entitles Tenant to terminate this Lease but Tenant does

not do so in the manner and within the time period specified in the immediately preceding sentence, then Tenant shall be deemed to have irrevocably waived its termination right. If Tenant is deemed to have waived its termination right or if a Partial Taking of the Premises occurs which does not result in the Premises becoming Untenantable, then Landlord shall allow Tenant a fair diminution of Rent as to that portion of the Premises subject to such Taking; and this Lease shall otherwise continue in full force and effect. All proceeds (whether in a lump sum or in separate awards) of any Taking shall be paid to Landlord, and Tenant shall not be entitled to (and expressly waives any claim to) any portion of Landlord's award. However, Tenant shall have the right to assert a separate claim for any loss resulting to Tenant from such Taking if, and only

if, that claim does not in any way adversely affect the amount of Landlord's. The term "Taking" means a transfer during the Lease Term of all or any part of the Premises, the Building, or the Project, as applicable, as a result of, or in lieu of or in anticipation of, the exercise of the right of condemnation or eminent domain for any public or quasi-public use under any governmental law, ordinance, or regulation. The term "Partial Taking" means a Taking of less than the whole or substantially the whole of the Building and/or the Premises. The term "Total Taking" means a Taking of the whole or substantially the whole of the Building or the Premises or to a Taking which results in the termination of an applicable Ground Lease. "Untenantable" shall mean that Tenant is unable to conduct its business in the Premises in a manner reasonably comparable to that conducted immediately before the applicable occurrence.

Section 7.2. Casualty Damage. If the Premises shall be destroyed or damaged by fire or any other casualty, Tenant shall immediately give written notice of that occurrence to Landlord. In the event that any portion of the Project is damaged by fire or other casualty and if (a) such damage is such that Landlord cannot reasonably be expected to substantially complete the repairs which are within Landlord's Repair Obligations within two hundred forty (240) days after the date of the casualty; (b) if, and only if, such casualty results in material damage to the Project, Landlord, in Landlord's sole judgment, elects not to repair or rebuild such damaged areas; or (c) less than one (1) year remains in the Lease Term at the time of any damage to the Project, then Landlord, at Landlord's sole option, shall have the right to terminate this Lease, regardless of whether the Premises are affected by such casualty. In such event, all Rent owed up to the date of that casualty shall be paid by Tenant to Landlord; and this Lease shall cease and come to an end as of the date of Landlord's written notice to Tenant regarding such termination. In the event that (x) the Premises is rendered Untenantable by fire or any other casualty which is not caused by the fault or neglect of Tenant or any Tenant Related Parties; (y) such damage is such that Landlord cannot reasonably be expected to substantially complete the repairs within the Premises which are within Landlord's Repair Obligations within two hundred forty (240) days after the date of that casualty, as reasonably estimated by Landlord; and (z) Landlord has not terminated this Lease, then Tenant shall have the right to terminate this Lease by delivering written notice to Landlord within thirty (30) days after receipt of written notice of Landlord's estimate of the time to complete Landlord's Repair Obligations relative to the Premises. If Tenant does not provide Landlord with notice of Tenant's termination election in the manner and within the time period specified in the preceding sentence, then Tenant shall be deemed to have irrevocably waived its right to terminate the Lease as a result of such casualty; and Landlord, in reliance upon Tenant's waiver of its termination right, shall proceed to make the repairs which are within Landlord's Repair Obligations. During any period of reconstruction or repair of the Premises, Tenant shall continue the operation of Tenant's business within the Premises to the extent practicable. During the period from the occurrence of a casualty which was not caused, in whole or in part, by Tenant or any Tenant related party, until the completion of the work within Landlord's Repair Obligations which is necessary to render the Premises tenantable, Rent shall be reduced to the extent that the Premises are unfit for the conduct of Tenant's Permitted Use of the Premises. If, however, the Premises or any portion of the Project is damaged by fire or other casualty resulting from the fault or negligence of Tenant or any Tenant Related Party, the Rent shall not be reduced during the repair of such damage. If neither Landlord nor Tenant elects, or has the right to elect, to terminate this Lease as the result of such casualty, then Landlord shall commence and proceed with reasonable diligence to restore the Premises to the extent of Landlord's Repair Obligations. When the repairs described in the preceding sentence have been

completed by Landlord, Tenant shall then complete the restoration of all leasehold improvements in excess of Landlord's Repair Obligations which are necessary to permit Tenant to re-occupy the Premises for the Permitted Use. Tenant's restoration work shall be conducted in accordance with the provisions of Section 5.1 above. In no event shall Landlord have the obligation to expend for the restoration or repair of the Project an amount in excess of the insurance proceeds actually received by Landlord as a result of such casualty;

and except for those repairs which are within Landlord's Repair Obligations, all costs and expenses of restoring the Premises shall be borne by Tenant. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from any casualty or the repair or restoration work made necessary by the occurrence of any casualty.

Section 7.3. Insurance.

(a) Landlord shall not be obligated to insure any of Tenant's goods, Trade Fixtures, leasehold improvements, or any other property placed in or incorporated in the Premises by or on behalf of Tenant. Landlord shall maintain fire and extended coverage insurance on the Building (excluding leasehold improvements and tenants' personal property) in amounts desired by Landlord and at the expense of Landlord. All payments for losses thereunder shall be made solely to Landlord.

(b) Tenant shall procure and maintain, at its sole cost and expense during and throughout the Lease Term, a policy or policies of (i) commercial general liability insurance in an amount of not less than $5,000,000.00 (which can be complied with by Commercial General Liability Limits or by combination with additional Excess or Umbrella [commercial catastrophe] Liability limits), (ii) fire and extended coverage insurance with respect to Tenant's Trade Fixtures, inventory, and leasehold improvements located in the Premises written on an "All Risk" basis for the full replacement cost, (iii) worker's compensation and employer's liability insurance, and (iv) such other insurance as Landlord may, from time to time, reasonably require with the exception of business interruption insurance which Tenant chooses not to carry coverage. In addition, Tenant shall obtain a fire legal liability endorsement or other coverage satisfactory to Landlord which removes the "owned, rented, or occupied" property exclusion from Tenant's liability policy. All such insurance shall be maintained with companies authorized to transact business in the State of Texas and of good financial standing on forms and in amounts acceptable to Landlord. In addition, each such policy, other than the workers compensation/employers liability policies and policies insuring only Tenant's Trade Fixtures, shall name Landlord and the Landlord Related Parties as "additional insureds" thereunder and shall contain a standard "other insurance" clause, unmodified in any way that would make the coverage provided by the policy excess over or contributory with any additional insured's own insurance coverage.

(c) All policies of insurance required to be maintained by Tenant shall provide that Landlord shall be given at least thirty (30) days' prior written notice of any cancellation or non-renewal of any such policy. A duly executed certificate of insurance with respect to each such policy shall be deposited with Landlord by Tenant on or before the Commencement Date, and a duly executed certificate of insurance with respect to each subsequent policy shall be deposited with Landlord at least fifteen (15) days prior to the expiration of the policy then in effect.

(d) Tenant shall not do or permit anything to be done in or about the Premises, nor bring nor keep nor permit anything to be brought to or kept in the Premises, which will in any way increase the existing rate of or affect any fire insurance or other insurance which Landlord carries on the Project or any of its contents, cause a cancellation or invalidation of any such insurance or otherwise violate any Insurance Requirement. If the annual premiums to be paid by Landlord with respect to any insurance obtained by Landlord covering the Project or any of its contents shall be increased because either the nature of Tenant's operations or the nature of Tenant's Trade Fixtures, inventory, or leasehold improvements in the Premises may result in a hazardous exposure, Tenant shall pay such increase upon demand by Landlord.

(e) All fire and extended coverage insurance policies carried by either Landlord or Tenant shall provide for a waiver of rights of subrogation against Landlord and Tenant on the part of the applicable insurance carrier unless either (i) such waiver is then prohibited by applicable Texas law or (ii) such waiver would invalidate, nullify, or provide a defense to coverage under any such insurance policy. As long as the waivers contemplated by this Subsection are in effect, Landlord and Tenant each hereby waives any and all rights of recovery, claims, actions, or causes of action against the other (and their respective employees, agents, officers, or partners) for any loss or damage which may occur to the Premises or the Project which is covered by valid and collectible insurance policies and to the extent that such loss is actually recovered under any such insurance policy. The failure of Tenant to take out or maintain any insurance policy required under this Section 7.3 shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant which would have been covered by any such required policy. The waivers set forth in this Subsection shall be in addition to, but shall not be in substitution for, any other waivers, indemnities, or limitation of liabilities set forth in this Lease.

Section 7.4. Indemnity. Tenant shall not be liable to Landlord or to

the Landlord Related Parties for any injury to person or damage to property caused by the gross negligence or willful misconduct of Landlord or the Landlord Related Parties. Subject to the provisions of Section 9.14 below, Landlord shall indemnify and hold Tenant and the Tenant Related Parties harmless from any liability, loss, cost, claim, or expense (including attorneys' fees and expenses, court costs, and costs of investigation) arising out of, or alleged to have arisen out of, the gross negligence or willful misconduct of Landlord or the Landlord Related Parties. Landlord and the other Protected Parties shall not be liable to Tenant or to the Tenant Related Parties for any injury to person or damage to property caused by the negligence or misconduct of Tenant or the Tenant Related Parties, or arising out of any use of, or the conduct of any business in the Premises or other portions of the Project, by Tenant or the Tenant Related Parties. Tenant shall indemnify and hold Landlord and the other Protected Parties harmless from any liability, loss, cost, claim, or expense (including attorneys' fees and expenses, court costs, and costs of investigation) to the extent arising out of, or alleged to have arisen out of, the negligence or misconduct of Tenant or the Tenant Related Parties or out of any use of, or conduct of any business in, the Premises or any other portion of the Project by Tenant or the Tenant Related Parties. The indemnifications granted by both Landlord and Tenant in this Section 7.4 are subject to any express limitations to the contrary in this Lease. "Landlord Related Parties" means Landlord's officers, partners, employees, agents, and contractors. "Protected Parties" means the Landlord Related Parties and, to the extent applicable, the holder of any Financing

Lien, the lessor under any Ground Lease, and the management company for the Building (and their respective directors, partners, officers, employees, and agents).

Section 7.5. Damages from Certain Causes. Except to the extent caused by that Protected Party, none of the Protected Parties shall ever be liable or responsible to Tenant, or any person claiming through Tenant, for any loss, injury to person, or damage to property in, upon, or about the Premises or any other portion of the Project resulting from (a) theft, fire, casualty, vandalism, acts of God, public enemy, injunction, riot, strike, inability to procure materials, insurrection, war, court order, requisition, or order of any governmental body or authority; (b) the acts or omissions of other tenants of the Project; (c) any other causes beyond Landlord's control; or (d) any damage or inconvenience which may arise through repair or alteration of the Project. All goods, property, or personal effects stored or placed by Tenant in or about the Project shall be at the sole risk of Tenant.

ARTICLE 8

DEFAULT AND REMEDIES

Section 8.1. Default by Tenant. The occurrence of any of the following events and the expiration of any grace periods hereafter described shall constitute a default by Tenant under this Lease:

(a) The failure of Tenant to pay any Rent within ten (10) days after Tenant's receipt of Landlord's written notice of such failure to pay; provided Landlord shall be required to give such notice only twice in any twelve (12) month period and thereafter Tenant shall be in default if any such payment is not received when due and without notice;

(b) Tenant assigns its interest in this Lease or sublets any portion of the Premises except as permitted in this Lease or Tenant otherwise breaches the provisions of Section 6.2 of this Lease;

(c) Tenant uses the Premises for any purpose other than the Permitted Use or otherwise breaches Tenant's operational covenants under Sections 2.3, or 6.8 of this Lease after five (5) days Landlord's written notice of such breach;

(d) Tenant breaches or fails to comply with any term, provision, covenant, or condition of this Lease (other than as described in Subsections [a], [b], or [c] above), or with any of the Building Rules now or subsequently established, and such breach or failure continues for thirty (30) calendar days after written notice by Landlord to Tenant or, if such condition cannot reasonably be cured within such thirty (30) day period, Tenant shall fail to commence such cure within such thirty (30) day period, or having commenced such cure within such period shall thereafter diligently and continuously fail to prosecute such cure to completion within sixty (60) days from the date of Landlord's notice of such default;

(e) If the interest of Tenant under this Lease is levied on under execution or other legal process, or if any petition in bankruptcy or other insolvency proceedings is filed by or against Tenant, or any petition is filed or other action taken to declare Tenant as bankrupt or to delay, reduces

or modify Tenant's debts or obligations or to reorganize or modify

Tenant's capital structure or indebtedness or to appoint a trustee, receiver or liquidator of Tenant or of any property of Tenant, or any proceedings or other action is commenced or taken by a governmental authority for the dissolution or liquidation of Tenant (provided that no such levy, execution, legal process; or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within thirty (30) calendar days from the date of its creation, service, or filing);

(f) Tenant becomes insolvent, makes an assignment for the benefit of creditors, or makes a transfer in fraud of creditors; or a receiver or trustee is appointed for Tenant or any of its properties;

(g) Tenant abandons the Premises during the Lease Term; or

(h) If Tenant is an individual person, the death or legal incapacity of Tenant; if Tenant is a corporation, Tenant ceases to exist as a corporation in good standing in the state of its incorporation and/or ceases to be duly authorized to transact business within the State of Texas; or if Tenant is a partnership or other entity, Tenant is dissolved or otherwise liquidated.

