

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-31293

EQUINIX, INC.

(Exact name of registrant as specified in its charter)

Delaware **77-0487526**
(State of incorporation) (IRS Employer Identification No.)

One Lagoon Drive, Fourth Floor, Redwood City, California 94065
(Address of principal executive offices, including ZIP code)

(650) 598-6000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.001	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common stock held by non-affiliates computed by reference to the price at which the common stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$14.5 billion. As of January 29, 2016, a total of 69,025,412 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III – Portions of the registrant's definitive proxy statement to be issued in conjunction with the registrant's 2016 Annual Meeting of Stockholders, which is expected to be filed not later than 120 days after the registrant's fiscal year ended December 31, 2015. Except as expressly incorporated by reference, the registrant's proxy statement shall not be deemed to be a part of this report on Form 10-K.

EQUINIX, INC.
FORM 10-K
DECEMBER 31, 2015
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PART I

ITEM 1. BUSINESS

The words “Equinix”, “we”, “our”, “ours”, “us” and the “Company” refer to Equinix, Inc. All statements in this discussion that are not historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding Equinix’s “expectations”, “beliefs”, “intentions”, “strategies”, “forecasts”, “predictions”, “plans” or the like. Such statements are based on management’s current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Equinix cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the risk factors discussed in this Annual Report on Form 10-K. Equinix expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Equinix’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based.

Overview

Equinix, Inc. connects more than 6,300⁽¹⁾ companies directly to their customers and partners inside the world’s most interconnected data centers. Today, businesses leverage the Equinix interconnection platform in 33 strategic markets across the Americas, Asia-Pacific, and Europe, Middle East and Africa (EMEA).

In September 2012, we announced that our Board of Directors approved a plan for Equinix to pursue conversion to a real estate investment trust (a “REIT”). On December 23, 2014, our Board of Directors formally approved our conversion to a REIT effective on January 1, 2015. We completed the implementation of the REIT conversion in 2014 and as a result, we began operating as a REIT for federal income tax purposes effective January 1, 2015. In May 2015, we received a favorable response to the private letter ruling (“PLR”) we had requested from the U.S. Internal Revenue Service (“IRS”) in connection with our conversion to a REIT for federal income tax purposes. The REIT conversion includes almost all of our data center operations in the U.S., Europe and Japan held through qualified REIT subsidiaries (“QRSs”); our data center operations in other jurisdictions have initially been designated as taxable REIT subsidiaries (“TRSS”).

In May 2015 we announced an offer for the entire issued and to be issued share capital of Telecity Group plc (“TelecityGroup”), valued at approximately £2.4 billion, or \$3.8 billion in U.S. dollars. The transaction closed in January 2016. The total consideration consisted of \$1.7 billion in cash and 6.9 million shares of our common stock, valued at \$2.1 billion.

Platform Equinix® combines a global footprint of state-of-the-art International Business Exchange™ (IBX®) data centers, a variety of interconnection opportunities and unique ecosystems. Together, these components accelerate business growth and opportunity for Equinix’s customers by securing their infrastructure and applications closer to users. This enables customers to improve performance with cost-effective and scalable interconnections, work with vendors to deploy new technologies, such as cloud computing, and collaborate with the widest variety of partners and customers to achieve their ambitions.

Equinix’s platform offers these unique value propositions to customers:

- Global Data Centers
 - A broad footprint of 112 IBX data centers in 15 countries on 5 continents.
 - More than \$8.7 billion of capital invested in capacity, new markets and acquisitions since 1998.
 - Equinix delivered uptime of 99.9999% across its footprint in 2015.
- Interconnection
 - More than 1,100 networks and approximately 170,000+ cross connects in Equinix sites
 - Equinix provides less than 10 milliseconds latency to over 90% of the population of North America and Europe, as well as to key population centers throughout Latin America and Asia-Pacific.
- Partners, Customers and Prospects
 - Equinix sites house a blue-chip customer base of 6,300+ global businesses.
 - These customers represent a who’s who of network, digital media, financial services, cloud/IT and enterprise leaders.

⁽¹⁾ All metrics in this Annual Report on Form 10-K are as of December 31, 2015 and do not include Telecity Group plc.

- Opportunity
 - Equinix data centers contain a dynamic marketplace for communications services, interconnecting businesses, networks, carriers and content providers to potential suppliers, customers and partners.
 - More than 6,300+ potential partners to deploy world-class solutions.

Equinix has established a critical mass of customers that continues to drive new and existing customer growth and bookings. Our network- and cloud-neutral business model also contributes to our success in the market. Rather than selling a particular network, we offer customers direct interconnection to an aggregation of bandwidth providers. The providers in our sites include the world's top carriers, mobile providers, Internet service providers (ISPs), broadband access networks (DSL / cable) and international carriers. Our neutrality also means our customers can choose to buy from, or partner with, leading companies across our five targeted verticals. These include:

- Network and Mobile Providers (AT&T, British Telecom, China Mobile, Comcast, Level 3 Communications, Lycamobile, NTT Communications, SingTel Ltd., Syniverse Technologies, T-Mobile, TATA Communications, Verizon)
- Cloud and IT Services (Amazon Web Services, Box Inc., Carpathia Hosting Inc., NetApp, Microsoft Azure, Salesforce.com, SoftLayer, Cisco Systems Inc., Oracle, Datapipe, CloudSigma, Workday, Inc.)
- Content Providers (Brightroll, eBay, DIRECTV, Hulu, LinkedIn, Netflix, Priceline.com)
- Enterprise (Anheuser-Busch, InBev, Bechtel, Burger King Corporation, Caterpillar, Inc., CDM Smith, Chevron, GE, Harper Collins Publishers, Ingram Micro)
- Financial Companies (ACTIV Financial, Bloomberg, Chicago Board Options Exchange, DirectEdge, Quantlab Financial, NASDAQ, OMX Group Inc., NYSE Technologies, Thomson Reuters)

Equinix generates revenue by providing colocation and related interconnection and managed IT infrastructure offerings on a global platform of 112 IBX data centers.

- Colocation offerings include operations space, storage space, cabinets and power for customers' colocation needs.
- Interconnection offerings include Equinix Cloud Exchange™, which enables simultaneous, direct and secure connections to multiple clouds from a single port, and Performance Hub™, which takes enterprise IT inside any one of our global data centers, bringing our customers closer to their end users for improved network reliability, performance and security. Equinix also offers cross connects, as well as switch ports on the Equinix Internet Exchange. These offerings provide scalable and reliable connectivity that allows customers to exchange traffic directly and securely with the service provider of their choice or with each other, creating a performance optimized business ecosystem for the exchange of data between strategic partners.
- Managed IT infrastructure services are offered in limited regional markets to allow customers to leverage Equinix's significant telecommunications expertise, maximize the benefits of our IBX data centers and optimize their infrastructure and resources.
- Equinix professional services guide customers through complex IT infrastructure changes and hybrid and multi-cloud deployments quickly and securely, while delivering continuous and reliable technical support. Equinix cloud consulting services, led by recently acquired professional service company Nimbo, optimize cloud migrations, matching service providers and architectures to individual business needs. Solution Validation Centers™ (SVCs™) allow customers to test and fine-tune cloud, network and IT infrastructure rollouts in a real-world setting prior to deployment. Global Solution Architects™ run our SVCs and are experts in emerging trends and the range of solutions and services available from providers inside our data centers. They can design, build and implement solutions that best match enterprise aims and budgets. The Equinix Customer Portal delivers full-time access to support, instant reporting and requests for Equinix Smart Hands™ technicians. These highly trained data center experts are on call for everything from routine cable installations to technical assistance and troubleshooting.

The market for Equinix's offerings has previously been served by large telecommunications carriers that have bundled their telecommunications and managed services with their colocation offerings. In addition, some Equinix customers, such as Microsoft, build and operate their own data centers for their large infrastructure deployments, called server farms. However, these customers

rely upon Equinix IBX data centers for many of their critical interconnection relationships. The need for sizable, wholesale, outsourced data centers is also being addressed by providers that build large data centers to meet customers' needs for standalone data centers, a different customer segment than Equinix serves.

Due to the increasing cost and complexity of the power and cooling requirements of today's data center equipment, Equinix has gained many customers that have outgrown their existing data centers or have realized the benefits of a network-neutral model and the ability to create their own optimized business ecosystems for the exchange of data. Strategically, we will continue to look at attractive opportunities to grow market share and selectively expand our footprint and offerings. We continue to leverage our global reach and depth to differentiate Equinix based upon our ability to support truly global customer requirements in all our markets.

Equinix is benefiting from a growth in demand for data center offerings. Several factors contribute to this growth in demand, including:

- The growth of "proximity communities" that rely on immediate physical colocation and interconnection with their strategic partners and customers, such as financial exchange ecosystems for electronic trading and settlement and ecosystems for real-time bidding and fulfillment of Internet advertising.
- The adoption of cloud computing technology services, including the growth of hybrid/multi-clouds, enterprise cloud service offerings such as Software-as-a-Service (SaaS), Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) and disaster recovery services.
- The continuing growth of consumer Internet traffic from new bandwidth-intensive services, such as video, voice over IP (VoIP), social media, mobile data, gaming, data-rich media, Ethernet and wireless services. The financial services market is experiencing tremendous growth due to electronic trading and the increased volume of peak messages (transactions per second), requiring optimized data exchange through business ecosystems.
- The increasing requirements for anytime, anywhere and any device interconnection out at the edge of the corporate network to improve the performance, security, scalability and reliability of interconnecting people, locations, clouds and data.
- Significant increases in power and cooling requirements for today's data center equipment. New generations of servers continue to concentrate processing capability, with associated power consumption and cooling load, into smaller footprints, and many legacy-built data centers are unable to accommodate these new power and cooling demands. The high capital costs associated with building and maintaining "in-sourced" data centers creates an opportunity for capital savings by leveraging an outsourced colocation model.