Section 8.2. Landlord's Remedies. Upon the occurrence of any default by Tenant under this Lease, Landlord, at Landlord's sole option, may exercise any one or more of the following described remedies, in addition to all other rights and remedies provided at law or in equity:

(a) Landlord may at any time thereafter (without being under any obligation to do so) re-enter the Premises and correct or repair any condition which shall constitute a failure on the part of Tenant to observe, perform, or satisfy any term, condition, covenant, agreement, or obligation of Tenant under this Lease; and Tenant shall fully reimburse and compensate Landlord on demand for the costs incurred by Landlord in doing so, plus profit and overhead in any amount equal to fifteen percent (15%) of such cost. No action taken by Landlord under this subsection shall relieve Tenant from any of Tenant's obligations under this Lease or from any consequences or liabilities arising from the failure of Tenant to perform such obligations.

(b) Landlord may terminate this Lease and repossess the Premises. In the event that Landlord elects to terminate this Lease, Landlord shall be entitled to recover damages equal to the total of (i) the cost of recovering the Premises (including attorneys' fees and costs); (ii) the cost of removing and storing Tenant's or any other occupant's property; (iii) the unpaid Rent owed at the time of termination, plus interest thereon from the date when due at the maximum rate of interest then allowed by law; (iv) the cost of reletting the Premises (as reasonably estimated by Landlord and including alterations or repairs to the Premises and brokerage commissions); (v) the costs of collecting any sum due to Landlord (including without limitation, attorneys' fees and costs); and (vi) any other sum of money or damages owed by Tenant to Landlord as a result of the default by Tenant, whether under this Lease, at law, or in equity.

(c) Landlord may terminate Tenant's right of possession of the Premises without terminating this Lease and repossess the Premises. In the event that Landlord

elects to take possession of the Premises without terminating this Lease, Tenant shall remain liable for, and shall pay to Landlord, from time to time on demand, (i) all costs and damages described in Subsection (ii) of this Section 8.2 and (b) any deficiency between the total Rent due under this Lease for the remainder of the Lease Term and rents, if any, which Landlord is able to collect from another tenant for the Premises during the remainder of the Lease Term ("Rental Deficiency"). Landlord may file suit to recover any sums falling due under the terms of this Lease from time to time, and no delivery to or recovery by Landlord of any portion of the sums owed to Landlord by Tenant under this Lease shall be a defense in any action to recover any amount not previously reduced to judgment in favor of Landlord. Landlord may use reasonable efforts to relet the Premises on such terms and conditions and to such parties as Landlord, in Landlord's sole discretion, may determine (including a term different from the Lease Term, rental concessions, and alterations and improvements to the Premises); but Landlord shall never be obligated to relet the Premises before leasing other rentable areas within the Project, it being the intent of the parties that Tenant shall not be placed in a preferential position by reason of Tenant's own default. Any sums received by Landlord through releting shall reduce the sums owing by Tenant to Landlord, but Tenant shall not be entitled to any excess of any sums obtained by releting over and above the Rent provided in this Lease under any circumstances. For the purpose of such releting, Landlord

is authorized to decorate or to make any repairs, changes, alterations, or additions in and to the Premises that Landlord may deem necessary or advisable. No reletting shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may, at any time thereafter, elect to terminate this Lease for such previous default. In the alternative (but only in the event that Tenant's default constitutes a material breach), Landlord may elect to terminate Tenant's right to possession of the Premises and to immediately recover as damages, in lieu of the Rental Deficiency, a sum equal to the difference between (a) the total Rent due under this Lease for the remainder of the Lease Term and (b) the then fair market rental value of the Premises during such period, discounted to present value using a discount rate of eight percent (8%) per annum ("Discounted Future Rent"). In such event, Landlord shall have no obligation to relet the Premises or to apply any rentals received by Landlord as a result of any reletting to Tenant's obligations under this Lease; and the aggregate amount of all damages due to Landlord, including the Discounted Future Rent, shall be immediately due and payable to Landlord upon demand.

(d) In the event that Landlord elects to re-enter or take possession of the Premises after Tenant's default, Tenant hereby waives notice of such re-entry or re-possession and of Landlord's intent to re-enter or retake possession. Landlord may, without prejudice to any other remedy which Landlord may have for possession or arrearages in or future Rent, expel or remove Tenant or any other person who may be occupying the Premises. Landlord may also change or alter the locks or other security devices on the doors to the Premises and/or, if applicable, remove Tenant's access media from the security system; and Tenant waives, to the fullest extent allowed by law, any requirement that notice be posted on the Premises as to the location of a key to such new locks and any rights to obtain such a key.

(e) If Tenant abandons the Premises, Landlord may remove and store any property of Tenant that remains within the Project at Tenant's expense. In addition to Landlord's other rights and remedies, Landlord may dispose of the stored property if Tenant does not claim that property within ten (10) days after the date on which that property is first

stored by Landlord. Landlord shall deliver by certified mail to Tenant, at Tenant's last known address, a notice stating that Landlord will dispose of Tenant's property if Tenant does not claim such property within ten (10) days after the date the property was first seized and stored by Landlord. In addition, Tenant shall be liable to Landlord for all costs and expenses incurred by Landlord in moving, storing, and disposing of the abandoned property and shall indemnify and hold harmless Landlord from and against any and all loss, damage, costs, expenses, and liability related to or in connection with such removal, storage, and disposal of Tenant's property after abandonment.

(f) In the event that Rent is to be increased at various intervals during the Lease Term, then Landlord may, at Landlord's sole election, calculate the amount of unpaid Rents owed at the time of termination of this Lease or calculate the amount of any Rental Deficiency or Discounted Future Rent based upon the difference between the average rate of Rent payable by Tenant over the entire Lease Term instead of on the amount of Rent payable by Tenant during the applicable period. If Landlord agreed to allow Tenant to pay a lower rate of rent during the earlier portions of the Lease Term and to then increase the Rent at various stages during the Lease Term, Tenant acknowledges and agrees that (i) such agreement was made as an accommodation to Tenant and in reliance upon Tenant performing all of Tenant's obligations and paying Rent throughout the entire Lease Term and (ii) such method of calculation is intended to provide Landlord with the benefit of Landlord's bargain in this Lease.

(g) No termination of this Lease shall ever be deemed to have occurred unless Landlord specifically notifies Tenant in writing that Landlord has elected to terminate this Lease. No election of Landlord to re-enter the Premises or to retake possession of the Premises shall ever be deemed or construed to be a termination of this Lease.

(h) The provisions of this Section 8.2 shall override and control over any conflicting provisions of Section 93.002 of the Texas Property Code (as amended), and Tenant expressly waives any and all rights Tenant may have under Section 93.002.

(i) Tenant hereby expressly waives notice of any default for which notice is not specifically required under Section 8.1.

(j) All rights and remedies of Landlord under this Lease shall be non-exclusive and shall be in addition to an cumulative of all other rights or remedies available to Landlord under this Lease or by law or in equity.

Section 8.3. Landlord's Lien. Intentionally deleted.

Section 8.4. Attorney's Fees and Other Expenses of Enforcement. In the event Tenant defaults in the performance or observance of any of the terms, covenants, agreements, or conditions contained in this Lease, Tenant, to the extent permitted by applicable law, shall pay to Landlord (a) all reasonable expenses incurred by Landlord in collecting any sums due under, or enforcing any of the terms of, this Lease; and (b) if Landlord places the enforcement of all or any part of this Lease in the hands of an attorney, all attorneys' fees and other costs of collection and enforcement incurred by Landlord.

Section 8.5. Default by Landlord. Landlord shall be in default under this Lease in the event Landlord has not begun and pursued with reasonable diligence the cure of any failure of Landlord to meet its obligations under this Lease within thirty (30) days of the receipt by Landlord of written notice from Tenant of Landlord's alleged failure to perform. In no event shall Tenant have the right to terminate or rescind this Lease as a result of Landlord's default. Tenant waives such remedies of termination and rescission and agrees that Tenant's remedies for default under this Lease and for breach of any promise or inducement are limited to a suit for damages and/or injunction. In addition, Tenant shall, prior to the exercise of any such remedies, provide each holder of a Financing Lien and each lessor under a Ground Lease with written notice and a reasonable time to cure any default by Landlord.

ARTICLE 9

MISCELLANEOUS PROVISIONS

Section 9.1. Amendments. This Lease may not be altered, changed, or amended except by an instrument in writing signed by both Landlord and Tenant.

Section 9.2. Non-Waiver. No course of dealing between Landlord and Tenant or any other person, nor any delay on the part of Landlord in exercising any rights under this Lease, nor any failure to enforce any provision of this Lease, nor the acceptance of any Rent by Landlord shall operate as a waiver or a modification of the terms of this Lease or of any right which Landlord has to demand strict compliance by Tenant with the terms of this Lease. If Landlord or Tenant waives any agreement, condition, or provision of this Lease, such waiver must be expressly set forth in a writing signed by either party and shall not be deemed a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease.

Section 9.3. Holding Over. In the event Tenant remains in possession of the Premises after the expiration or termination of this Lease without the consent of Landlord, Tenant shall be deemed to be occupying the Premises as a tenant at will and shall pay Rent for each month (or partial month) during the first thirty (30) days any such holdover period at a rate equal to 125% of the Rent which Tenant was obligated to pay for the month immediately preceding the end of the Lease Term and 200% of the amount of such Rent thereafter. No holding over by Tenant after the expiration or termination of this Lease shall be construed to extend the Lease Term or in any other manner be construed as permission by Landlord to holdover. Additionally, in the event of any unauthorized holding over by Tenant, Tenant shall indemnify Landlord against all claims for any damages by any other person or entity to whom Landlord may have leased all or any part of the Premises and for any other loss, cost, damage, or expense (including attorneys' fees and costs of suit) incurred by Landlord as a result of such holding over.

Section 9.4. Notices. Any notice, demand, consent, approval, request, or other communication required or permitted to be given pursuant to this Lease (including any Exhibit to this Lease) or by applicable law shall be in writing and shall be delivered by registered or certified mail, postage prepaid, return receipt requested, telegram, facsimile, or expedited delivery service with proof of delivery, addressed to Landlord or Tenant, as applicable, at the

address for each specified in the first paragraph of this Lease. Any such communication transmitted by telegram, facsimile, or personal delivery shall be deemed to have been delivered as of the date actually received by the addressee. Any such communication transmitted by registered or certified mail shall be deemed to have been given or served on the third (3rd) business day following the date on which such notice was deposited in a receptacle maintained by the United States Postal Service for such purpose. Any notice of default from Tenant to Landlord shall also be delivered to any holder of a Financing Lien or any lessor under a Ground Lease who has notified Tenant of its interest and the address to which notices are to be sent; and such notice shall not be effective until delivered to such parties. Either Landlord or Tenant may, by ten (10) days' prior notice to the other in accordance with this Section 9.4, designate a different address or different addresses to which communications intended for

the party are to be sent.

Section 9.5. Independent Obligations. The obligations of Tenant under this Lease are independent of Landlord's obligations, and Tenant shall not, for any reason, withhold or reduce Tenant's required payments of Rent or fail to fully perform Tenant's obligations under this Lease. In the event that Landlord commences any proceedings against Tenant as a result of Tenant's default under this Lease, Tenant will not interpose any counterclaim or other claim against Landlord of whatever nature or description in any such proceedings. In the event that Tenant attempts to interpose any such counterclaim or other claim against Landlord in such proceedings, Landlord and Tenant stipulate and agree that such counterclaim or other claim asserted by Tenant shall, upon motion by Landlord, be severed out of the proceedings instituted by Landlord and that those proceedings may proceed to final judgment separately and apart from, and without consolidation with or reference to the status of, such counterclaim or other claim asserted by Tenant.