Industry Background

The Internet is a collection of numerous independent networks interconnected to form a network of networks. Users on different networks are able to communicate with each other through interconnection between these networks. For example, when a person sends an email to someone who uses a different provider for his or her connectivity (e.g., Comcast versus Verizon), the email must pass from one network to the other to get to its final destination. Equinix provides a physical point at which that interconnection can occur.

To accommodate the rapid growth of Internet traffic, an organized approach for network interconnection was needed. This was the start of the network era, when networks gained mutual advantage by exchanging data traffic on interoperable platforms. The exchange of traffic between these networks became known as peering. Peering is when networks trade traffic at relatively equal amounts and set up agreements to trade traffic, often at no charge to the other party. At first, government and nonprofit organizations established places where these networks could exchange traffic, or peer, with each other—these points were known as network access points, or NAPs. Over time, many NAPs became a natural extension of carrier services and were run by such companies as MFS (now a part of Verizon Business), Sprint, Ameritech and Pacific Bell (the latter two are now part of AT&T).

Ultimately, these NAPs were unable to scale with the growth of the Internet, and the lack of "neutrality" by the carrier owners of these NAPs created a conflict of interest with the participants. This created a market need for network-neutral interconnection points that could accommodate the rapidly growing need to increase performance for enterprise and consumer users of the Internet, especially with the rise of important content providers such as AOL, Microsoft, Yahoo! and others. In addition, the providers, as well as a growing number of enterprises, required a more secure and reliable solution for direct connection to a variety of

telecommunications networks, as the importance of their Internet operations continued to grow. These were the seeds of the connected era, when peering expanded exponentially, and between new players, and access to information anytime and anywhere became the norm.

To accommodate Internet traffic growth, the largest networks left the NAPs and began connecting and trading traffic by placing private circuits between each other. Peering, which once occurred at the NAP locations, was moved to these private circuits. Over the years, these circuits became expensive to expand and could not be built quickly enough to accommodate traffic growth. This led to a need by the large carriers to find a more efficient way to peer. Today, many customers satisfy their requirements for peering through data center providers like Equinix because this strategy permits them to peer with the networks they require within one location, using simple, direct and secure connections. Their ability to peer within a data center or across a data center campus, instead of across a metro area, has increased the scalability of their operations while decreasing network costs.

The interconnection model has further evolved over the years to include new offerings, as the collaborative landscape of the interconnected era imposes new demands on connectivity. As enterprises become increasingly interdependent and cloud-enabled, they need real-time data exchange and reliable, instant connections between the various corners of any given digital ecosystem to compete. Starting with the peering and network communities, interconnection has been used for new network services, including carrier Ethernet, multiprotocol label switching (MPLS), virtual private networks (VPNs) and mobile services, in addition to traditional international private line and voice services. The industry continues to evolve with a set of new offerings where interconnection is often used to solve the network-to-network and the cloud-to-cloud interconnection challenges in order to keep up with the rapid digital transformation of today's businesses.

In addition, the enterprise customer segment is also evolving. In the past, most enterprises opted to keep their data center requirements in house. However, current trends are leading more and more enterprise chief information officers (CIOs) to either outsource their data center requirements, and/or extend their corporate wide area networks (WANs) into carrier-neutral colocation facilities. The combination of globalization, the proliferation of bandwidth intensive Internet-facing applications and rich media content, the need to provide access to cloud computing environments and business continuity and disaster recovery options, plus tight corporate IT budgets, mean that enterprise CIOs must do more with less. Industry analysts forecast growth in the colocation market to be approximately 10% per year over the next four years.

Equinix Value Proposition

More than 6,300 companies, including a diversified mix of cloud and IT service providers, content providers, enterprises, financial companies, and network and mobile service providers, currently operate within Equinix IBX data centers. These companies derive specific value from the following elements of the Equinix service offering:

- **Interconnection leadership:** The digital economy's demands for fast, secure business collaboration puts the interconnection inside Equinix at a premium. The 6,300 companies inside Equinix represent a range of global businesses, from cloud, to networks, to finance. Inside Equinix, customers can interconnect across industries with the speed, security, reliability and scalability needed to compete and grow.
- **Unrivaled cloud access:** Equinix is home to 1,300 cloud service providers and a variety of secure routes to the efficiencies, performance and cost-savings of the cloud. Equinix Cloud Exchange offers on-demand access to multiple cloud providers from multiple networks, enabling customers to design scalable cloud services tailored to their needs at a given moment.
- **Comprehensive global solution:** With 112 IBX data centers in 33 markets in the Americas, EMEA and Asia-Pacific, Equinix offers a consistent global solution.
- **Premium data centers:** Equinix IBX data centers feature advanced design, security, power and cooling elements to provide customers with industry-leading reliability, including average uptime of 99.9999% globally in 2015. While others in the market have business models that include additional offerings, Equinix is focused on colocation and interconnection as our core competencies.
- **Dynamic business ecosystems:** Equinix's network- and cloud-neutral model has enabled us to attract a critical mass of networks and cloud and IT services providers, and that, in turn, attracts other businesses seeking to interconnect within a single location. This ecosystem model, versus connecting to multiple partners in disparate locations, reduces costs and optimizes the performance of data exchange. As Equinix grows and attracts an even more diversified base of customers, the value of Equinix's IBX data center offering increases.

- **Improved economics:** Customers seeking to outsource their data center operations rather than build their own capital-intensive data centers enjoy significant capital cost savings. Customers also benefit from improved economics because of the broad access to networks that Equinix provides. Rather than purchasing costly local loops from multiple transit providers, customers can connect directly to more than 1,100 networks inside Equinix's IBX data centers.
- **Leading insight:** With more than 17 years of industry experience, Equinix has a specialized staff of industry experts and solutions architects who helped build and shape the interconnection infrastructure of the Internet. This specialization and industry knowledge base offer customers a unique consultative value and a competitive advantage.

Our Strategy

Our objective is to expand our global leadership position as the premier network- and cloud-neutral data center platform for cloud and IT services providers, content providers, financial companies, enterprises and network and mobile services providers. Key components of our strategy include the following:

Improve customer performance through interconnection. To succeed in today's digital economy, enterprises around the globe must adopt interconnected, on-demand IT architectures. To help companies understand, deploy and benefit from interconnection, Equinix created a blueprint for becoming an interconnected enterprise - the Interconnection Oriented Architecture™ (IOA™). Based on work with more than 100 Fortune 500 customers, and 400+ Equinix Performance Hub™ deployments, Equinix developed IOA as a proven and repeatable engagement model that both enterprises and solution providers can leverage to directly and securely connect people, locations, clouds and data. IOA shifts the fundamental IT delivery architecture from siloed and centralized to interconnected and distributed. When combined with Equinix's longstanding critical mass of premier network and cloud providers and content companies, this IOA strategy is enabling Equinix to extend its leadership as one of the core interconnection hubs of the information-driven world. Equinix's critical mass is a key selling point for companies that want to connect with a diverse set of networks to provide the best connectivity to their end customers and network companies that want to sell bandwidth to companies and interconnect with other networks in the most efficient manner available. Currently, we house more than 1,100 unique networks, including all of the top tier networks, allowing our customers to directly interconnect with providers that best meet their unique global and regional price and performance needs. We have a growing mass of key players in cloud and IT services, such as Accenture, Amazon Web Services, AT&T, Microsoft Azure and Salesforce.com, and in the enterprise and financial sectors, such as Bechtel, Bloomberg, Chicago Board of Trade, The GAP, McGraw-Hill and others. We expect these segments will continue to grow as they seek to leverage our critical mass of network providers and interconnect directly with each other to improve performance.

Streamline ease of doing business globally. Data center reliability, power availability and network choice are the most important attributes considered by our customers when they choose a data center provider in a particular location. We have long been recognized as a leader in these areas and our performance continues to improve against these criteria. Our power infrastructure delivered 99.9999% uptime globally in 2015.

In 2015, more than half of our revenue came from customers with deployments in all three of our global regions, and as globalization continues, seamless global solutions will become increasingly important data center selection criteria. We continue to focus on strategic acquisitions to expand our market coverage and on global product standardization, pricing and contracts harmonization initiatives to meet these global demands.

Deepen existing and grow new ecosystems. As networks, cloud and IT services providers, content providers, financial services providers and enterprises locate in our IBX data centers, it benefits their suppliers and business partners to do so as well, to gain the full economic and performance benefits of direct interconnection for their business ecosystems. These partners, in turn, pull in their business partners, creating a "network effect" of customer adoption. Our interconnection offerings enable scalable, reliable and cost-effective interconnectivity and optimized traffic exchange, thus lowering overall cost and increasing flexibility. The ability to directly interconnect with a wide variety of companies is a key differentiator for us in the market and enables companies to create new opportunities within unique ecosystems by working together. We have efficient and innovative Internet and Cloud Exchange platforms to accelerate commercial growth within the ecosystems in our IBX sites via this network effect.

Expand vertical go-to-market plan. We plan to continue to focus our go-to-market efforts on customer segments and business applications that appreciate the Equinix value proposition of interconnection, reliability, global reach and ecosystem collaboration opportunities. Today, we have identified these segments as cloud services, content and digital media, financial services, enterprises, IT services, and network and mobile service providers. As digital business evolves, we will continue to identify and focus our go-to-market efforts on industry segments that need our value proposition.

Accelerate global reach and scale. We continue to evaluate expansion opportunities in select markets based on customer demand. In 2014, we completed the acquisition of ALOG Data Centers of Brazil S.A. and took the remaining ownership interest in the four data centers at ALOG, obtaining the remaining ownership interest in four data centers, two in São Paulo and two in Rio de Janeiro. In 2015, we acquired professional services company Nimbo in the U.S. and Bit-isle in Japan. In January 2016, we also closed the TelecityGroup acquisition in Europe. The TelecityGroup acquisition significantly expands Equinix's global interconnection platform from 112 data centers in 33 metros to 145 data centers in 40 metros. The new metros we entered with our TelecityGroup acquisition in 2016 were Dublin, Helsinki, Istanbul, Milan, Sofia, Stockholm and Warsaw. We also added capacity across our global footprint in 2015 by opening our ninth data center in New York, our second in Toronto, our first in Melbourne, our third in Singapore and our sixth in London.

Our strategy is to continue to grow in select existing markets and possibly expand to additional markets where warranted by demand and financial return potential. We expect to execute this expansion strategy in a cost-effective and disciplined manner through a combination of acquiring existing data centers through lease or purchase, acquiring or investing in local data center operators and building new IBX data centers based on key criteria, such as demand and potential financial return, in each market.

Our Customers

Our customers include carriers, mobile and other bandwidth providers, cloud and IT services providers, content providers, financial companies and global enterprises. We provide each customer access to a choice of business partners and solutions based on their colocation, interconnection and managed IT service needs. As of December 31, 2015, we had more than 6,300 customers worldwide.

Customers in our five key customer categories include the following:

Cloud and IT Services	Content Providers	Enterprise	Financial Companies	Network and Mobile Services
Amazon Web Services	Brightroll	Anheuser-Busch InBev	ACTIV Financial Bloomberg	AT&T
Box Inc.	DIRECTV	Bechtel	Chicago Board Options	British Telecom
Carpathia Hosting Inc.	eBay	Burger King Corporation	Exchange DirectEdge	China Mobile Comcast
Cisco Systems Inc. CloudSigma	Hulu	Caterpillar, Inc.	Quantlab Financial NASDAQ	Level 3 Communications
Datapipe	LinkedIn	CDM Smith	OMX Group Inc. NYSE	Lycamobile
Microsoft Azure NetApp	Netflix	Chevron	Technologies Thomson	NTT Communications SingTel Ltd.
Oracle	Priceline.com	GE	Reuters	Syniverse Technologies
Salesforce.com		Harper Collins Publishers		T-Mobile
SoftLayer		Ingram Micro		TATA Communications Verizon
Workday, Inc.				

Customers typically sign renewable contracts of one or more years in length. Our largest customer accounted for approximately 3% of our recurring revenues for the period ended December 31, 2015 and 2% of our recurring revenues for the periods ended December 31, 2014 and 2013. Our 50 largest customers accounted for approximately 34%, 36% and 35% of our recurring revenues for the years ended December 31, 2015, 2014 and 2013, respectively.

Our Offerings

Equinix provides a choice of data center offerings primarily comprised of colocation, interconnection solutions and managed IT infrastructure and professional services.

Colocation and Related Offerings

Our IBX data centers provide our customers with secure, reliable and robust environments that are necessary for optimum Internet commerce interconnection. Many of our IBX data centers include multiple layers of physical security, scalable cabinet space availability, on-site trained staff (24x7x365), dedicated areas for customer care and equipment staging, redundant AC/DC power systems and other redundant and fault-tolerant infrastructure systems. Some specifications of offerings provided by individual IBX data centers may differ based on original facility design or market.

Within our IBX data centers, customers can deploy their equipment and interconnect with a choice of networks, cloud providers or other business partners. We also provide customized solutions for customers looking to package our IBX offerings as part of their complex solutions. Our colocation offerings include:

Cabinets. Our customers have several choices for colocating their networking, server and storage equipment. They can place the equipment in one of our shared or private cages or customize their space. In certain select markets, customers can purchase their own private “suite” which is walled off from the rest of the data center. As customers’ colocation requirements increase, they can expand within their original cage (or suite) or upgrade into a cage that meets their expanded requirements. Customers buy the hardware they place in our IBX data centers directly from their chosen vendors. Cabinets (or suites) are priced with an initial installation fee and an ongoing recurring monthly charge.

Power. Power is an element of increasing importance in customers’ colocation decisions. We offer both AC and DC power circuits at various amperages and phases customized to a customer’s individual power requirements. We also offer metered power in certain markets. Power is priced with an initial installation fee and an ongoing recurring monthly charge.

IBXflex. IBXflex allows customers to deploy mission-critical operations personnel and equipment on-site at our IBX data centers. Because of the close proximity to their infrastructure within our IBX data centers, IBXflex customers can offer a faster response and quicker troubleshooting solution than those available in traditional colocation facilities. This space can also be used as a secure disaster recovery point for customers’ business and operations personnel. This service is priced with an initial installation fee and an ongoing recurring monthly charge.

Interconnection Solutions

Our interconnection solutions enable high-performance, secure, scalable, reliable and cost-effective interconnection and traffic exchange between Equinix customers. These interconnection solutions are either on a one-to-one basis with direct cross connects or one-to-many through one of our Equinix Exchange solutions. In the peering community, we play an important industry leadership role by acting as the relationship broker between parties who would like to interconnect within our IBX data centers. Our staff holds or has held significant positions in many leading industry groups, such as the North American Network Operators’ Group, or NANOG, and the Internet Engineering Task Force, or IETF. Members of our staff have published industry-recognized white papers and strategy documents in the areas of peering and interconnection, many of which are used by other institutions worldwide in furthering the education and promotion of this important set of solutions. We expect to continue to develop additional solutions in the area of traffic exchange that will allow our customers to leverage the critical mass of networks, cloud services providers, and many important financial services and e-commerce industry leaders now available in our IBX data centers. Our current exchange solutions are comprised of the following:

Physical Cross Connect/Direct Interconnections. Customers needing to directly and privately connect to another IBX data center customer can do so through single or multi-mode fiber. These cross connections are the physical link between customers and can be implemented within 24 hours of request. Cross-connect offerings are priced with an initial installation fee and an ongoing monthly recurring charge.

Equinix Internet Exchange™. Customers may choose to connect to and peer through the central switching fabric of our Equinix Internet Exchange, rather than purchase a direct physical cross connection. With a connection to this switch, a customer can aggregate multiple interconnects over one physical connection with multiple, linked 10 gigabit ports of capacity, instead of purchasing individual physical cross connects. The offering is priced per IBX data center with an initial installation fee and an ongoing monthly recurring charge. Individual IBX data center prices increase as the number of participants on the exchange service grows.

Equinix Metro Connect. Customers who are located in one IBX data center may need to interconnect with networks or other customers located in an adjacent or nearby IBX data center in the same metro area. Metro Connect allows customers to seamlessly interconnect between IBX data centers at capacities up to an OC-192, or 10 gigabits per second level. Metro Connect offerings are priced with an initial installation fee and an ongoing monthly recurring charge dependent on the capacity purchased by the customer.

Internet Connectivity Services. Customers who are installing equipment in our IBX data centers generally require IP connectivity or bandwidth services. Although many large customers prefer to contract directly with carriers, we offer customers the ability to contract for these services through us from any of the major bandwidth providers in that data center. This service, which is provided in our Asia-Pacific and EMEA regions, is targeted to customers who require a single bill and a single point of

support for their entire contract through Equinix for their bandwidth needs. Internet connectivity services are priced with an initial installation fee and an ongoing monthly recurring charge based on the amount of bandwidth committed.

Equinix Cloud Exchange™. The Equinix Cloud Exchange is an advanced interconnection solution that enables seamless, on-demand, direct access to multiple clouds from multiple networks around the world. Cloud Exchange provides virtualized, private direct connections that bypass the Internet to provide better security and performance with a range of bandwidth options. It enables businesses to connect to many participants (clouds, networks, enterprise customers) over a single physical port, enabling dynamic bandwidth allocation among various parties. The Equinix Cloud Exchange Portal and APIs simplify the process of provisioning and managing connections to multiple cloud services and networks. Equinix Cloud Exchange offerings are priced with an initial installation fee and an ongoing monthly recurring charge dependent on the capacity purchased by the customer.

Equinix Performance Hub™. The Equinix Performance Hub enables companies to securely and directly connect to leading public clouds, easily deploy a private cloud, and lay the foundation of a hybrid cloud. Performance Hub solutions are extensions of companies' IT network that reside within Equinix data centers. An Equinix Performance Hub places corporate IT resources near large user populations in IBX data centers connected to many networks and clouds. Performance Hub solutions can be implemented gradually, without closing or moving out of existing data centers. This distributed, connectivity-driven approach to data center computing has been proven by Gartner, 451 Group, and many enterprise customers to provide dramatic benefits in application and network performance, as well as in business and IT agility. The Performance Hub offering is priced per IBX data center with an initial installation fee and an ongoing recurring monthly charge.