Section 9.6. Survival. Neither the expiration or termination of the Lease Term pursuant to the provisions of this Lease, by operation of law, or otherwise, nor any repossession of the Premises pursuant to any remedy granted to Landlord under this Lease or otherwise shall ever relieve Tenant of Tenant's liabilities and obligations under this Lease, all of which shall survive such expiration, termination, or repossession.

Section 9.7. Other Tenants of Building. Neither this Lease nor Tenant's continued occupancy of the Premises is conditioned upon either (a) the opening of any showroom or business in the Building or in any portion of the Project by any other person or entity or (b) the continued operations of any such showroom or business.

Section 9.8. Name of Building and Project. Tenant shall not utilize the name of the Building or the Project for any purpose whatsoever, except to identify the location of the Premises in Tenant's address. Landlord shall have the right to change the name of the Building and/or the Project whenever Landlord, in its sole discretion, deems it appropriate without any liability to Tenant and without any consent of Tenant being necessary.

Section 9.9. Consent by Landlord. In each circumstance under this Lease in which the prior consent or permission of Landlord is required before Tenant is authorized to take any particular type of action, the decision of whether to grant or deny such consent or permission shall be within the sole and exclusive judgment and discretion of Landlord unless otherwise

specifically provided in this Lease with respect to that specific matter. Unless (a) Landlord has specifically agreed otherwise in this Lease that Landlord will not unreasonably withhold its consent with respect to that specific matter and (b) Landlord then unreasonably withholds its consent with respect to that specific matter, Tenant shall not have any claim for breach by Landlord or any defense to performance of any covenant, duty, or obligation of Tenant under this Lease on the basis that Landlord delayed or withheld the granting of such consent or permission. Landlord's consent or approval to any particular act by Tenant which requires such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 9.10. Legal Interpretation. This Lease, and the rights and obligations of Landlord and Tenant under this Lease, shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. All obligations of the parties shall be performable in, and all legal actions to enforce or construe this Lease shall be instituted in, the courts of, Dallas County, Texas. All defined terms and other words used in this Lease shall include the singular and plural, as applicable. References to the Premises, the Building, the Land, or the Project shall also include any portion of each. References to the Project shall include the Building and the Premises, and references to the Building shall include the Premises. Words which are not used as defined terms in this Lease shall be construed in accordance with the meanings commonly ascribed to those words, relative to the context in which each is used. The word "including" shall be construed as if followed, in each instance, by the phrase "but not limited to." All article, section, and subsection headings used in this Lease are for reference and identification purposes only and are not intended to, and shall not under any circumstances, alter, amend, amplify, vary, or limit the express provisions in this Lease. All rights, powers, and remedies provided in this Lease may be exercised only to the extent that their exercise does not violate any applicable law and are intended to be limited to the extent necessary so that such provision will not render this Lease invalid or unenforceable under applicable law. In the event that any provision in this Lease, or the application of such provision to any person or circumstance, shall be invalid or unenforceable to any extent, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable,

shall not be affected thereby. Landlord and Tenant hereby respectively acknowledge that each such party has substantial experience in negotiation commercial real estate leases, that this Lease is the product of extensive negotiations between the parties, and that, therefore, neither Landlord nor Tenant shall be charged with having promulgated this Lease and that no rule of strict construction with respect to the provisions of this Lease shall be applicable.

Section 9.11. Entire Agreement. Tenant agrees that (a) this Lease supersedes and cancels any and all previous statements, negotiations, arrangements, brochures, agreements, and understandings, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect of the subject matter of this Lease, the Premises, the Building, or the Project and (b) there are no representations, agreements or warranties (express or implied, oral or written) between Landlord and Tenant with respect to the subject matter of this Lease, the Premises, the Building, or the Project other than as set forth in this Lease.

Section 9.12. Authority. Tenant represents and warrants that (a) Tenant has the full right, power, and authority to enter into, and to perform its obligations under, this Lease, and

(b) upon execution of this Lease by Tenant, this Lease shall constitute a valid and legally binding obligation of Tenant. If Tenant signs as a corporation, each of the persons executing this Lease on behalf of Tenant covenant and warrant that Tenant is a duly and validly existing corporation, that the execution of this Lease by such persons on behalf of Tenant has been duly authorized by all necessary corporate action, and that Tenant is qualified to do business in the State of Texas. Likewise, Landlord represents and warrants that Landlord has the full right, power, and authority to enter into, and to perform its obligations under, this Lease, and that, upon execution of this Lease by Landlord, this Lease shall constitute a valid and legally binding obligation of Landlord.

Section 9.13. Taxes on Tenant's Property. Tenant shall be liable for all taxes levied against Tenant's Trade Fixtures, inventory, leasehold improvements, and any other property of Tenant in the Premises or the Project. If any such taxes are ever assessed against Landlord or Landlord's property and Landlord elects to pay the same or if the assessed value of Landlord's property is increased by the inclusion of Tenant's property, Tenant shall pay to Landlord, within fifteen (15) days of demand, that part of such taxes attributable to Tenant's property as additional Rent. Landlord shall be responsible for paying all real property taxes levied against the Project. However, if any alteration, addition, or improvement shall be made by Tenant which causes an increase in the real property taxes, assessments, or other governmental charges levied against the Building, Tenant shall pay to Landlord, within fifteen (15) days of demand, the amount of any such increase as additional Rent.

Section 9.14. Landlord's Liability. Notwithstanding anything to the contrary set forth in this Lease, Tenant agrees that no personal, partnership, or corporate liability of any kind or character whatsoever shall attach to Landlord or its partners or venturers for payment of any amounts payable under this Lease or for the performance of any obligation under this Lease. The exclusive remedies of Tenant for the failure of Landlord to perform any of Landlord's obligations under this Lease shall be to proceed against the interest of Landlord in and to the Project. Landlord shall not be responsible in any way to Tenant or any Tenant Related Party for any loss of property from the Premises or public areas of the Building or for any damages to any property from any cause whatever. Nor shall Landlord be responsible for lost or stolen personal property, money, or jewelry from the Premises, regardless of whether such loss occurs when the Premises are locked. Landlord shall never be liable for consequential or special damages.

Section 9.15. Time of the Essence. In all instances in which Tenant or Landlord is required to pay any sum or do any act at a particular time or within a particular period, it is understood that time is of the essence.

Section 9.16. Instruments and Evidence Required to be Submitted to Landlord. Each written instrument and all evidence of the existence or non- - existence of any circumstances or conditions which is required by this Lease to be furnished to Landlord shall in all respects be in form and substance satisfactory to Landlord, and the duty to furnish such written instrument or evidence shall not be considered satisfied until Landlord shall have acknowledged that Landlord is satisfied with the form and content of each.

Section 9.17. Counterparts. This Lease may be executed in any number of counterparts, each of which, when executed and delivered, shall be an

original; but such counterparts shall together constitute one and the same instrument.

Section 9.18. Recordation. Tenant shall not record (a) this Lease, (b) any instrument to which this Lease may now or hereafter be attached, or (c) any memorandum of this Lease.

Section 9.19. Effective Date. The submission of this Lease to Tenant for examination does not constitute a reservation of or offer or option for the Premises, and this Lease shall become effective only upon execution by both Landlord and Tenant. The term "Effective Date" shall mean the date on which this Lease is first fully executed by both Landlord and Tenant.

Section 9.20. Successors and Assigns. From and after the Effective Date, this Lease shall be binding upon, inure to the benefit of, and be enforceable by the parties to this Lease and their respective successors and assigns (subject to the provisions of this Lease). As used in this Lease, the phrase "successors and assigns" is used in its broadest possible context and includes, without limitation and as applicable, the respective heirs, personal representatives, successors, and assigns of each of the parties to this Lease and any person, partnership, corporation, or other entity succeeding to any interest in this Lease, the Premises, the Building, or the Project. Nothing contained in this Section 9.20 nor in the definition of Tenant Related Parties shall serve to alter or vary the provisions of Section 6.2 prohibiting the types of transfers by Tenant described in that Section.

Section 9.21. Joint and Several Liability. If there is more than one party executing this Lease as Tenant, or if Tenant is a partnership, Tenant's obligations under this Lease shall be the joint and several obligations of all such parties executing as Tenant or all such partners constituting Tenant (as applicable).

Section 9.22. Exhibits. The following Exhibits (and, if applicable, addenda, riders, or other attachments to this Lease) are attached, to and incorporated in, this Lease for all purposes.

Exhibit "A" Property Description
Exhibit "B" Floor Plan
Exhibit "C" Rules and Regulations
Exhibit "D" Tenant Equipment License
Exhibit "E" Renewal Options
Exhibit "F" Subordination, Attornment and Non-Disturbance Agreement
Exhibit "G" Parking
Exhibit "H" Work Letter

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the Effective Date.

LANDLORD:

NEXCOMM ASSET ACQUISITION I, LP
a Texas limited partnership

By: NEXCOM GP I, Inc., a Texas
corporation and general partner

By: /s/ Phillip J. Wise

Name: Philip J. Wise
Title: President

TENANT:

EQUINIX, INC., a Delaware corporation

By: /s/ [signature illegible]

Name:_____
Title:_____

EXHIBIT "A"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord, and EQUINIX, INC., as Tenant

PROPERTY DESCRIPTION

BEING a [*] acre tract of land situated in the City of Dallas, Dallas County,

Texas and out of the James A. Sylvester Survey, Abstract No. [*] and being a part of City of Dallas Block No. [*], also being the same tract of land conveyed to Dallas Market Center Company by a Special Warranty Deed recorded in Volume [*], Page [*] of the Deed Records of Dallas County, Texas, said [*] acre tract of land being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for the point of intersection of the southwesterly right-of-way line of the [*] with the northwesterly right-of-way line of [*];

THENCE with the northwesterly right-of-way line of [*] the following:

South 31 31'40" West a distance of 366.74 feet to an "X" chiseled in concrete found for corner in a curve to the right, the radius point of said curve bearing North 50 08'58" West a distance of 241.00 feet from said "X";

Southwesterly with said curve to the right through a central angle of 03 09'20" an arc distance of 13.27 feet to an "X" chiseled in concrete set for the point of reverse curvature of a curve to the left having a radius of 259.00 feet;

Southwesterly with said curve to the left through a central angle of 11 28'43" an arc distance of 51.89 feet to a 1/2 inch iron rod found for the point of reverse curvature of a curve to the right having radius of 129.00 feet;

Southwesterly with said curve to the right through a central angle of 24 06'22" an arc distance of 138.22 feet to a 1/2 inch iron rod set for the point of compound curvature of a curve to the right having a radius of 50.00 feet;

Northwesterly with said curve to the right through a central angle of 24 06'22" an arc distance of 21.04 feet to a 1/2 inch iron rod found in the northeasterly right-of-way line of [*] for the point of compound curvature of a curve to the right having a radius of 1130.92 feet;

THENCE with the northeasterly right-of-way line of [*] the following:

Northwesterly with said curve to the right through a central angle of 07 24'40" an arc distance of 146.28 feet to a 1/2 inch iron rod found for the point of tangency of said curve;

North 55 33'45" West a distance of 816.18 feet to a 1/2 inch iron rod found for point of curvature of a curve to the left having a radius of 3289.04 feet;

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Northwesterly with said curve to the left through a central angle of 01 23'21" an arc distance of 79.74 feet to a bolt in concrete found for the most southerly corner of a tract of land leased to [*] from [*]as recorded in Volume [*], Page [*] of the Deed Records of Dallas County, Texas;

THENCE departing the northerly right-of-way line of [*] with the easterly line of the [*] tract, North 09 21'30" East a distance of 1064.46 feet to a 1/2 inch iron rod found for corner in the curving southwesterly right-of-way line of the [*], the radius point of said curve being situated South 33 11'48" West a distance of 1599.88 feet;

THENCE with the southerly right-of-way lien of the [*] the following:

Southeasterly with said curve to the right through a central angle of 02 41'48" an arc distance of 75.30 feet to a 1/2 inch iron rod found for corner;

North 52 07'00" East a distance of 30.11 feet to a 1/2 inch iron rod found for corner in a curve to the right, the radius point of said curve being situated South 32 19'18" West a distance of 1553.95 feet;

Northwesterly with said curve to the right through a central angle of 21 26'39" an arc distance of 581.59 feet to a 1/2 inch iron rod set for corner;

North 45 16'10" East a distance of 53.07 feet to 1/2 inch iron rod set for corner;

South 31 48'40" East a distance of 976.20 feet to the POINT OF BEGINNING;

CONTAINING an area of 25.454 acres of land.