Equinix Professional Services

Exponential increases in data traffic and growing demand for interconnection means pressure on companies to stay competitive. They need a partner with deep knowledge of the global terrain and trends so they can maximize new technology and information and meet the needs of dispersed and demanding end users. Equinix professional services are uniquely positioned to be that partner. Equinix experts help companies tap the resources and opportunities for innovation available on a global platform of 6,300 companies in 33 markets, including more than 1,100 network service providers and 1,300 cloud services providers. Our technicians have the know-how and experience to help customers introduce new service offerings, optimize IT architectures, simplify hybrid and multi-cloud migrations and stay up-and-running. Equinix professional services include:

Cloud Consulting Services. Migration to a hybrid or multi-cloud environment comes with uncertainty, but it's also become essential: The cloud's cost advantages and flexibility are too critical to forego in an era of rising electronic collaboration and user expectations. Equinix's cloud consulting services, led by the recently acquired professional services company Nimbo, are designed to take the mystery out of cloud migration with a detailed assessment, design and implementation process that gives customers a faster, smoother path to the cloud. The 1,300 cloud providers and 1,100 network services providers inside Equinix help our experts tailor cloud deployments to individual business needs and maximize their cloud performance, savings and security while ensuring future resilience and agility.

Global Solutions Architects™. Equinix Global Solutions Architects (GSAs) are industry experts, innovators and thought leaders, committed to helping companies deploy their IT infrastructures in ways that best serve their business needs and fully exploit the advantages offered by Equinix's global interconnection platform. Equinix's GSAs have decades of combined experience in cloud deployments, facility operations, business analytics and network design and operations. They work as extensions of our customers' IT and technology teams, helping efficiently deploy high-performance solutions, advising them on service provider choices, and designing IT architectures that help them reach today's goals and anticipate tomorrow's requirements.

Solution Validation Centers™. Equinix Solution Validation Centers (SVCs) are state-of-the-art facilities that allow customers to test and fine-tune their IT infrastructure, network, cloud and data center rollouts in a real-world environment before full build-out and deployment. Customers can measure how their applications perform when moved off legacy systems, spot and address unforeseen technical barriers, and optimize various infrastructure components, network connections and applications. Our SVCs operate in eight strategic markets globally, helping companies reduce risk and maximize their IT investments.

Smart Hands Services™. The Equinix Smart Hands service enables customers to use our highly trained IBX data center personnel to act as their hands (or eyes and ears) when their own staff can't be on-site. Smart Hands technicians offer a range of services, from routine equipment inventory and labeling to more complex installations and configuring. Smart Hands technicians also provide technical assistance and troubleshooting services.

Equinix Customer Portal. The Equinix Customer Portal offers all-day, every day access to our customer care personnel, so customers can report problems, schedule shipments or order Smart Hands services at any time of the day or night.

Business Continuity Trading Rooms. Trading infrastructure is mission-critical for financial firms worldwide, and our Business Continuity Trading Rooms (BCTRs) ensure that trading doesn't stop, even if primary operations are knocked off-line or disabled. A BCTR backs up our customers' trading operations in one of our secure data center facilities, right down to telephone services and multiple desktop monitors. BCTR offerings are protected with back-up generators and uninterruptible power supply to guarantee reliability and deliver peace of mind.

Sales and Marketing

Sales. We use a direct sales force and channel marketing program to market our offerings to global enterprises, content providers, financial companies, and mobile and network service providers. We organize our sales force by customer type, as well as by establishing a sales presence in diverse geographic regions, which enables efficient servicing of the customer base from a network of regional offices. In addition to our worldwide headquarters located in Silicon Valley, we have established an Asia-Pacific regional headquarters in Hong Kong and a European regional headquarters in Amsterdam. Our Americas sales offices are located in Boston, Chicago, Los Angeles, New York, Reston, Silicon Valley and Toronto and sales offices in Brazil operate out of data centers in Sao Paulo and Rio de Janeiro. Our EMEA sales offices are located in Amsterdam, Dubai, Dusseldorf, Enschede, Frankfurt, Geneva, London, Munich, Paris, Zurich and Zwolle. Our Asia-Pacific sales offices are located in Beijing, Hong Kong, Jakarta, Osaka, Seoul, Shanghai, Singapore, Sydney, Melbourne and Tokyo.

Our sales team works 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 data center participants often encourage their customers, suppliers and business partners to also locate in our IBX data centers. These customers, suppliers and business partners, in turn, encourage their business partners to locate in our IBX data centers, resulting in additional customer growth. This network effect significantly reduces our new customer acquisition costs. In addition, large network providers, cloud providers or managed service providers may refer customers to Equinix as a part of their total customer solution. Equinix also focuses selling by our vertical sales specialists on supporting specific industry requirements for network, mobile and content providers, financial services, cloud computing, systems integrators and enterprise customer segments.

Marketing. To support our sales efforts and to actively promote our brand in the Americas, Asia-Pacific and EMEA, we conduct comprehensive marketing programs. Our marketing strategies include active public relations and ongoing customer communications programs. Our marketing efforts are focused on major business and trade publications, online media outlets, industry events and sponsored activities. Our staff holds leadership positions in key networking organizations, and we participate in a variety of Internet, enterprise IT, computer and financial industry conferences, placing our officers and employees in keynote speaking engagements at these conferences. We also regularly measure customer satisfaction levels and host key customer forums to ensure customer needs are understood and incorporated in product and service planning efforts. From a brand perspective, we build recognition through our website, sponsoring or leading industry technical forums, participating in Internet industry standard-setting bodies and through advertising and online campaigns. We continue to develop and host industry educational forums focused on peering technologies and practices for ISPs and content providers.

Our Competition

While a large number of enterprises own their own data centers, many others outsource some or all of their requirements to multi-tenant Internet data center facilities, such as those operated by Equinix. We believe that the outsourcing trend is likely to not only continue but also to grow in the coming years. It is estimated that Equinix is one of more than 650 companies that provide Internet data center offerings around the world, ranging in size from firms with a single data center in a single market to firms in over 20 markets. Equinix competes with these firms, which vary in terms of their data center offerings, including:

Colocation Providers

Colocation data centers are a type of Internet data center that can also be referred to as "retail" data center space. Typically, colocation data center space is offered on the basis of individual racks/cabinets or cages ranging from 500 to 10,000 square feet in size. Typical customers of colocation providers include:

- Large enterprises with significant IT expertise and requirements.
- Small and medium businesses looking to outsource data center requirements.
- Internet application providers.
- Major Internet content, entertainment and social networking providers.
- Shared, dedicated and managed hosting providers.
- Mobile and network service providers.

- Content delivery networks.

Full facility maintenance and systems, including fire suppression, security, power backup and HVAC, are routinely included in managed colocation offerings. A variety of additional services are typically available, including remote hands technician services and network monitoring services.

In addition to Equinix, providers that offer colocation both globally and locally include firms such as AT&T, CenturyLink, COLT, CyrusOne, Level 3 Communications, NTT and Verizon Business.

Carrier-Neutral Colocation Providers

In addition to data center space and power, colocation providers also offer interconnection. Certain of these providers, known as network or carrier-neutral colocation providers, can offer customers the choice of hundreds of network service providers or ISPs to choose from. Typically, customers use interconnection to buy Internet connectivity, connect to VoIP telephone networks, perform financial exchange and settlement functions or perform business-to-business e-commerce. Carrier-neutral data centers are often located in key network hubs around the world, such as New York, Ashburn, London, Amsterdam, Singapore and Hong Kong. Two types of data center facilities offering carrier-neutral colocation are used for many network-to-network interconnections:

- A Meet Me Room (MMR) is typically a smaller space, generally 5,000 square feet or less, located in a major carrier hotel and often found in a wholesale data center facility.
- A carrier-neutral data center is generally larger than an MMR and may be a stand-alone building separate from existing carrier hotels.

In addition to Equinix, other providers that we believe could be defined as offering carrier-neutral colocation include CoreSite, Digital Realty, Global Switch, Interxion and Telehouse.

Wholesale Data Center Providers

Wholesale data center providers lease data center space that is typically offered in cells or pods (i.e., individual white-space rooms) ranging in size from 10,000 to 20,000 square feet, or larger. Wholesale data center offerings are targeted to both enterprises and colocation providers. These data centers primarily provide space and power without additional services like technicians, remote hands services or network monitoring (although other tenants might offer such services).

Sample wholesale data center providers include Digital Realty Trust, DuPont Fabros Technology, e-Shelter and Global Switch.

Managed Hosters

Managed hosting services are provided by several firms that also provide data center colocation services. Typically, managed hosting providers can manage server hardware that is owned by either the hosting provider or the customer. They can also provide a combination of comprehensive systems administration, database administration and sometimes application management services. Frequently, this results in managed hosting providers “running” the customer’s servers, although such administration is frequently shared. The provider may manage such functions as operating systems, databases, security and patch management, while the customer will maintain management of the applications riding on top of those systems.

The full list of potential services that can be offered as part of managed hosting is substantial and includes services such as remote management, custom applications, helpdesk, messaging, databases, disaster recovery, managed storage, managed virtualization, managed security, managed networks and systems monitoring. Managed hosting services are typically used for:

- Application hosting by organizations of any size, including large enterprises.
- Hosted or managed messaging, including Microsoft Exchange and other complex messaging applications.
- Complex or highly scalable Web hosting or e-commerce websites.
- Managed storage solutions (including large drive arrays or backup robots).
- Server disaster recovery and business continuity, including clustering and global server load balancing.
- Database servers, applications and services.

Examples of managed hosters include AT&T, CenturyLink, NaviSite, Rackspace, SunGard and Verizon Business.

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Unlike other providers whose core businesses are bandwidth or managed services, we focus on neutral interconnection hubs for cloud and IT service providers, content providers, financial companies, enterprises and network service providers. As a result, we do not have the limited choices found commonly at other hosting/colocation companies. We compete based on the quality of our IBX data centers, our ability to provide a one-stop global solution in our Americas, EMEA and Asia-Pacific locations, the performance and diversity of our network- and cloud-neutral strategy, and the economic benefits of the aggregation of top network, cloud and business ecosystems under one roof. We expect to continue to benefit from several industry trends, including the need for contracting with multiple networks due to the uncertainty in the telecommunications market; customers' increasing power requirements; enterprise customers' increased use of virtualization and outsourcing; the continued growth of broadband and significant growth in Ethernet as a network alternative; and the growth in mobile applications.