*CONFIDENTIAL TREATMENT REQUESTED. CONFIDENTIAL PORTION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT "B"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord, and EQUINIX, INC., as Tenant

FLOOR PLAN

(For Illustrative purposes only)

EXHIBIT "C"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord, and EQUINIX, INC., as Tenant

RULES AND REGULATIONS

1. No additional locks shall be placed on the doors of the Leased Premises by Tenant, nor shall any existing locks be changed unless Landlord is immediately furnished with two keys thereto. Landlord will without charge furnish Tenant with two keys for each lock existing upon the entrance doors when Tenant assumes possession with the understanding that at the termination of the lease these keys shall be returned or paid for at five dollars ($5.00) each. A deposit of one dollar ($1.00) each shall be required for additional keys.

2. Tenant shall not at any time display a "For Rent" sign upon the Building or the Leased Premises, or advertise the Leased Premises for rent.

3. Safes and other unusually heavy objects shall be placed by Tenant only in such places as may be approved by Landlord. Any damage caused by overloading the floor or by taking in or removing any object from the Leased Premises or the Building shall be paid by Tenant.

4. Windows facing on corridors shall at all times be wholly clear and uncovered (except for such signs as Landlord may approve) so that a full unobstructed view of the interior of the Leased Premises may be had from the corridors, unless otherwise approved in writing by Landlord.

5. No vehicles or animals shall be brought into the Building, other than as required by handicapped persons.

6. Tenant shall not make any changes in the pipes, ducts, or wiring serving the Leased Premises or add any additional pipes, ducts, or wiring without the prior written consent of Landlord, and any such changes or additions shall be made in such manner as Landlord may direct.

7. No sign, tag, label, picture, advertisement, or notice (other than price tags of customary size used in marking samples) shall be displayed, distributed, inscribed, painted or affixed by Tenant on any part of the outside of the Building or of the Leased Premises without the prior written consent of the Landlord.

8. In the event Landlord should advance upon the request, or for the account of the Tenant, any amount for labor, material, packing, shipping, postage, freight or express upon articles delivered to the Leased Premises or for the safety, care, and cleanliness of the Leased Premises, the amount so

paid shall be regarded as additional rent and shall be due and payable forthwith to the Landlord from the Tenant.

9. The corridors and hallways of the Building shall not be used by Tenant for any purpose other than ingress to or egress from the Leased Premises.

10. Tenant shall not do or permit to be done within the Leased Premises anything which would unreasonably annoy or interfere with the rights of other tenants in the Building, or which might constitute a potential hazard to other tenants or visitors.

11. During the thirty (30) days prior to the expiration of this Lease, Landlord may show the Leased Premises to prospective tenants.

12. Tenant shall not put or operate any steam engine, boiler, industrial machinery or stove in the Building or upon the Leased Premises or do any cooking thereon or use or allow to be kept in the Building or upon the Leased Premises any explosives or any kerosene, camphene, bottled gas, oil or other highly flammable materials, except gas supplied through metal pipes for heating purposes and normal and customary cleaning and janitorial supplies to the extent permitted under applicable laws.

13. Landlord reserves the right to prescribe reasonable qualifications for admission into the Building.

14. Models, salespersons or other employees or representatives of Tenant, shall not model, demonstrate display, or show in any manner any merchandise outside of the Leased Premises in the Building or on the Property without Landlord's prior written consent.

15. As a courtesy, but not as an obligation, Landlord may, at Landlord's option, upon request by Tenant, receive and store articles or merchandise delivered to Tenant at the Building; provided, however that such articles of merchandise are properly addressed and identified and all postage, handling and delivery charges are prepaid by Tenant. Landlord assumes no responsibility whatsoever for the loss, damage or destruction of such articles of merchandise received at the Building by Landlord on behalf of Tenant, and Tenant hereby waives all claims against Landlord for any damage or loss arising at any time from the loss, damage or destruction of such articles of merchandise. Tenant agrees to pay to Landlord as additional rent the amount of all storage, delivery, handling and other expenses incurred by Landlord as a result of the receipt and storage of such articles of merchandise.

16. Canvassing, peddling, soliciting and distribution of handbills or any other written material in the Building or in the Building's parking areas are prohibited, and each tenant shall cooperate to prevent the same.

17. If the Leased Premises front on the atrium within the Building, Tenant shall cause the Leased Premises to be kept open for business and occupied by Tenant's personnel during all normal business hours of the Building.

18. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of space in the Building.

19. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building, and for the preservation of good order therein.

20. Smoking is permitted within the Building only in areas so designated by Landlord. Smoking within the Leased Premises is at the discretion of Tenant, provided, however, that such smoke does not migrate into the Building's common areas, hallways, etc. or into another tenant's premises. Tenant hereby indemnifies Landlord from any and all claims resulting from Tenant's permitting of smoking within the Leased Premises. Landlord reserves the right to change areas where smoking is permitted and change these Regulations, including designating the Building as non-smoking.

21. A visitor information directory system will be provided by Landlord to assist visitors in locating tenants.

22. To the extent that meeting rooms are offered, a tenant's meeting room use will be coordinated on a reservation basis and all tenants will be eligible. Standard fees will be applied and Landlord will control the rental of these areas and the use of the areas will be coordinated by the buyer/tenant services department of Landlord. Reservations for meeting room space within the Building will be on a first-come first-served basis.

23. If, and only if, the Tenant's permitted use allows the operation of a

showroom, warehousing and onsite delivery to customers is prohibited in permanent showrooms and in exhibit space when used in conjunction with showrooms, payment for products or services that of a retail sales nature are prohibited (provided, however, payment or partial payment for orders taken at the Building for future delivery to a buyer will be allowed if it is within the applicable tenant's normal business practices and is not of a retail sales nature, it being the intention of this provision to permit payments or partial payments intended to bind an order for future delivery without in any way qualifying or circumventing the prohibition within the Building against retail sales).

24. Landlord may amend these Rules and Regulations from time to time and such changes shall be binding upon Tenant.

INITIALS

Landlord_____ Tenant

EXHIBIT "D"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

TENANT EQUIPMENT LICENSE

This Exhibit "D" describes the licenses to install and operate certain specified "Tenant Equipment" in the Building which is being granted by Landlord to Tenant upon the following terms and conditions:

1. DEFINED TERMS. For purposes of this Exhibit, all terms defined in this Lease (including other exhibits to this Lease) will be used in this Exhibit without further definition. In addition, when delineated with initial capital letters, the following terms will have the following respective meanings:

a) "Antenna Equipment" means the satellite antenna, together with related wiring and equipment, or Tenant's Customer's equipment which are approved by Landlord pursuant to this Exhibit.
b) "Antenna Fee" means Zero Dollars ($0.00) per month.
c) "Building Grade" means the type, brand and/or quality of materials which Landlord designates from time to time to be the minimum quality to be used in the Building or the exclusive type, grade, or quality of material to be used in the Building.
d) "Cable" means only (i) optical fibers encased in an aluminum sleeve, (ii) EMT conduit, (iii) copper cable, or (iv) other materials approved by Landlord. The Cable (or Conduit) shall not exceed four inches in diameter.
e) "Conduit" means a plastic or metal sleeve, no more than four (4) inches in aggregate diameter, unless a larger size is expressly approved by Landlord in writing, in which Cable is encased and/or through which Cable passes.
f) "Cooling Equipment" means dry cooling units, together with related wiring, piping, vents, and equipment, which are approved by Landlord pursuant to this Exhibit.
g) "Cooling Equipment Fee" means Zero Dollars ($0.00) per month.
h) "Generator" means generators with automatic transfer switches, 80db (max) sound/weather enclosure and load bank equipment.
i) "Generator Fee" for the initial Generator pad shall be waived. Additional pads may not be added without the prior approval of Landlord (which may be granted, denied, or conditioned in Landlord's sole discretion); and the size and location of each additional pad will be at Landlord's sole option. The Generator Fee applicable to any additional pad will be at the then current Landlord's charge for each such additional pad.
j) "License Fees" means, collectively, the Antenna Fee, the Pathway Fee, the Cooling Equipment Fee, the Generator Fee, and any other sums of money becoming due and payable to Landlord hereunder.

k) "License Term" means a term commencing on the Commencement Date and shall expire upon the expiration or earlier termination of the Lease Term, unless sooner terminated pursuant to the provisions of this Exhibit.
l) "Normal Business Hours" for the Building means 8:30 a.m. to 5:00 p.m. Mondays through Fridays, exclusive of normal business holidays.
m) "Pathway" means a riser, raceway, or other vertical and/or horizontal space or pathway within the Building of no more than four inches in

diameter (unless a greater size is approved in writing by Landlord) used for routing telecommunications cables and ancillary equipment from Tenant's point of presence in the Building which has been designated by Landlord. The precise location of the Pathways applicable to this Telecommunications License will be designated by Landlord and the Telecommunications Equipment (as defined herein) will be installed only as designated by Landlord.

n) "Pathway Fee" means the sum calculated for all installed Cable or Conduit from Tenant's point of presence to other locations or customers in the Building at the rates identified in Schedule 1 per month.

o) "Service Fee" means the sum calculated for all installed services from the Licensee's point of presence to other locations or customers in the Building at the rates identified in Schedule 2 per month during each month of the License Term.

p) "Tank" means the_____ gallon fossil fuel tank and associated transfer pumps, to be installed by Tenant at the location designated by Landlord. The Tank must have self-contained spill control features, be installed in a secure and safe location above ground, and must conform to all Legal Requirements (defined in Paragraph 15 below) concerning tank tightness, spill control and monitoring features.

q) "Telecommunications Equipment" means the Cable, Conduit, junction boxes, hangers, pull boxes, grounding wiring, and related equipment used in the normal course of Tenant's business, which will be installed by Tenant, after approval by Landlord, into the designated Service Areas and Pathways to be used by Tenant, pursuant to the terms of this License.

r) "Tenant Equipment" means, individually, or collectively, as applicable, the Antenna Equipment, the Cooling Equipment, the Generator, the Telecommunications Equipment, and the Tank.

s) "Tenant Equipment Areas" means, individually or collectively, as applicable, the Pathways, Service Areas, and sites for the location of the Antenna Equipment, the Generator, the Cooling Equipment, and the Telecommunications Equipment designated by Landlord under this Exhibit. The designated Service Areas and Pathways may also be used by Landlord and others, and Landlord's designation of these areas does not confer an exclusive right for Tenant to use those areas.

2. GRANT OF LICENSE. Subject to and upon the terms set forth in this Exhibit, Landlord grants the following licenses to Tenant:

a) TELECOMMUNICATIONS LICENSE. A license to use the Pathways, designated by Landlord and to install Cable in those designated Pathways which connects to various tenants of the Building on a non-exclusive basis ("Telecommunications License"). Landlord specifically reserves the right to contract with competitors of Tenant

for the same or similar services in the Building and acknowledges that Landlord has entered into other such contracts prior to the date of this Telecommunications License. Landlord shall have no obligation to assist Tenant in marketing its equipment and/or services in the Building or to any other property owned by Landlord. In addition, Tenant shall have the right to install and use four (4) four-inch (4") conduits at no charge in the Pathways, in a location determined by Landlord and reasonably acceptable to Tenant, for the exclusive use of Tenant's telecommunication cabling to connect from a minimum point of entry into the Building to the Premises.

b) ANTENNA LICENSE. A license to install, operate, maintain, and repair the Antenna Equipment located at a location designated by Landlord. The size of the pad shall not exceed 36' X 36', and the location, and manner of installation of the Antenna Equipment shall be determined at Landlord's sole discretion, which discretion will take into consideration (a) the functional requirements of the Antenna Equipment and any other satellite antenna dishes located on the roof of the Building; (b) standards of architectural integrity with respect to the Building (and, in that regard, the Antenna Equipment shall be located so as to not be visible except from above the Building, shall match the Building colors, and shall have no visible marking or logo). Tenant shall be permitted to install and test the equipment from and after the Commencement Date and prior to the Rent Commencement Date, subject to the terms hereof except that the obligation to pay the Antenna License Fee will not commence until the Rent Commencement Date. With respect to the installation of the Antenna Equipment, the Antenna Equipment shall not be affixed by nail, bolt, screw or other device which penetrates the roof of the Building; and all wiring penetrations shall be subject to Landlord's prior approval and shall be made by Landlord's roofing contractor at Tenant's sole cost and expense. Notwithstanding anything to the contrary in this Paragraph, Landlord shall reserve, for the use of Tenant, space for two (2) four-inch (4") conduits

or cabling from the Leased Premises to the roof of the Building at no charge to Tenant.

c) GENERATOR LICENSE. A license to install, operate, maintain, and repair the Generators and the tanks at such location on the Property as is approved in writing by Landlord ("Generator License"). The Generator License includes the right for Tenant (i) to use such locations on the Property as are approved in writing by Landlord in order for Tenant to install the Generators cabling to, and core drilling of, the Building core structural wall (it being acknowledged that Landlord has made no representation to Tenant that Tenant will be able to utilize any existing utility easements in this regard), and (ii) to use such Pathways as are approved in writing by Landlord in order for Tenant to install its Generators cabling from the points of entry at the Building core structural wall to the Leased Premises.

d) COOLING EQUIPMENT LICENSE. A license to install, operate, maintain, repair, and replace the Cooling Equipment in an area outside the Building as outlined on the site plan attached hereto as Schedule 5. The size, location, and manner of installation of the Cooling Equipment shall be approved by Landlord as a part of the approval of the Plans and Specifications pursuant to the Work Letter attached as Exhibit H to this Lease, which approval will take into consideration the functional requirements of the Cooling Equipment and of any other equipment located in the vicinity of the Cooling Equipment and shall be subject to standards of structural and architectural integrity with respect to the Building. In that regard, the Cooling Equipment shall be

located so as not to be visible from any public approach to the Building. The area to be covered by the Cooling Equipment, including necessary walkways and required air space, shall not exceed _____ square feet. Because of existing rights granted to other tenants and the location of the Service Areas within the Building, Tenant acknowledges that the most efficient, direct, or cost effective route for such Cooling Equipment may not be available.

For purposes hereof, the Telecommunications License, the Antenna License, the Generator License and the Cooling Equipment License will sometimes be collectively referred to as the "License" in this Exhibit.

3. LICENSE TERM. This License shall be in effect during the License Term. However, Tenant shall have the right to use and occupy the Tenant Equipment Areas as provided hereunder from and after the Commencement Date for the purpose of installing the Tenant Equipment. If any Tenant Equipment Areas are not available due to the omission, delay or default of Tenant, or anyone acting under or for Tenant, the obligations of Tenant under this Exhibit, including, without limitation, the obligation to pay License Fees shall nonetheless commence as of the Commencement Date. Prior to the expiration or earlier termination of this License, unless Landlord otherwise agrees in writing at the time of Landlord's giving of its approval for Tenant's installation or thereafter during the Term, Tenant shall remove all of Tenant's Equipment that can be removed without causing any material damage to the Building and shall surrender and deliver the Tenant Equipment Areas to Landlord in the same condition in which they existed at the Commencement Date, excepting only ordinary wear and tear and damage arising from any cause not required to be repaired by Tenant. In the event that Tenant fails to comply with the terms of this Paragraph 3, (i) all such Tenant's Equipment remaining within the Property may, at Landlord's option, become the sole property of Landlord or (ii) Landlord may, if it so elects, perform any act which Tenant is required to perform and/or remove the Tenant's Equipment and other property at Tenant's cost, and Tenant shall pay Landlord promptly all costs incurred in removing said property within ten (10) Working Days of demand.

4. USE. The Tenant Equipment Areas shall be used solely for the installation, operation and maintenance of the Tenant Equipment and for no other purpose whatsoever. Any use of the Tenant Equipment Areas for any other purpose or any attempt by Tenant to allow the use or occupation of the Tenant Equipment Areas by anyone other than Tenant shall, unless otherwise agreed to by Landlord in writing shall be a default; and Landlord shall have the right to immediately terminate this License unless such default is not cured within five (5) Working Days after notice thereof. Tenant shall not use or permit the use of the Tenant Equipment Areas for any purpose which is illegal, dangerous to life, limb or property, or which, in Landlord's reasonable opinion, creates a nuisance or which would increase the cost of insurance coverage with respect to the Building. In particular, no semiconductors or other electronic equipment containing polychlorinated biphenyls (PCB's) or other environmentally hazardous materials will either be used or stored in or around the Tenant Equipment Areas except as otherwise specifically provided in this Paragraph; and no such

materials will be used in any of the Tenant Equipment installed by Tenant in the Tenant Equipment Areas. Notwithstanding the foregoing, Tenant may use and store fossil fuels for its Generators and batteries for its emergency electrical backup systems in its Premises, so long as Tenant does so in compliance with all applicable Legal Requirements. Tenant will not permit unauthorized persons or persons with insufficient

expertise or experience to enter Service Areas to maintain or operate the Tenant Equipment. Tenant understands that the mechanical rooms within these Service Areas must be kept locked and secure at all times must not be available or open to the public. Landlord may, at Landlord's discretion, authorize other licensees and tenants of the Building to use portions of the designated Pathways or Service Areas, or to use portions of other Pathway or Service Areas in the Building, whether for the installation of telecommunications equipment or otherwise, so long as such uses would not require Tenant to remove its previously installed Cable from the designated Pathways or Telecommunications Equipment from the designated Service Area. Tenant acknowledges that interruptions in utility services are not uncommon in facilities such as the Building and that any sensitive electronic equipment which may be used in the Building should be protected by Tenant from utility service interruptions by the use of backup power supplies, surge protectors, and other appropriate safety systems.

5. INSTALLATION. The point of presence and network interface will be in accordance with the rules and regulations established by the Public Utility Commission or other governmental authority with jurisdiction over such matters in the State of Texas. The installation of the Tenant Equipment in the Tenant Equipment Area) shall be at the sole cost and expense of Tenant. All Tenant Equipment will be installed in a good and workmanlike manner, and the installation must be approved by Landlord's technical representative prior to the commencement of use of any Tenant Equipment by Tenant.

6. LICENSE FEE PAYMENT.

a) The License Fees for each calendar month or portion thereof during the License Term shall be due and payable in advance on the first day of each month during the License Term without any setoff or deduction whatsoever; and Tenant shall pay the License Fees monthly, in advance, on or before the first day of each calendar month, and without demand. All installments of the License Fees which are not paid within five (5) Working Days of the date when due will bear interest, and if not paid within five (5) Working Days' notice thereof shall be subject to a late charge of five percent (5%) of the amount then due, and be subject to the provisions of Section 8.1 of the Lease.

b) In addition to the License Fees, Tenant shall pay Landlord if, and when due, any sales, use or other taxes or assessments which are assessed or due by reason of this License hereunder.

c) Upon each anniversary date of the Commencement Date, including any renewal term, the License Fees payable by Tenant shall increase as follows and using the following definitions:

i) "Consumer Price Index" - The monthly indexes of the National Consumer Price Index for All Urban Consumers (CPI-U) - All Items, issued by the Bureau of Labor Statistics.

ii) "Base Price Index Number" - The Consumer Price Index as of December of the year in which the Commencement Date occurs.

iii) "Current Index Number" - The Consumer Price Index as of December of the year in which the calculations are being done.

iv) If the Current Index Number is greater than the Base Price Index Number, then the "Percentage of Increase" shall be calculated as follows:

(Current Index Number - Base Price Index Number) / Base Price Index = Percentage of Increase

This Percentage of Increase shall be multiplied by the License Fees defined above to obtain the new rate to go into effect on each anniversary of the Commencement Date of this License. This Percentage of Increase applies to License Fees only and does not apply to any charges in the Base Rent.

d) Tenant shall keep an accurate set of books and records of all installed service from and business conducted by Tenant in the Building, and all supporting records such as book orders, and other

records which are necessary to verify and substantiate the amount of Tenant's Pathway Fee and Service Fee, at Tenant's business office located in the Premises. All such books and records shall be retained and preserved for at least twenty-four (24) months after the end of the calendar year to which they relate and shall be subject to inspection and audit by Landlord and its agents at all reasonable times. The acceptance by Landlord of any payment of any License Fees shall be without prejudice to Landlord's right to examination of Tenant's books and records in order to verify the computation of the Service Fee or the Pathway Fee provided by Tenant. In the event Landlord is not satisfied with any monthly statement or annual statement submitted by Tenant, Landlord shall have the right to have its auditors make a special audit of all books and records, where-ever located, pertaining to sales made in or from the Building during the period in question. If such statements are found to be incorrect to an extent of more than two percent (2%) over the figure submitted by Tenant, Tenant shall pay for such audit. Tenant shall promptly pay to Landlord any deficiency or Landlord shall promptly credit to Tenant any overpayment, as the case may be, which is established by such audit.

7. CONDITION OF THE TENANT EQUIPMENT AREA. Tenant accepts the Tenant Equipment Area "as is" without benefit of any improvements to be constructed or made by Landlord.

8. MAINTENANCE AND REPAIR BY LANDLORD. Landlord shall maintain and repair the Pathways, the exterior and load-bearing walls of the Building, floors of the mechanical rooms (but not floor coverings), and the roof of the Building, which may be required from time to time, but only after such required repairs have been requested by Tenant in writing. In no event shall Landlord be responsible for the maintenance or repair of improvements which are not composed of Building Grade materials.

9. SERVICE AREA AND ROOF ACCESS. Except in the case of an emergency, Tenant shall not enter or attempt access to any of the Service Areas (including air, electrical, mechanical or telecommunications risers, ducts, closets, conduits, duct work, rooms or other

horizontal or vertical spaces in the Building) or attempt to obtain access to the roof of the Building without notifying Landlord in writing at least two (2) days in advance. In the case of an emergency, Tenant may enter or seek access to the roof of the Building or to the Pathways through the Service Areas provided Tenant gives Landlord at least two (2) hours prior notice and provided that a Building security guard must unlock such Service Area or access door to the roof. If Landlord is also experiencing an emergency situation in the Building at the same time that Tenant has notified Landlord of an emergency, Landlord shall have no obligation to first address or respond to Tenant's emergency and shall only be obligated to accommodate Tenant's concerns promptly as time permits thereafter. Tenant also agrees to furnish Landlord, within two (2) Working Days thereafter, a written report explaining all repairs and procedures which were conducted during any such emergency operations, in sufficient detail to permit Landlord's engineers to evaluate same. Any access to the Service Areas or to the roof shall require Tenant to sign in at the security department console, and Tenant shall permit the Landlord's security guard or a representative of Landlord to accompany Tenant during any such work within a Service Area or on the roof, if Landlord so desires. Except in the case of an emergency, no installation, alterations or repairs shall be initiated without first delivering to Landlord's engineers plans and specifications of the proposed changes, in substance and form acceptable to Landlord. As soon as reasonably practicable after the occurrence of an emergency, plans and specification shall be submitted to Landlord for approval with respect to those repairs or replacements. No oral approval of these plans and specifications shall be effective. No electrical grounding shall be permitted to other equipment in the mechanical rooms without Landlord's specific written approval of the method and location of such grounding. No monitoring or inspection of Tenant's work by Landlord's representatives shall be deemed supervision of Tenant's employees or shall be deemed to be a representation or warranty of any particular level of telecommunications expertise attained by Landlord's representative. Tenant shall monitor and supervise its own employees and shall assume responsibility for the expertise and quality of its work and shall not rely upon Landlord for same.

10. NO ACCESS TO OTHER TENANTS' PREMISES. Tenant acknowledges that nothing in this License entitles it to enter and connect the Tenant Equipment to any tenant's premises in the Building without the prior written consent of Landlord. Tenant also acknowledges that it has been informed that telecommunications connections to individual tenant's premises in the Building will normally require removal of ceiling panels, at each tenant's expense, with such removal operations only being performable by Landlord's agents or employees.

11. LICENSES AND PERMITS. Prior to commencing any work in the Tenant Equipment Area, Tenant shall obtain all necessary licenses, permits and consents related to such installation activities and to the operation and use of the Tenant Equipment and provide copies of same to Landlord. Landlord shall have the right to monitor all such work, at its own expense.

12. COSTS. Tenant shall be responsible for any and all cost, damage or expense arising from the installation, maintenance, repair or operation of the Tenant Equipment, including, without limitation, any and all cost, damage or expense to the Building or the property of Landlord or other licensees or tenants of the Building arising from such installation, maintenance, repair, or operations. Tenant will make any and all repairs necessary in a timely manner. If Tenant does not make required repairs to Landlord's satisfaction within twenty-four

(24) hours of notification from Landlord that said repairs are necessary within a tenant's space or within ten (10) days of notification from Landlord that said repairs are necessary pursuant to Paragraph 13 of this Exhibit then Landlord will have the right but not the obligation to perform any such repairs at Tenant's sole cost and expense. Tenant shall on demand pay to Landlord as additional License Fees (i) the cost of such work plus fifteen percent (15%) thereof as administrative costs; plus (ii) interest thereon at the rate of 12% per annum from the date of demand.