Our Business Segment Financial Information

We currently operate in three reportable segments comprised of our Americas, EMEA and Asia-Pacific geographic regions. Information attributable to each of our reportable segments is set forth in Note 16 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Employees

We had 5,042 employees as of December 31, 2015. We had 2,329 employees based in the Americas, 1,188 employees based in EMEA and 1,525 employees based in Asia-Pacific. Excluding Bit-isle, 1,963 employees were in engineering and operations, 907 employees were in sales and marketing and 1,486 employees were in management, finance and administration.

Available Information

We were incorporated in Delaware in June 1998. We are required to file reports under the Securities Exchange Act of 1934, as amended, with the Securities and Exchange Commission. You may read and copy our materials on file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information regarding the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website at <http://www.sec.gov> that contains reports, proxy and information statements and other information.

You may also obtain copies of our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K, and any amendments to such reports, free of charge by visiting the Investor Relations page on our website, www.equinix.com. These reports are available as soon as reasonably practical after we file them with the SEC. Information contained on our website is not part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

In addition to the other information contained in this report, the following risk factors should be considered carefully in evaluating our business and us:

Risks Related to the Acquisition and Integration of TelectyGroup

We have incurred and will continue to incur significant transaction, acquisition-related integration and asset divestment costs in connection with the consummation of the TelectyGroup acquisition.

We have incurred and will continue to incur significant costs in connection with consummating the TelectyGroup acquisition and integrating our and TelectyGroup's operations into a combined company. We will also incur costs in connection with the divestment of certain of the assets of the combined company. The actual costs incurred may exceed those estimated and there may be further unanticipated costs and the assumption of known and unknown liabilities. While we have assumed that we will incur transaction, integration and divestment expenses, there are factors beyond our control that could affect the total amount or the timing of such expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time.

As a result, the transaction, integration and divestment expenses associated with the TelectyGroup acquisition could, particularly in the near term, exceed the cost savings that we expect to achieve from the streamlining of operations following the completion of the TelectyGroup acquisition.

The anticipated benefits of the TelectyGroup acquisition may not be realized fully and may take longer to realize than expected and there will be numerous challenges associated with integration.

The success of the TelectyGroup acquisition will depend, in part, on the combined company's ability to successfully integrate our and TelectyGroup's businesses and realize the anticipated benefits, including synergies and cost savings, from the combination. If we are unable to achieve these objectives within the anticipated time frame, or at all, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected and the value of the combined company's common stock may be adversely affected. We also must successfully divest certain assets of the combined company agreed upon with the European Commission in order to obtain clearance of the transaction, which could reduce certain of the benefits we expect to receive from the TelectyGroup acquisition.

We have incurred and will continue to incur significant transaction-related costs in connection with the TelectyGroup acquisition and the integration and divestment processes. We may encounter material challenges in connection with this integration process, including, without limitation:

- the diversion of management's attention from ongoing business concerns and performance shortfalls at one or both of the companies as a result of the devotion of management's attention to the TelectyGroup integration;
- managing a larger combined company;
- integrating two unique corporate cultures, which may prove to be challenging;
- retaining key employees, customers and suppliers, each of whom may experience uncertainty associated with the TelectyGroup acquisition or who may attempt to negotiate changes in their current or future business relationships with us;
- consolidating corporate and administrative infrastructures and eliminating duplicative operations; and
- unforeseen expenses or delays associated with the TelectyGroup acquisition.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could materially impact our business, financial condition and results of operations.

The market price of our common stock may decline as a result of the TelecityGroup acquisition.

The market price of our common stock may decline as a result of the TelecityGroup acquisition if we do not achieve the perceived benefits of the TelecityGroup acquisition as rapidly or to the extent anticipated by financial or industry analysts or if the effect of the TelecityGroup acquisition on our financial results is not consistent with the expectations of financial or industry analysts. In addition, TelecityGroup shareholders now own approximately 10% of the common stock outstanding, and they may decide to sell their common stock which may result in additional pressure on the price of our common stock.

We would incur adverse tax consequences if the combined company following the TelecityGroup acquisition fails to qualify as a REIT for U.S. federal income tax purposes.

We believe that we will continue to integrate TelecityGroup's assets and operations in a manner that will allow us to timely satisfy the REIT income, asset, and distribution tests applicable to us. However, the TelecityGroup integration will be complicated due to the size of TelecityGroup and if we fail to timely satisfy such tests, we could jeopardize or lose our qualification for taxation as a REIT, particularly if we were ineligible to utilize relief provisions set forth in the Internal Revenue Code (the "Code"). For any taxable year that we fail to qualify for taxation as a REIT, we would not be allowed a deduction for distributions to our stockholders in computing our taxable income, and would thus be subject to U.S. federal and state income tax at the regular corporate rates on all of our U.S. federal and state taxable income in the manner of a regular corporation. Those corporate level taxes would reduce the amount of cash available for distribution to our stockholders or for reinvestment or other purposes, and would adversely affect our earnings. As a result, our failure to qualify for taxation as a REIT during any taxable year could have a material adverse effect upon us and our stockholders. Furthermore, unless prescribed relief provisions apply, we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we failed to qualify as a REIT. Finally, even if we are able to utilize relief provisions and thereby avoid disqualification for taxation as a REIT, relief provisions typically involve paying a penalty tax in proportion to the severity and duration of the noncompliance with REIT requirements, and thus these penalty taxes could be significant in the context of noncompliance stemming from a transaction as large as the TelecityGroup acquisition.

Risks Related to Our Taxation as a REIT

We may not remain qualified for taxation as a REIT.

We began operating as a REIT for federal income tax purposes, effective for our taxable year that began January 1, 2015. We believe we are operating so as to qualify for taxation as a REIT under the Code and believe that our organization and method of operation complies with the rules and regulations promulgated under the Code and will enable us to continue to qualify for taxation as a REIT. However, we cannot assure you that we will qualify for taxation as a REIT or that we will remain qualified for taxation as a REIT. Qualification for taxation as a REIT requires us to satisfy numerous requirements (some on an annual and others on a quarterly basis) established under highly technical and complex sections of the Code which may change from time to time; and for which there are only limited judicial and administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. For example, in order to qualify for taxation as a REIT, we must derive at least 95% of our gross income in any year from qualifying sources. In addition, we must satisfy specified asset tests on a quarterly basis.

If, in any taxable year, we fail to remain qualified for taxation as a REIT and are not entitled to relief under the Code:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to federal and state income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- we would not be eligible to elect REIT status again until the fifth taxable year that begins after the first year for which we failed to qualify as a REIT.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for other purposes.

As a REIT, failure to make required distributions would subject us to federal corporate income tax.

We paid quarterly distributions in 2015. We also paid the 2015 Special Distribution (as defined below) in the fourth quarter of 2015. The amount, timing and form of any future distributions will be determined, and will be subject to adjustment, by our

Board of Directors. To remain qualified for taxation as a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and excluding net capital gain) each year to our stockholders. Generally, we expect to distribute all or substantially all of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain distributions that approximate our REIT taxable income and may fail to remain qualified for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the payment of expenses and the recognition of income and expenses for federal income tax purposes, or the effect of nondeductible expenditures, such as capital expenditures, payments of compensation for which Section 162(m) of the Code denies a deduction, the creation of reserves or required debt service or amortization payments.

To the extent that we satisfy the 90% distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax on our undistributed taxable income if the actual amount that we distribute to our stockholders for a calendar year is less than the minimum amount specified under the Code.

We may be required to borrow funds or raise equity to satisfy our REIT distribution requirements.

Due to the size and timing of future regular or special distributions, including any distributions made to satisfy REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds or raise equity, even if the then-prevailing market conditions are not favorable for these borrowings or offerings.

Any insufficiency of our cash flows to cover our REIT distribution requirements could adversely impact our ability to raise short- and long-term debt or to offer equity securities in order to fund distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth and expansion initiatives. This would increase our indebtedness. A significant increase in our outstanding debt could lead to a downgrade of our credit rating. A downgrade of our credit rating could negatively impact our ability to access credit markets. Further, certain of our current debt instruments limit the amount of indebtedness we and our subsidiaries may incur. Significantly more financing, therefore, may be unavailable, more expensive or restricted by the terms of our outstanding indebtedness. For a discussion of risks related to our substantial level of indebtedness, see “Other Risks”.

Whether we issue equity, at what price and the amount and other terms of any such issuances will depend on many factors, including alternative sources of capital, our then-existing leverage, our need for additional capital, market conditions and other factors beyond our control. If we raise additional funds through the issuance of equity securities or debt convertible into equity securities, the percentage of stock ownership by our existing stockholders may be reduced. In addition, new equity securities or convertible debt securities could have rights, preferences and privileges senior to those of our current stockholders, which could substantially decrease the value of our securities owned by them. Depending on the share price we are able to obtain, we may have to sell a significant number of shares in order to raise the capital we deem necessary to execute our long-term strategy, and our stockholders may experience dilution in the value of their shares as a result.

Legislative or other actions affecting REITs could have a negative effect on us or our stockholders.

At any time, the federal income tax laws governing REITs or the administrative interpretations of those laws may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative process, the IRS, the U.S. Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. In addition, some of these changes could have a more significant impact on us as compared to other REITs due to the nature of our business and our substantial use of TRSs. We cannot predict with certainty whether, when, in what forms, or with what effective dates, the tax laws, regulations and administrative interpretations applicable to us may be changed.