13. MAINTENANCE, REPAIRS, AND ALTERATIONS BY TENANT. Tenant shall not commit any waste or allow any waste to be committed within or on any portion of the Tenant Equipment Areas or in any Service Area and will maintain Tenant's installations in the Tenant Equipment Areas in a clean, attractive condition and in good repair. Tenant will remove all excess cable, tools, and equipment and will keep all areas neat and clean at all times. Provided Tenant fails to do so after ten (10) Working Days notice given by Landlord to Tenant, Landlord shall have the right, at its option, but at Tenant's cost and expense, to repair or replace any damage done to the Building, or any part thereof, caused by Tenant (or by any contractor, agent, or employee of Tenant); and Tenant shall pay the reasonable cost thereof (net of any applicable insurance proceeds) to Landlord within ten (10) Working Days of demand as additional License Fees. Tenant shall not make or allow any alterations to such Tenant Equipment Areas materially affecting mechanical, electrical, plumbing, or other basic systems within the Building, its structure, or its operations without the prior written consent of Landlord. Tenant shall not place signs on any of the doors or corridors leading to the Tenant Equipment Areas, without first obtaining the prior written consent of Landlord in each such instance, which consent may be given or arbitrarily withheld on such conditions as Landlord may elect. Landlord shall have the right, at its option, at Tenant's own cost and expense, to remove any signs placed by Tenant without Landlord's prior written consent, and to repair any damage caused by the such signs. Except as provided in Section 5.4 of this Lease with respect to Tenant's Trade Fixtures, any and all alterations to the Tenant Equipment Areas shall become the property of Landlord upon termination of this License.

14. USE OF ELECTRICAL SERVICES BY TENANT. All electrical usage associated with the Tenant Equipment will be governed by the provisions of Section 2.5 of the Lease.

15. LAWS, REGULATIONS, AND INTERFERENCE. Tenant, at Tenant's sole cost, shall (a) comply with all Legal Requirements and Insurance Requirements applicable to Tenant's use and occupancy of the Building (including, without limitation, the installation, maintenance, repair, or operation of Tenant Equipment), and (b) take all measures necessary to assure that the Tenant Equipment strictly complies with all applicable Legal Requirements and Insurance Requirements. Tenant shall also pay promptly when due all royalties or other fees due in connection with the operation of the Tenant Equipment. In the event compliance with this paragraph shall require modifications or alterations of the Tenant Equipment or the Tenant Equipment Areas, no modification or alteration shall be made without Landlord's prior written consent, which consent may be withheld in Landlord's sole judgment or granted on such terms and conditions as Landlord may determine in its sole judgment. Tenant shall take all measures necessary to assure that the Tenant Equipment does not interfere with or disturb the operation of any other equipment or business of Landlord or of any other licensee, tenant, or occupant of the

Building. Tenant shall modify the Tenant Equipment or relocate the Tenant Equipment to another area approved by Landlord in the event that the Tenant Equipment, in Landlord's sole judgment, causes any interference with or disturbs the operation of any other equipment or business of Landlord or of any other

occupants or licensees of the Building or creates or results in any unreasonable noise, odor, or nuisance to any other occupants of the Building, or areas adjacent to the Building. Tenant must immediately shut off the relevant Tenant Equipment upon notification of interference with other installations or activities and may restart, modify, or relocate that Tenant Equipment to test for interference only with Landlord's permission. "Insurance Requirements" means all terms and any insurance policy obtained by Landlord or Tenant covering or applicable to the Property, the Leased Premises, or the Tenant Equipment Area, all requirements for the issuing of each such insurance policy; and all orders, rules, regulations, and other requirements of the National Board of Fire Underwriters (or any other bodies exercising any similar functions) which are applicable to the Building, the Property or any use or condition of the Building or the Property. "Legal Requirements" shall mean all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, and requirements of all governmental authorities foreseen or unforeseen which now or at any time hereafter may be applicable to the Building or the Property, including, without limitation, the Americans with Disabilities Act, all federal, state, and local laws regulations and ordinances pertaining to air and water quality, hazardous materials, waste disposal, and other environmental matters, and all laws, codes, and regulations pertaining to zoning, land use, health, or safety.

16. SITE TECHNICAL STANDARDS. Tenant will strictly comply with the Site Technical Standards (Schedule 4) as adopted and altered by Landlord from time to time and will cause all of the Tenant Related Parties to do so. All changes to such standards will be sent by Landlord to Tenant in writing. "Tenant Related Party" means Tenant's officers, partners, employees, agents, contractors, licensees, concessionaires, customers, and invitees.

17. ENTRY BY LANDLORD. Landlord and the Landlord-Related Parties shall have access to the Tenant Equipment Areas at all times to inspect the same, clean the same, or make repairs, alterations or additions thereto and Tenant shall not be entitled to any abatement or reduction of License Fee by reason of any such entry. [However, Landlord will use reasonable efforts to protect the Tenant Equipment from damage or injury during any such entry.]

18. INDEMNIFICATION. Intentionally deleted.

19. DAMAGE. Landlord shall not be liable to Tenant for any loss or damage to all or any part of the Tenant Equipment occasioned by theft, fire, act of God, public enemy, injunction, riot, vandalism, malicious mischief, earthquake, flood, strike, insurrection, war, court order, requisition, or order of governmental body or authority, or by any other cause beyond the control of the Landlord whatsoever. Nor shall Landlord be liable for any damage or inconvenience which may arise through the repair or alteration of any part of the Building.

20. INSURANCE. In addition to the insurance obligations of Tenant under the Lease, Tenant shall maintain a policy or policies of fire and extended coverage insurance on the Tenant Equipment, in such amounts as Tenant may deem appropriate;

21. TRANSFERS BY TENANT. Except in connection with the transfer of the Lease to an Affiliate as provided in Section 5.4 of the Lease, Tenant shall not assign, convey, mortgage, pledge, hypothecate, encumber, or otherwise transfer any license or grant any license, concession, or other right with respect to the License without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion; and the License shall, at Landlord's sole option, terminate upon the occurrence of any attempted transfer of the License or the Lease or upon a subletting of the Premises except in connection with a transfer of the Lease to an Affiliate as provided for in the Lease.

22. DEFAULT BY TENANT. In addition to provisions of Article 8 of the Lease, Tenant shall be deemed to be in default with respect to the License in the event that (a) Tenant shall fail to pay the License Fees within ten (10) days after Tenant's receipt of Landlord's written notice of such failure to pay; provided Landlord shall be required to give such notice only twice in any twelve (12) month period and thereafter Tenant shall be in default if any such payment is not received when due and without notice, or (b) Tenant shall fail to maintain the Tenant Equipment in good order and repair and in a safe condition as provided in this Exhibit and shall fail to remedy that condition within [(i)] twenty-four (24) hours after notice from Landlord [if such failure has an adverse effect on Landlord or other tenants of the Building or creates a possibility of immediate harm to person or property or (ii) thirty (30) days

after notice from Landlord in all other circumstances], or (c) Tenant shall fail to maintain all necessary licenses and permits with respect to the operation of the Tenant Equipment. Upon a default by Tenant with respect to the License, Landlord may, at Landlord's sole election, pursue the remedies granted to Landlord for default under the Lease or, in the alternative, terminate any License granted hereunder without terminating the Lease or terminating Tenant's right to possession of the Leased Premises under the Lease.

23. SURVIVAL. Certain provisions of this Exhibit relate to the rights and obligations of Landlord and Tenant subsequent to the termination or expiration of the Lease Term. Such provisions include, without limitation, the restoration obligations of Tenant under Paragraph 13 hereof and the indemnification obligations of Tenant under Paragraph 19 hereof. Such provisions shall survive the expiration or other termination of the Lease Term and the License granted to Tenant hereunder.

SCHEDULE "1"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

PRICING SCHEDULE

Any conduits allowed by Landlord in addition to Paragraph 2.a. shall be at a rate of $250.00 per diameter inch per month.

SCHEDULE "2"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

SERVICE FEES

The Service Fee is intentionally deleted

SCHEDULE "3"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

LIST OF TENANTS TO WHOM LICENSEE MAY PROVIDE SERVICES

AS MAY BE AMENDED FROM TIME TO TIME

MFS Intelenet of Texas (Worldcom)
Allegiance Telecom
IXC
Splitrock Communications
RSL
Communications
ENRON Communications
Time Warner Communications
MetroFiber Networks
Prism Communications
Logix
Focal Communications
Telegent
Wynstar
Verio, Inc.
Kintetsu Global
The Planet
Leasenet
Nextlink One
Nextlink Texas
American Telesource
Unicomp
Level 3

SCHEDULE "4"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

TELECOMMUNICATIONS EQUIPMENT SYSTEMS DIAGRAM

This schematic describes the telecommunications equipment systems to be installed for the limited purpose of the license described herein.

SCHEDULE "5"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

LOCATION OF COOLING EQUIPMENT

SCHEDULE "6"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

SITE TECHNICAL STANDARDS

1. The fiber transmission cables and all copper telephone cables must be Teflon (or of City approved fire retardant material) jacketed type cable, and secured by either stainless steel clamps or approved equal when not run in EMT type conduit. Excess transmission line must be removed.

2. Each fiber or copper telephone line or conduit shall be identified with stainless steel tags that identifies the user/Licensee: (1) at the equipment cabinet; (2) at each side of horizontal/vertical penetration (3) as the line traverses the Building at a minimum of 72' intervals, coincident with column lines, and (4) at the termination point(s).

3. The location and installation of all equipment and conduit will be designated by the site coordinator. These locations will be shown on the License. Changes must be approved in writing by the site coordinator. Any conduit or cable failing to meet the above standards will be immediately removed from the Building at Licensee's expense. In the event Licensee fails to promptly remove any such conduit or cable, Licensor may do so at Licensee's expense.

4. On a 24-hour notice, the Site Equipment will be made available for inspection by the site coordinator to assure compliance with the above standards.

5. The following information is essential for site coordination and must be provided. Any and all changes must have prior approval and be reported to the site coordinator.

a) Manufacturer and model number of all end equipment.

b) Type and length of all cable and lines.

c) The name, address and telephone number of the person or group directly responsible for the day-to-day maintenance.

d) The name, address and telephone number of the person or group directly responsible for the License Agreement.

SCHEDULE "7"

To Exhibit D to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

LOCATION OF GENERATOR AND TANK

EXHIBIT "E"

RENEWAL OPTIONS

This Exhibit "E" describes the renewal option described below, which is being granted upon the following terms and conditions:

1. DEFINED TERMS. For purposes of this Exhibit "E", all terms defined in this Lease (including other exhibits to this Lease) will be used in this Exhibit without further definition. In addition, when delineated with initial capital letters, the following terms shall have the following respective meanings:

   (a) "Renewal Date" shall mean the first day next following the expiration date of the Lease Term.

   (b) "Renewal Term" shall mean a period commencing on the Renewal Date and continuing for sixty (60) full calendar months.

   (c) "Prevailing Market Rate" shall mean the rate of base rental rate being charged by Landlord to new tenants having a financial condition comparable to that of Tenant for comparable space within the Building for a comparable term as of the date of Tenant's exercise of the Option. For purposes of this Exhibit, the phrase "new tenants" shall mean (i) tenants who executed comparable leases within six (6) months prior to Tenant's exercise of the applicable Option or (ii) if no comparable lease exists within that six (6) month period, tenants who have executed comparable leases within twelve (12) months prior to Tenant's exercise of that Option. Landlord shall notify Tenant of the then prevailing market rate ("Rate Notice") promptly after Tenant's exercise of the Option; and if such rate is not acceptable to Tenant, then Tenant has the right to rescind its exercise of the Option by providing a written revocation notice to Landlord within ten (10) days of Tenant's receipt of Landlord's Rate Notice. In such case Tenant will have no further right to renew this Lease under Exhibit "E".

2. GRANT OF OPTION. Tenant shall have the following options ("Options") to renew this Lease:

   (a) Tenant may, by notifying Landlord of its election in writing at least six (6) full calendar months prior to the end of the Lease Term, renew this Lease for the first (1/st/) Renewal Term. Such renewal shall be on all of the terms and conditions of this Lease which are not inconsistent with the terms of this Exhibit.

   (b) The Base Rental payable beginning on the first (1/st/) Renewal Date and continuing for sixty (60) months thereafter shall be at the prevailing market rate.

   (c) If Tenant exercises its option to renew this Lease for the first (1/st/) Renewal Term, then Tenant may, by notifying Landlord of its election in writing at least six (6) full calendar months prior to the end of the first (1/st/) Renewal Term, renew this Lease for the second (2/nd)/ Renewal Term. Such renewal shall be on all of the terms and conditions of this Lease which are not inconsistent with the terms of this Exhibit, except that no renewal option shall exist during the second (2/nd/) Renewal Term.