Complying with REIT requirements may limit our flexibility or cause us to forego otherwise attractive opportunities.

As a REIT for U.S. federal income tax purposes, we must satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets and the amounts we distribute to our stockholders. For example, under the Code, no more than 25% (20% from and after our 2018 taxable year) of the value of the assets of a REIT may be represented by securities of one or more TRSs. Similar rules apply to other nonqualifying assets. These limitations may affect our ability to make large investments in other non-REIT qualifying operations or assets. In addition, in order to maintain qualification for taxation as a REIT, we must annually distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid

deduction and excluding any net capital gains. Even if we maintain our qualification for taxation as a REIT, we will be subject to U.S. federal income tax at regular corporate rates for our undistributed REIT taxable income, as well as U.S. federal income tax at regular corporate rates for income recognized by our TRSs. Because of these distribution requirements, we will likely not be able to fund future capital needs and investments from operating cash flow. As such, compliance with REIT tests may hinder our ability to make certain attractive investments, including the purchase of significant nonqualifying assets and the material expansion of non-real estate activities.

As a REIT, we are limited in our ability to fund distribution payments using cash generated through our TRSs.

Our ability to receive distributions from our TRSs is limited by the rules with which we must comply to maintain our qualification for taxation as a REIT. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other nonqualifying types of income. Thus, our ability to receive distributions from our TRSs may be limited, and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs. Specifically, if our TRSs become highly profitable, we might become limited in our ability to receive net income from our TRSs in an amount required to fund distributions to our stockholders commensurate with that profitability.

In addition, a significant amount of our income and cash flows from our TRSs is generated from our international operations. In many cases, there are local withholding taxes and currency controls that may impact our ability or willingness to repatriate funds to the United States to help satisfy REIT distribution requirements.

Our extensive use of TRSs, including for certain of our international operations, may cause us to fail to remain qualified for taxation as a REIT.

The net income of our TRSs is not required to be distributed to us, and income that is not distributed to us generally is not subject to the REIT income distribution requirement. However, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our securities in our TRSs and other nonqualifying assets to exceed 25% or from and after our 2018 taxable year, causes (1) the fair market value of our securities in our TRSs to exceed 20% of the fair market value of our assets or (2) the fair market value of our securities in our TRSs and other nonqualifying assets to exceed 25% of the fair market value of our assets, then we will fail to remain qualified for taxation as a REIT.

Our cash distributions are not guaranteed and may fluctuate.

A REIT generally is required to distribute at least 90% of its REIT taxable income to its stockholders.

Our Board of Directors, in its sole discretion, will determine on a quarterly basis the amount of cash to be distributed to our stockholders based on a number of factors including, but not limited to, our results of operations, cash flow and capital requirements, economic conditions, tax considerations, borrowing capacity and other factors, including debt covenant restrictions that may impose limitations on cash payments, future acquisitions and divestitures and any stock repurchase program. Consequently, our distribution levels may fluctuate.

Even if we remain qualified for taxation as a REIT, some of our business activities are subject to corporate level income tax and foreign taxes, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

Even if we remain qualified for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and assets, including alternative minimum taxes, taxes on any undistributed income, and state, local or foreign income, franchise, property and transfer taxes. In addition, we could in certain circumstances be required to pay an excise or penalty tax, which could be significant in amount, in order to utilize one or more relief provisions under the Code to maintain qualification for taxation as a REIT.

A portion of our business is conducted through wholly owned TRSs because certain of our business activities could generate nonqualifying REIT income as currently structured and operated. The income of our U.S. TRSs will continue to be subject to federal and state corporate income taxes. In addition, our international assets and operations will continue to be subject to taxation

in the foreign jurisdictions where those assets are held or those operations are conducted. Any of these taxes would decrease our earnings and our available cash.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 35%) on gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a present or former C corporation (such as (i) an asset that we held as of the effective date of our REIT election, that is, January 1, 2015, or (ii) an asset that we hold in a QRS following the liquidation or other conversion of a former TRS). This 35% tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset (e.g. January 1, 2015 in the case of REIT assets we held at the time of our REIT conversion), to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset.

In addition, the IRS and any state or local tax authority may successfully assert liabilities against us for corporate income taxes for our pre-REIT period, in which case we will owe these taxes plus applicable interest and penalties, if any. Moreover, any increase in taxable income for these pre-REIT periods will likely result in an increase in pre-REIT accumulated earnings and profits, which could cause us to pay an additional taxable distribution to our stockholders after the relevant determination.

Restrictive loan covenants could prevent us from satisfying REIT distribution requirements.

Restrictions in our credit facility and our indentures may prevent us from satisfying our REIT distribution requirements, and we could fail to remain qualified for taxation as a REIT. If these limits do not jeopardize our qualification for taxation as a REIT but nevertheless prevent us from distributing 100% of our REIT taxable income, we would be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts. See “Other Risks” for further information on our restrictive loan covenants.

Complying with REIT requirements may limit our ability to hedge effectively and increase the cost of our hedging and may cause us to incur tax liabilities.

The REIT provisions of the Code limit our ability to hedge assets, liabilities, revenues and expenses. Generally, income from hedging transactions that we enter into to manage risk of interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets and income from certain currency hedging transactions related to our non-U.S. operations, as well as income from qualifying contracting hedges do not constitute “gross income” for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through our TRSs, which we presently do. This increases the cost of our hedging activities because our TRSs are subject to tax on income or gains resulting from hedges entered into by them and may expose us to greater risks associated with changes in interest rates or exchange rates than we would otherwise want to bear. In addition, hedging losses in any of our TRSs may not provide any tax benefit, except for being carried forward for possible use against future capital gain in the TRSs.

We have limited experience operating as a REIT, which may adversely affect our financial condition, results of operations, cash flow, per share trading price of our common stock and ability to forecast dividends.

We began operating as a REIT on January 1, 2015 and, as such, have limited operating history as a REIT. In addition, prior to January 1, 2015 our senior management team had no prior experience operating a REIT. We can provide no assurance that our past experience has sufficiently prepared us to operate successfully as a REIT. Our inability to operate successfully as a REIT, including the failure to remain qualified for taxation as a REIT, could adversely affect our business, financial condition and results of operations.

Distributions payable by REITs generally do not qualify for preferential tax rates.

Qualifying distributions payable by corporations to individuals, trusts and estates that are U.S. stockholders are currently eligible for federal income tax at preferential rates. Distributions payable by REITs, in contrast, generally are not eligible for the preferential rates. The preferential rates applicable to regular corporate distributions could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stock of non-REIT corporations that pay distributions, which could adversely affect the value of the stock of REITs, including our common stock.

Our certificate of incorporation contains restrictions on the ownership and transfer of our stock, though they may not be successful in preserving our qualification for taxation as a REIT.

In order for us to remain qualified for taxation as a REIT, no more than 50% of the value of outstanding shares of our stock may be owned, beneficially or constructively, by five or fewer individuals at any time during the last half of each taxable year other than the first year for which we elect to be taxed as a REIT. In addition, rents from “affiliated tenants” will not qualify as qualifying REIT income if we own 10% or more by vote or value of the customer, whether directly or after application of attribution rules under the Code. Subject to certain exceptions, our certificate of incorporation prohibits any stockholder from owning beneficially or constructively more than (i) 9.8% in value of the outstanding shares of all classes or series of our capital stock or (ii) 9.8% in value or number, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock. We refer to these restrictions collectively as the “ownership limits” and we included them in our certificate of incorporation to facilitate our compliance with REIT tax rules. The constructive ownership rules under the Code are complex and may cause the outstanding stock owned by a group of related individuals or entities to be deemed to be constructively owned by one individual or entity. As a result, the acquisition of less than 9.8% of our outstanding common stock (or the outstanding shares of any class or series of our stock) by an individual or entity could cause that individual or entity or another individual or entity to own constructively in excess of the relevant ownership limits. Any attempt to own or transfer shares of our common stock or of any of our other capital stock in violation of these restrictions may result in the shares being automatically transferred to a charitable trust or may be void. Even though our certificate of incorporation contains the ownership limits, there can be no assurance that these provisions will be effective to prevent our qualification for taxation as a REIT from being jeopardized, including under the affiliated tenant rule. Furthermore, there can be no assurance that we will be able to enforce the ownership limits. If the restrictions in our certificate of incorporation are not effective and as a result we fail to satisfy the REIT tax rules described above, then absent an applicable relief provision, we will fail to remain qualified for taxation as a REIT.

Other Risks

Acquisitions present many risks, and we may not realize the financial or strategic goals that were contemplated at the time of any transaction.