   (d) The Base Rental payable beginning on the second (2/nd/) Renewal Date and continuing for sixty (60) months thereafter shall be at the prevailing market rate.

3. GENERAL PROVISIONS. Tenant's failure to notify Landlord of Tenant's election to exercise the Option in the manner and within the specified time limit, shall constitute an irrevocable waiver of such Option. Tenant's failure to provide Landlord with a revocation notice in the manner and within the specified time limit shall be an irrevocable waiver of Tenant's revocation option. Notwithstanding the foregoing, the Option shall not be applicable at any time when there is an uncured event of default under the Lease. In addition, the Option shall automatically terminate upon the termination of the Lease Term, whether by Landlord upon the occurrence of an event of default or otherwise or, at the option of Landlord, in its sole discretion, upon the assignment, subletting, or other transfer by Tenant, whether or not with the approval of Landlord, to any person or entity other than to an Affiliate allowed by the provisions of this Lease.

INITIALS

EXHIBIT "F"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT

This SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT (this "Agreement"), is made as of the _____ day of _____, 1999, between GERMAN AMERICAN CAPITAL CORPORATION and its successors and assigns ("Beneficiary"), [LANDLORD] ("Landlord") and [TENANT] ("Tenant").

WHEREAS, Beneficiary has agreed to make a loan to Landlord to be secured by a Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Leases, Rents and Security Deposits (together with any UCC-1 Financing Statements in connection therewith, the "Mortgage"), as well as by a separate Assignment of Leases, Rents and Security Deposits (the "Assignment"; the Assignment and the Mortgage, as the same may hereafter be amended, modified, extended, consolidated, severed, spread, increased, replaced or supplemented, are collectively referred to as the "Security Documents") covering Landlord's interest in certain real and personal property located in Dallas, Texas and more particularly described in Exhibit A hereto (the "Property"); and

WHEREAS, Tenant has entered into a certain lease, as the same may have been amended, modified or supplemented (the "Lease") dated _____, 19__, with Landlord (or its predecessor), covering a certain portion of the Property (the "Premises"); and

WHEREAS, Beneficiary, Landlord and Tenant desire to confirm their understanding, with respect to the Lease, the Mortgage and the Assignment;

NOW, THEREFORE, in consideration of the promises set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Subordination. Subject to the provisions hereof, Tenant agrees that the Lease, as it may hereafter be amended from time to time, shall in all respects be, and is hereby expressly made, subject and subordinate at all times to the lien of the Security Documents and to all of the terms, conditions and provisions thereof and to all advances and/or payments made or to be made thereunder, as the same may hereafter be amended from time to time. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Security Documents.

2. Attornment.

(a) In the event that Beneficiary acquires or succeeds to the interests of Landlord under the Lease by reason of a foreclosure, deed-in-lieu of foreclosure or otherwise (collectively, a "Foreclosure"), Tenant shall be bound to Beneficiary under all of the terms, covenants and conditions of the Lease, except as provided in this Agreement, for the balance of

the term thereof remaining, with the same force and effect as if Beneficiary were Landlord. Tenant hereby agrees in such event to (i) attorn to Beneficiary as its landlord on such terms, (ii) affirm its obligations under the Lease, and (iii) make payments of all sums thereafter becoming due under the Lease to Beneficiary. Said attornment, affirmation and agreement is to be effective and self-operative without the execution of any further instruments upon Beneficiary succeeding to the interests of Landlord under the Lease.

(b) Tenant agrees to execute and deliver at any time and from time to time, upon the request of Landlord or Beneficiary, any instrument or

certificate deemed to be necessary or appropriate to evidence such attornment.

(c) If any act or omission of Landlord would give Tenant the right, immediately or after the lapse of a period of time, to cancel or terminate the Lease or abate the rent payable thereunder or to claim a partial or total eviction, Tenant shall not exercise such right until (i) it has given written notice of such act or omission to Landlord and Beneficiary, (ii) Landlord fails to remedy such act or omission within the applicable time period stated in the Lease for effecting such remedy and (iii) a reasonable period for remedying such act or omission shall have elapsed following the failure of Landlord to effect such remedy and following the time when Beneficiary shall have become entitled under the Mortgage to remedy the same (which reasonable period shall in no event be less than the period to which Landlord is entitled under the Lease or otherwise, after similar notice, to effect such remedy, plus two additional weeks). In the case of an act or omission which Beneficiary undertakes to remedy but which cannot practicably be remedied by Beneficiary without taking possession of the Premises [and provided that Beneficiary notifies Tenant in writing that Beneficiary will in fact cure that default as soon as reasonably practicable after Beneficiary has taken possession, then] (i) such reasonable period shall not commence until Beneficiary has possession of the Premises and (ii) Beneficiary shall proceed with reasonable diligence to obtain possession of the Premises, and upon obtaining such possession shall with reasonable diligence remedy such act or omission.

(d) From and after such attornment, Beneficiary shall be bound to Tenant under all the terms, covenants and conditions of the Lease; provided, however, Beneficiary shall not be:

(1) obligated to cure any defaults under the Lease of any prior landlord (including Landlord) which occurred prior to the date Beneficiary obtained title to or possession of the Property;

(2) liable for any act or omission of any prior landlord (including Landlord) which occurred prior to the date Beneficiary obtained title or possession of the Property;

(3) obligated to fund any security deposit unless actually received by Beneficiary;

(4) bound by any amendment, modification or termination of the Lease unless such amendment, modification or termination was consented to in writing by Beneficiary;

(5) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); or

(6) bound by any base rental or additional rental or advance payment of rent which Tenant paid for more than the current month to any prior landlord (including Landlord).

(e) Anything herein or in the Lease to the contrary notwithstanding, in the event that Beneficiary shall acquire title to the Premises by reason of a Foreclosure, Beneficiary shall have no obligation, nor incur any liability, beyond Beneficiary's then interest, if any, in the Property (including any title and casualty insurance proceeds and condemnation awards actually paid to Beneficiary), and Tenant shall look exclusively to such interest of Beneficiary in the Property for the payment and discharge of any obligations which may be imposed upon Beneficiary hereunder or under the Lease.

3. Non-Disturbance. Provided Tenant is not in default under the terms of the Lease and complies with this Agreement, Beneficiary agrees that in the event Beneficiary acquires title to the Property by reason of a Foreclosure, Tenant's possession and occupancy of the Premises and Tenant's rights and privileges under the Lease during the term thereof (including any renewal term) shall not be disturbed, subject to limitations or conditions set forth in this Agreement and Beneficiary shall recognize the Lease and Tenant's rights hereunder. Subject to the limitations and conditions contained herein, Beneficiary upon Foreclosure shall be deemed to be Landlord and shall assume the obligations of Landlord under the Lease thereafter arising or accruing.

4. Notices.

(a) All notices, demands and requests (collectively the "Notices") required or permitted to be given under this Agreement must be in writing and shall be deemed to have been given if personally delivered or delivered by reliable overnight courier or mailed by certified mail, return receipt requested, postage prepaid and shall be deemed delivered as of the date of such Notice if (i) delivered to the party intended; (ii) delivered to the then current address of the party intended, or (iii) rejected at the then current address of the party intended, provided such Notice was sent prepaid. The addresses of the parties are:

If to Beneficiary: German American Capital Corporation
31 West 52/nd/ Street
New York, New York 10019[ ]
Attention: General Counsel

If to Tenant: _____
_____
_____

If to Landlord: _____
_____
_____

(b) Upon at least ten (10) days prior written Notice, each party shall have the right to change its address to any other address within the United States of America.

5. Miscellaneous. This Agreement (i) contains the entire agreement with respect to the subject matter hereof; (ii) may not be modified or terminated, nor may any provision hereof be waived, orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors, administrators and assigns; and (iii) shall inure to the benefit of, and be binding upon, the parties hereto, and their successors and assigns (including, without limitation, (a) Tenant's permitted assignees and (b) any purchaser of the Property pursuant to a Foreclosure).

6. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located.

IN WITNESS WHEREOF, Beneficiary, Landlord and Tenant have executed this Agreement effective as of the day and year first above written.

GERMAN AMERICAN CAPITAL CORPORATION

By:_____
Its:

[TENANT]

By:_____
Its:

[LANDLORD]

By:_____
Its:

EXHIBIT "G"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

PARKING

This Exhibit "F" describes and specifies Tenant's non-exclusive option, but not the obligation to use non-reserved parking spaces ("Garage Spaces") located inside the Building's exterior card access parking garage ("Parking Garage"), and reserved parking spaces ("Lower Level Spaces") on the lower level of the Building's interior card access parking garage ("Lower Level Garage"). For convenience, the Garage Spaces and the Lower Level Spaces will sometimes be collectively referred to as the "Spaces" in this Exhibit. Landlord reserves the right at Landlord's sole discretion to relocate any of the Spaces. Additionally, spaces in the surface parking lots associated with the Building and located on the Property ("Surface Parking") are provided for the non-exclusive and common use of Landlord, all tenants of the Building, and their respective guests and invitees. Utilization of the Surface Parking is subject to availability (and Landlord shall have no obligation to provide available Surface Parking) and to such rules and regulations as may be promulgated by Landlord from time to time. Use of the Parking Garage, Lower Level Garage and the Surface Parking is subject to the terms and conditions set forth below.

1. DEFINITIONS. Terms which are defined in the Lease will be used without further definition in this Exhibit.

2. GRANT AND RENTAL FEE. Provided no event of default has occurred and is continuing under the Lease, Tenant shall be permitted non-exclusive use of Spaces in the Parking Garage during the Lease Term for the parking of fifty-three (53) vehicles at such monthly rates and subject to such terms, conditions, and regulations as are, from time to time, promulgated by Landlord and charged or applicable to patrons of said parking Garage for spaces similarly situated within said Parking Garage. The parking rate for each of the Spaces as of the date hereof is $45.00. Provided no event of default has occurred and is continuing under the Lease, Tenant shall be permitted exclusive use of eighteen (18) reserved Lower Level Spaces in the Lower Level Garage upon availability during the Lease Term at such monthly rates and subject to such terms, conditions, and regulations as are, from time to time, promulgated by Landlord and charged or applicable to patrons of said Lower Level Garage. The parking rate for each of the Lower Level Spaces as of the date hereof is $60.00 for spaces designated on the attached Schedule 1 "Lower Level Garage Pricing Schedule" as "circle" parking and $90.00 for spaces designated as "diamond" parking. Tenant shall also have the right to use the Surface Parking, free of charge, during the Lease Term.

3. RISK. All motor vehicles (including all contents thereof) shall be parked in the Garage Spaces, Lower Level Spaces or in the Surface Parking, as applicable, at the sole risk of Tenant, its employees, agents, invitees and licensees, it being expressly agreed and understood that Landlord has no duty to insure any of said motor vehicles (including the contents thereof), and that Landlord is not responsible for the protection and security of such vehicles. Landlord shall have no liability whatsoever for any property damage

and/or personal injury which might occur as a result of or in connection with the parking of said motor vehicles in any of the Garage Spaces, Lower Level Spaces or in the Surface Parking, as applicable, and Tenant hereby agrees to indemnify and hold Landlord harmless from and against any and all costs, claims, expenses, and/or causes of action which Landlord may incur in connection with or arising out of Tenant's use of the Garage Spaces, Lower Level Spaces or the Surface Parking pursuant to this Agreement.

4. RULES AND REGULATIONS. In its use of the Garage Spaces, Lower Level Spaces and the Surface Parking, Tenant shall follow all of the Rules and Regulations of the Building (attached to the Lease as Exhibit "B") applicable thereto, as the same may be amended from time to time. Upon the occurrence of any breach of such rules or default by Tenant under the Lease, Landlord shall be entitled to terminate this Exhibit, in which event Tenant's right to utilize the Garage Spaces, Lower Level Spaces and/or the Surface Parking shall thereupon automatically cease.

5. SECURITY. Landlord shall be entitled to utilize whatever access device Landlord deems necessary (including but not limited to the issuance of parking stickers or access cards), to insure that only tenants authorized to use spaces in the Parking Garage and Lower Level Garage are using such spaces. In the event Tenant, its agents or employees wrongfully park in any of the Parking Garage's or Lower Level Parking Garage's spaces, Landlord shall be entitled and is hereby authorized to have any such vehicle towed away, at Tenant's sole risk and expense, and Landlord is further authorized to impose upon Tenant a penalty of $25.00 for each such occurrence. Tenant hereby agrees to pay all amounts falling due hereunder upon demand therefor, and the failure to pay any such amount shall additionally be deemed an event of default under the Lease, entitling Landlord to all of its rights and remedies thereunder.