Over the last several years, we have completed numerous acquisitions, including most recently that of Nimbo and Bit-isle in 2015 and TeleciteyGroup in January of 2016. We may make additional acquisitions in the future, which may include (i) acquisitions of businesses, products, services or technologies that we believe to be complementary, (ii) acquisitions of new IBX data centers or real estate for development of new IBX data centers or (iii) acquisitions through investments in local data center operators. We may pay for future acquisitions by using our existing cash resources (which may limit other potential uses of our cash), incurring additional debt (which may increase our interest expense, leverage and debt service requirements) and/or issuing shares (which may dilute our existing stockholders and have a negative effect on our earnings per share). Acquisitions expose us to potential risks, including:

- the possible disruption of our ongoing business and diversion of management’s attention by acquisition, transition and integration activities, particularly when multiple acquisitions and integrations are occurring at the same time;
- our potential inability to successfully pursue or realize some or all of the anticipated revenue opportunities associated with an acquisition or investment;
- the possibility that we may not be able to successfully integrate acquired businesses, or businesses in which we invest, or achieve anticipated operating efficiencies or cost savings;
- the possibility that announced acquisitions may not be completed, due to failure to satisfy the conditions to closing or for other reasons;
- the dilution of our existing stockholders as a result of our issuing stock in transactions, such as in connection with our acquisitions of Switch & Data Facilities Company, Inc. in 2010 (“Switch and Data”) and TeleciteyGroup;
- the possibility of customer dissatisfaction if we are unable to achieve levels of quality and stability on par with past practices;
- the potential deterioration to our ability to access credit markets due to increased leverage;
- the possibility that our customers may not accept either the existing equipment infrastructure or the “look-and-feel” of a new or different IBX data center;

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- the possibility that additional capital expenditures may be required or that transaction expenses associated with acquisitions may be higher than anticipated;
- the possibility that required financing to fund an acquisition may not be available on acceptable terms or at all;
- the possibility that we may be unable to obtain required approvals from governmental authorities under antitrust and competition laws on a timely basis or at all, which could, among other things, delay or prevent us from completing an acquisition, limit our ability to realize the expected financial or strategic benefits of an acquisition or have other adverse effects on our current business and operations;
- the possible loss or reduction in value of acquired businesses;
- the possibility that future acquisitions may present new complexities in deal structure, related complex accounting and coordination with new partners, particularly in light of our desire to maintain our taxation as a REIT;
- the possibility that future acquisitions may be in geographies and regulatory environments to which we are unaccustomed;
- the possibility that carriers may find it cost-prohibitive or impractical to bring fiber and networks into a new IBX data center;
- the possibility of litigation or other claims in connection with, or as a result of, an acquisition, including claims from terminated employees, customers, former stockholders or other third parties;
- the possibility that asset divestments may be required in order to obtain regulatory clearance for a transaction; and
- the possibility of pre-existing undisclosed liabilities, including, but not limited to, lease or landlord related liability, environmental liability or asbestos liability, for which insurance coverage may be insufficient or unavailable, or other issues not discovered in the diligence process.

The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows.

We cannot assure that the price of any future acquisitions of IBX data centers will be similar to prior IBX data center acquisitions. In fact, we expect costs required to build or render new IBX data centers operational to increase in the future. If our revenue does not keep pace with these potential acquisition and expansion costs, we may not be able to maintain our current or expected margins as we absorb these additional expenses. There is no assurance we would successfully overcome these risks or any other problems encountered with these acquisitions.

Our substantial debt could adversely affect our cash flows and limit our flexibility to raise additional capital.

We have a significant amount of debt and may need to incur additional debt to support our growth. Additional debt may also be incurred to fund future acquisitions, any future special distributions, regular distributions or the other cash outlays associated with maintaining qualification for taxation as a REIT. As of December 31, 2015, our total indebtedness was approximately \$6.5 billion, our stockholders' equity was \$2.7 billion and our cash and investments totaled \$2.2 billion. In addition, as of December 31, 2015, we had approximately \$1.1 billion of additional liquidity available to us from our \$1.5 billion revolving credit facility and approximately \$700 million of additional liquidity available to us from our undrawn Term Loan B (as defined below) commitments as part of an approximately \$2.7 billion senior credit facility agreement entered into with a group of lenders, and approximately \$8.7 million undrawn from the Bridge Term Loan Agreement (as defined below) entered into to fund the Bit-Isle acquisition. Some of our debt contains covenants which may limit our operating flexibility. In addition to our substantial debt, we lease a majority of our IBX data centers and certain equipment under non-cancellable lease agreements, the majority of which are accounted for as operating leases. As of December 31, 2015, our total minimum operating lease commitments under those lease agreements, excluding potential lease renewals, was approximately \$1.2 billion, which represents off-balance sheet commitments.

Our substantial amount of debt and related covenants, and our off-balance sheet commitments, could have important consequences. For example, they could:

- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt and in respect of other off-balance sheet arrangements, reducing the availability of our cash flow to fund future capital expenditures, working capital, execution of our expansion strategy and other general corporate requirements;
- increase the likelihood of negative outlook from our rating agencies;
- make it more difficult for us to satisfy our obligations under our various debt instruments;

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- increase our cost of borrowing and even limit our ability to access additional debt to fund future growth;
- increase our vulnerability to general adverse economic and industry conditions and adverse changes in governmental regulations;
- limit our flexibility in planning for, or reacting to, changes in our business and industry, which may place us at a competitive disadvantage compared with our competitors;
- limit our operating flexibility through covenants with which we must comply, such as limiting our ability to repurchase shares of our common stock;
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity, which would also limit our ability to further expand our business; and
- make us more vulnerable to increases in interest rates because of the variable interest rates on some of our borrowings to the extent we have not entirely hedged such variable rate debt.

The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition. In addition, the performance of our stock price may trigger events that would require the write-off of a significant portion of our debt issuance costs related to our convertible debt, which may have a material adverse effect on our results of operations.

We may also need to refinance a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of our existing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could materially adversely affect our financial condition, cash flows and results of operations.

Adverse global economic conditions and credit market uncertainty could adversely impact our business and financial condition.

Adverse global economic conditions continue and uncertain conditions in the credit markets have created, and in the future may create, uncertainty and unpredictability and add risk to our future outlook. An uncertain global economy could also result in churn in our customer base, reductions in revenues from our offerings, longer sales cycles, slower adoption of new technologies and increased price competition, adversely affecting our liquidity. The uncertain economic environment could also have an impact on our foreign exchange forward contracts if our counterparties' credit deteriorates or they are otherwise unable to perform their obligations. Finally, our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so which could have an impact on our flexibility to pursue additional expansion opportunities and maintain our desired level of revenue growth in the future.

The market price of our stock may continue to be highly volatile, and the value of an investment in our common stock may decline.

The market price of the shares of our common stock has been and may continue to be highly volatile. General economic and market conditions, and market conditions for telecommunications stocks in general, may affect the market price of our common stock.

Announcements by us or others, or speculations about our future plans, may also have a significant impact on the market price of our common stock. These may relate to:

- our operating results or forecasts;
- new issuances of equity, debt or convertible debt by us;
- changes to our capital allocation, tax planning or business strategy;
- our qualification for taxation as a REIT and our declaration of distributions to our stockholders;
- a stock repurchase program;
- developments in our relationships with corporate customers;
- announcements by our customers or competitors;

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- changes in regulatory policy or interpretation;
- governmental investigations;
- changes in the ratings of our debt or stock by rating agencies or securities analysts;
- our purchase or development of real estate and/or additional IBX data centers;
- our acquisitions of complementary businesses;
or
- the operational performance of our IBX data centers.

The stock market has from time to time experienced extreme price and volume fluctuations, which have particularly affected the market prices for telecommunications companies, and which have often been unrelated to their operating performance. These broad market fluctuations may adversely affect the market price of our common stock. Furthermore, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and/or damages, and divert management's attention from other business concerns, which could seriously harm our business.

If we are not able to generate sufficient operating cash flows or obtain external financing, our ability to fund incremental expansion plans may be limited.

Our capital expenditures, together with ongoing operating expenses, obligations to service our debt and the cash outlays associated with our REIT distribution requirements, are and will continue to be a substantial burden on our cash flow and may decrease our cash balances. Additional debt or equity financing may not be available when needed or, if available, may not be available on satisfactory terms. Our inability to obtain additional debt and/or equity financing or to generate sufficient cash from operations may require us to prioritize projects or curtail capital expenditures which could adversely affect our results of operations.

Fluctuations in foreign currency exchange rates in the markets in which we operate internationally could harm our results of operations.

We may experience gains and losses resulting from fluctuations in foreign currency exchange rates. To date, the majority of our revenues and costs are denominated in U.S. dollars; however, the majority of revenues and costs in our international operations are denominated in foreign currencies. Where our prices are denominated in U.S. dollars, our sales and revenues could be adversely affected by declines in foreign currencies relative to the U.S. dollar, thereby making our offerings more expensive in local currencies. We are also exposed to risks resulting from fluctuations in foreign currency exchange rates in connection with our international operations. To the extent we are paying contractors in foreign currencies, our operations could cost more than anticipated as a result of declines in the U.S. dollar relative to foreign currencies. In addition, fluctuating foreign currency exchange rates have a direct impact on how our international results of operations translate into U.S. dollars.

Although we currently undertake, and may decide in the future to further undertake, foreign exchange hedging transactions to reduce foreign currency transaction exposure, we do not currently intend to eliminate all foreign currency transaction exposure. In addition, REIT compliance rules may restrict our ability to enter into hedging transactions. Therefore, any weakness of the U.S. dollar may have a positive impact on our consolidated results of operations because the currencies in the foreign countries in which we operate may translate into more U.S. dollars. However, if the U.S. dollar strengthens relative to the currencies of the foreign countries in which we operate, our consolidated financial position and results of operations may be negatively impacted as amounts in foreign currencies will generally translate into fewer U.S. dollars. For additional information on foreign currency risk, refer to our discussion of foreign currency risk in "Quantitative and Qualitative Disclosures About Market Risk" included in Item 7A of this Annual Report on Form 10-K.

Changes in U.S. or foreign tax laws, regulations, or interpretations thereof, including changes to tax rates, may adversely affect our financial statements and cash taxes.

We are a U.S. company with global subsidiaries and are subject to income taxes in the U.S. (although currently limited due to our taxation as a REIT) and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. Although we believe that we have adequately assessed and accounted for our potential tax liabilities, and that our tax estimates are reasonable, there can be no certainty that additional taxes will not be due upon audit of our tax returns or as a result of changes to the tax laws and interpretations thereof. The U.S. Congress as well as the governments of many of the countries in which we operate are actively discussing changes to the corporate recognition and taxation of worldwide income. The

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nature and timing of any changes to each jurisdiction's tax laws and the impact on our future tax liabilities cannot be predicted with any accuracy but could materially and adversely impact our results of operations and financial position or cash flows.