6. ADDITIONAL SPACES. In the event that Tenant expands the Leased Premises, Tenant shall be entitled to additional Garage Spaces within the Parking Garage based upon a ratio of one (1) additional Space per additional 1,000 Usable Square Feet incorporated into the Leased Premises and additional Lower Level Spaces within the Lower Level Garage based upon a ratio of one (1) reserved parking space per 3,000 Rentable Square Feet incorporated into the Lease Premises upon availability. Such additional Garage Spaces and Lower Level Spaces shall be subject to such monthly rates, terms, conditions, and regulations as are, from time to time, promulgated by Landlord and charged or applicable to patrons of said Parking Garage or Lower Level Garage for spaces similarly situated within said Parking Garage or Lower Level Garage.

Schedule 1- Lower Level Garage Price Schedule

INITIALS

Landlord_____ Tenant_____

SCHEDULE "1"

To Exhibit E to Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP., as Landlord and [TENANT NAME], as Tenant

Lower Level Garage Price Schedule
(For illustrative purposes only)

EXHIBIT "H"

To Lease Agreement By and Between NEXCOMM ASSET ACQUISITION I, LP, as Landlord and EQUINIX, INC., as Tenant

WORK LETTER

This Work Letter ("Work Letter") describes and specifies the right and obligations of Landlord and Tenant with respect to certain allowances granted to Tenant hereunder and rights and responsibilities of Landlord and Tenant with respect to the design, construction and payment for the completion of Tenant's installation of the Tenant Equipment defined in Exhibit D (the "Improvements") within the Leased Premises, in the Building or on the Property.

1. DEFINITIONS. Terms which are defined in the Lease shall have the same meaning in this Work Letter. Additionally, as used in this Work Letter, the following terms (when delineated with initial capital letters) shall have the respective meaning indicated for each as follows:

(a) "Allowance" is intentionally omitted.

(b) "Basic Construction of the Building" shall mean the structure of the Building as built on the date of this Work Letter.

(c) "Landlord's Architect" shall mean the architect designated by Landlord as its architect, from time to time, to perform the functions of Landlord's Architect hereunder.

(d) "Plans and Specifications" shall mean collectively, the plans, specifications and other information prepared or to be prepared by Tenant's Architect and, where necessary, by Landlord's electrical, mechanical and structural engineers, all at Tenant's expense, which shall detail the Work required by Tenant in the Leased Premises and which shall be approved in writing by both Tenant and Landlord prior to the commencement of such Work.

(e) "Tenant's Architect" shall mean an architect, selected by Tenant, and approved by Landlord in an exercise of reasonable discretion who is an architect licensed to practice in the State of Texas.

(f) "Work" shall mean all materials and labor to be added to the Basic Construction of the Building in order to complete the installation of the Improvements within the Leased Premises, in the Building or on the Property for Tenant in accordance with the Plans and Specifications, including, without limitation any modifications to the Building, any electrical or plumbing work required to meet Tenant's electrical and plumbing requirements, and any special air conditioning work required to be performed in the Leased Premises, in the Building or on the Property.

(g) "Cost of the Work" shall mean the cost of all materials and labor to be added to the Basic Construction of the Building in order to complete the installation of the

Improvements within the Leased Premises, in the Building or on the Property in accordance with the Plans and Specifications.

(h) "Tenant's Costs" shall mean that portion of the Cost of the Work in excess of Allowance.

(i) "Change Costs" shall mean all costs or expenses attributable to any change in the Plans and Specifications which, when added to other costs and expenses incurred in completing the Work, exceed Allowance, including, without limitation, (i) any cost caused by direction of Tenant to omit any item of Work contained in the Plans and Specifications, (ii) any additional architectural or engineering services, (iii) any changes to materials in the process of fabrication, (iv) the cancellation or modification of supply or fabricating contracts, (v) the removal or alteration of any Work or any plans completed or in process, or (vi) delays affecting the schedule of the Work.

(j) "Working Days" shall mean all days of the week other than Saturday, Sunday, and legal holidays.

(k) "Contractor" shall mean the contractor or contractors engaged by Tenant to perform the Work in accordance with the provisions of Section 4.2(b) of the Lease.

2. PROCEDURE AND SCHEDULES FOR THE COMPLETION OF PLANS AND SPECIFICATIONS. The Plans and Specifications shall be completed in accordance with the following procedure and time schedules:v

(a) Design Drawings. Within ninety (90) Working Days from execution of the Lease, Tenant shall submit to Landlord four (4) sets of prints of design drawings, specifying the intended design, character and finishing of the Improvements within the Leased Premises, in the Building or on the Property. Such package shall include separate drawings for signs in accordance with Landlord's sign criteria. The design drawings shall set forth the requirements of Tenant with respect to the installation of the Improvements within the Leased Premises, in the Building or on the Property, and such drawings shall include, without limiting their scope, a Tenant approved space plan, architectural design of the space, including office front, plans, elevations, sections, and renderings indicating materials, color selections and finishes.

(i) After receipt of design drawings, Landlord shall return to Tenant one set of Prints of design drawings with Landlord's suggested modifications and/or approval. If, upon receipt of approved design drawings bearing Landlord's comments, Tenant wishes to take exception thereto, Tenant may do so in writing, by certified mail addressed to Landlord, within five (5) Working Days from the date of receipt of Landlord's comments on the design drawings. Unless such action is taken, Tenant will be deemed to have accepted and approved all of Landlord's comments on the design drawings.

(ii) If design drawings are returned to Tenant with comments, but not bearing approval of Landlord, the design drawings shall be immediately revised by Tenant and resubmitted to Landlord for approval within ten (10) Working Days of their receipt by Tenant.

(b) Completion of Plans and Specifications. All Plans and Specifications shall be prepared in strict compliance with applicable Building standards and requirements, this Work Letter and otherwise, and shall also adhere to the design drawings approved by Landlord. In order to assure the compatibility of Tenant's electrical and mechanical systems and the compatibility of Tenant's structural requirements with the existing Building and in order to expedite the preparation of Tenant's electrical, mechanical and structural drawings, Tenant or Tenant's Architect shall deliver to Landlord's Architect, not later than thirty (30) Working Days from the date of Landlord's approval of design drawings, a detailed plan setting forth any and all electrical, mechanical and structural requirements, and Landlord's Architect shall retain, at Tenant's expense, Landlord's electrical, mechanical and structural engineers to prepare all necessary electrical, mechanical and structural construction drawings which shall be included as a part of the Plans and Specifications. All construction documents and calculations prepared by Tenant's Architect shall be submitted by Tenant, in the form of four (4) sets of blueline prints, to Landlord for approval within ten (10) Working Days after the date of receipt by Tenant of Landlord's approval of design drawings. If the Plans and Specifications are returned to Tenant with comments, but not bearing approval of Landlord, the Plans and Specifications shall be immediately revised by Tenant and resubmitted to Landlord for approval within fifteen (15) Working Days of their receipt by Tenant.

(i) The fees for Tenant's Architect and any consultants or engineers retained by or on behalf of Tenant or Tenant's Architect (including, but not limited to, the electrical, mechanical and structural engineers required to be retained under this paragraph) shall be paid by Tenant. Tenant shall also pay for any preliminary drawings by Landlord's Architect for review of the design drawings, the Plans and Specifications, and any revisions to such documents, and the fees and expenses of Landlord's Architect for inspection of the Work, as required by Landlord. Tenant may use funds from the Allowance to make such payments.

(ii) Tenant shall have the sole responsibility for compliance of the Plans and Specifications with all applicable statutes, codes, ordinances and other regulations, and the approval of the Plans and Specifications or calculations included therein by Landlord shall not constitute an indication, representation or certification by Landlord that such Plans and Specifications or calculations are in compliance with said statutes, codes, ordinances and other regulations. In instances where several sets of requirements must be met, the requirements of Landlord's insurance underwriter or the strictest applicable requirements shall apply where not prohibited by applicable codes.

3. TERMINATION RIGHT. If for any reason (other than default by Tenant) Landlord and Tenant have not agreed in writing upon final Plans and Specifications on or before the date which is ninety (90) Working Days from the date hereof, then Landlord or Tenant shall have the right to terminate the Lease by providing the other party with written notice of the electing parties' decision to terminate this Lease within thirty (30) days from the expiration of such ninety (90) day period. The failure of either party to exercise such termination right in the manner and within the time period specified above shall be deemed to be an irrevocable waiver of such right.

4. PAYMENT. In the event Landlord acts as the general contractor for the Improvements in the Leased Premises, in the Building or on the Property, the Allowance will be

applied to offset the amounts due Landlord as reflected in the monthly invoices therefor submitted by Landlord to Tenant. In the event Landlord does not act as the general contractor for the Improvements in the Leased Premises, in the Building or on the Property, Landlord shall pay the Allowance to Tenant within forty-five (45) days of Landlord's receipt of general contractor's waiver of lien submitted by Tenant to Landlord.

5. PERFORMANCE OF WORK AND DELAYS. Tenant shall cause the Contractor to perform the Work in strict accordance with the Plans and Specifications. If a delay shall occur in the completion of the Work by Tenant as the probable result of (i) any failure to furnish when due Tenant's design drawings, Tenant's electrical, mechanical and/or structural requirements, Tenant's Plans and Specifications or any revision to any such documents, (ii) any change by Tenant in any of the Plans and Specifications, (iii) any state of facts which gives rise to a change referred to in the definition of Change Costs or any changes resulting in a Change Cost, (iv) any other act or omission of Tenant, its agents or employees, including any violation of the provisions of the Lease or any delay in giving authorizations or approvals pursuant to this Work Letter, or (v) any other cause except (a) as specified in Section 8.1 of the Lease or (b) arising from a default by Landlord, then any such delay shall not justify any extension of the Commencement Date of the Lease.

6. CHANGE ORDERS. All changes and modifications in the Work from that contemplated in the Plans and Specifications, whether or not such change or modification gives rise to a Change Cost, must be evidenced by a written Change Order executed by both Landlord and Tenant. In that regard, Tenant shall submit to Landlord such information as Landlord shall require with respect to any Change Order requested by Tenant. After receipt of requested Change Order, together with such information as Landlord shall require with respect thereto, Landlord shall return to Tenant either the executed Change Order, which will evidence Landlord's approval thereof, or the Plans and Specifications with respect thereto with Landlord's suggested modification.

7. WHOLE AGREEMENT; NO ORAL MODIFICATION. This Work Letter embodies all representations, warranties and agreements of Landlord and Tenant with respect to the matter described herein, and this Work Letter may not be altered or modified except by an agreement in writing signed by the parties.

8. PARAGRAPH HEADINGS. The paragraph headings contained in this Work Letter are for convenient reference only and shall not in any way affect the meaning or interpretation of such paragraphs.

9. NOTICES. All notices required or contemplated hereunder shall be given to the parties in the manner specified for giving notices under the Lease.

10. BINDING EFFECT. This Work Letter shall be construed under the laws of the State of Texas and shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

11. CONFLICT. In the event of conflict between this Work Letter and any other exhibits or addenda to this Lease, this Work Letter shall prevail.

INITIALS

Landlord _____ Tenant _____

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EXHIBIT 16.1

May 9, 2000

Securities and Exchange Commission
Washington, D.C. 20549

Ladies and Gentlemen:

We were previously principal accountants for Equinix, Inc. and, under the date of January 21, 2000, except as to Note 10, which is as of January 28, 2000, we reported on the consolidated financial statements of Equinix, Inc. and subsidiary as of December 31, 1998 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for the period from June 27, 1998 (inception) to December 31, 1998 and the year ended December 31, 1999. On March 7, 2000 we resigned. We have read Equinix, Inc.'s statements included under "Change in Accountants" in Amendment No.3 to Form S-4 dated May 9, 2000, and we agree with such statements, except that we are not in a position to agree or disagree with Equinix, Inc.'s statement that the change in accountants was approved by the board of directors and that Equinix, Inc. did not consult with PriceWaterhouseCoopers LLP on any accounting or financial reporting matters in the periods prior to their appointment.

Very truly yours,

KPMG LLP

EXHIBIT 23.1

The Board of Directors
Equinix, Inc.:

We consent to the use of our report dated January 21, 2000, except as to Note 10, which is as of January 28, 2000, relating to the consolidated balance sheets of Equinix, Inc and subsidiary, as of December 31, 1998 and 1999 and the related consolidated statements of operations, stockholders' equity and cash flows for the period from June 22, 1998 (inception) to December 31, 1998 and for the year ended December 31, 1999 which report is included in the registration statement on Form S-4, and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Mountain View, California
May 8, 2000