We are continuing to invest in our expansion efforts but may not have sufficient customer demand in the future to realize expected returns on these investments.

We are considering the acquisition or lease of additional properties and the construction of new IBX data centers beyond those expansion projects already announced. We will be required to commit substantial operational and financial resources to these IBX data centers, generally 12 to 18 months in advance of securing customer contracts, and we may not have sufficient customer demand in those markets to support these centers once they are built. In addition, unanticipated technological changes could affect customer requirements for data centers, and we may not have built such requirements into our new IBX data centers. Either of these contingencies, if they were to occur, could make it difficult for us to realize expected or reasonable returns on these investments.

Our offerings have a long sales cycle that may harm our revenues and operating results.

A customer's decision to purchase our offerings typically involves a significant commitment of resources. In addition, some customers will be reluctant to commit to locating in our IBX data centers until they are confident that the IBX data center has adequate carrier connections. As a result, we have a long sales cycle. Furthermore, we may devote significant time and resources in pursuing a particular sale or customer that does not result in revenue. We have also significantly expanded our sales force in recent years, and it will take time for these new hires to become fully productive.

Delays due to the length of our sales cycle may materially and adversely affect our revenues and operating results, which could harm our ability to meet our forecasts and cause volatility in our stock price.

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

Our business depends on providing customers with highly reliable solutions. We must safehouse our customers' infrastructure and equipment located in our IBX data centers. We own certain of our IBX data centers, but others are leased by us, and we rely on the landlord for basic maintenance of our leased IBX data centers. If such landlord has not maintained a leased property sufficiently, we may be forced into an early exit from the center which could be disruptive to our business. Furthermore, we continue to acquire IBX data centers not built by us. If we discover that these IBX data centers and their infrastructure assets are not in the condition we expected when they were acquired, we may be required to incur substantial additional costs to repair or upgrade the centers.

The offerings we provide in each of our IBX data centers are subject to failure resulting from numerous factors, including:

- human error;
- equipment failure;
- physical, electronic and cybersecurity breaches;
- fire, earthquake, hurricane, flood, tornado and other natural disasters;
- extreme temperatures;
- water damage;
- fiber cuts;
- power loss;
- terrorist acts;
- sabotage and vandalism;
and
- failure of business partners who provide our resale products.

Problems at one or more of our IBX data centers, whether or not within our control, could result in service interruptions or significant equipment damage. We have service level commitment obligations to certain of our customers. As a result, service interruptions or significant equipment damage in our IBX data centers could result in difficulty maintaining service level

commitments to these customers and potential claims related to such failures. Because our IBX data centers are critical to many of our customers' businesses, service interruptions or significant equipment damage in our IBX data centers could also result in lost profits or other indirect or consequential damages to our customers. We cannot guarantee that a court would enforce any contractual limitations on our liability in the event that one of our customers brings a lawsuit against us as a result of a problem at one of our IBX data centers and we may decide to reach settlements with affected customers irrespective of any such contractual limitations. In addition, any loss of service, equipment damage or inability to meet our service level commitment obligations could reduce the confidence of our customers and could consequently impair our ability to obtain and retain customers, which would adversely affect both our ability to generate revenues and our operating results.

Furthermore, we are dependent upon Internet service providers, telecommunications carriers and other website operators in the Americas, Asia-Pacific and EMEA regions and elsewhere, some of which have experienced significant system failures and electrical outages in the past. Our customers may in the future experience difficulties due to system failures unrelated to our systems and offerings. If, for any reason, these providers fail to provide the required services, our business, financial condition and results of operations could be materially and adversely impacted.

We are currently making significant investments in our back office information technology systems, including those surrounding the customer experience from initial quote to customer billing, and upgrading our worldwide financial application suite. Difficulties, distractions or disruptions to these efforts may interrupt our normal operations and adversely affect our business and operating results.

Commencing in 2012, we began a significant project to overhaul our back office systems that support the customer experience from initial quote to customer billing and our revenue recognition process. Additionally, commencing in 2013, we began to devote significant resources to the upgrade of our worldwide financial application suite from Oracle's version 11i to R12. While significant milestones have been achieved on both projects, both projects have continued into 2016. Oracle has already begun to discontinue its support for our current business application suite. While the Oracle financial application suite implementation was largely completed in July 2014 and the initial implementation of the systems to support our billing and revenue process was completed in August 2014, work continues on our back office systems and their global implementation, including upgrades and developing new functionality. As a result of that discontinued support and our continued work on these projects, we may experience difficulties with our systems, management distraction and significant business disruptions. Difficulties with our systems may interrupt our ability to accept and deliver customer orders and may adversely impact our overall financial operations, including our accounts payable, accounts receivables, general ledger, close processes, internal financial controls and our ability to otherwise run and track our business. We may need to expend significant attention, time and resources to correct problems or find alternative sources for performing these functions. All of these changes to our financial systems create an increased risk of deficiencies in our internal controls over financial reporting until such systems are stabilized. Such significant investments in our back office systems may take longer to complete and cost more than originally planned. In addition, we may not realize the full benefits we hoped to achieve and there is a risk of an impairment charge if we decide that portions of these projects will not ultimately benefit the company or are de-scoped. Any such difficulty or disruption may adversely affect our business and operating results.

The insurance coverage that we purchase may prove to be inadequate.

We carry liability, property, business interruption and other insurance policies to cover insurable risks to our company. We select the types of insurance, the limits and the deductibles based on our specific risk profile, the cost of the insurance coverage versus its perceived benefit and general industry standards. Our insurance policies contain industry standard exclusions for events such as war and nuclear reaction. We purchase minimal levels of earthquake insurance for certain of our IBX data centers, but for most of our data centers, including many in California, we have elected to self-insure. The earthquake and flood insurance that we do purchase would be subject to high deductibles. Any of the limits of insurance that we purchase, including those for cyber risks, could prove to be inadequate, which could materially and adversely impact our business, financial condition and results of operations.

Our construction of additional new IBX data centers or IBX data center expansions could involve significant risks to our business.

In order to sustain our growth in certain of our existing and new markets, we must expand an existing data center, lease a new facility or acquire suitable land, with or without structures, to build new IBX data centers from the ground up. Expansions or new builds are currently underway, or being contemplated, in many of our markets. Any related construction requires us to carefully select and rely on the experience of one or more designers, general contractors, and associated subcontractors during the design and construction process. Should a designer, general contractor or significant subcontractor experience financial or other problems

during the design or construction process, we could experience significant delays, increased costs to complete the project and/or other negative impacts to our expected returns.

Site selection is also a critical factor in our expansion plans. There may not be suitable properties available in our markets with the necessary combination of high power capacity and fiber connectivity, or selection may be limited. Thus, while we may prefer to locate new IBX data centers adjacent to our existing locations it may not always be possible. In the event we decide to build new IBX data centers separate from our existing IBX data centers, we may provide interconnection solutions to connect these two centers. Should these solutions not provide the necessary reliability to sustain connection, this could result in lower interconnection revenue and lower margins and could have a negative impact on customer retention over time.

Environmental regulations may impose upon us new or unexpected costs.

We are subject to various federal, state, local and international environmental and health and safety laws and regulations, including those relating to the generation, storage, handling and disposal of hazardous substances and wastes. Certain of these laws and regulations also impose joint and several liability, without regard to fault, for investigation and cleanup costs on current and former owners and operators of real property and persons who have disposed of or released hazardous substances into the environment. Our operations involve the use of hazardous substances and materials such as petroleum fuel for emergency generators, as well as batteries, cleaning solutions and other materials. In addition, we lease, own or operate real property at which hazardous substances and regulated materials have been used in the past. At some of our locations, hazardous substances or regulated materials are known to be present in soil or groundwater, and there may be additional unknown hazardous substances or regulated materials present at sites we own, operate or lease. At some of our locations, there are land use restrictions in place relating to earlier environmental cleanups that do not materially limit our use of the sites. To the extent any hazardous substances or any other substance or material must be cleaned up or removed from our property, we may be responsible under applicable laws, regulations or leases for the removal or cleanup of such substances or materials, the cost of which could be substantial.

In addition, we are subject to environmental, health and safety laws regulating air emissions, storm water management and other issues arising in our business. While these obligations do not normally impose material costs upon our operations, unexpected events, equipment malfunctions and human error, among other factors, can lead to violations of environmental laws, regulations or permits.

Regulation of greenhouse gas (“GHG”) emissions could increase the cost of electricity by reducing amounts of electricity generated from fossil fuels, by requiring the use of more expensive generating methods or by imposing taxes or fees upon electricity generation or use. Electricity is a material cost in connection with our business, and an increase in the cost of electricity, whether from regulation of GHGs or otherwise, could adversely affect us. GHG reduction legislation exists in Europe, and in several of the states in the U.S., and there is a potential for new or additional legislation in the U.S. and other countries in which we operate. Certain states, like California, already regulate GHG emissions from new and existing state-regulated facilities by imposing regulatory caps on allowances and by selling or auctioning the rights to such emissions. These programs have not had a material adverse effect on our electricity costs to date, but due to the market-driven nature of some of the programs, could do so in the future. Such laws and regulations are also subject to change at any time.

The U.S. EPA published regulations in October 2015, called the “Clean Power Plan,” that is intended to reduce GHG emissions from existing fossil fuel-fired power plants by 32 percent from 2005 levels by 2030. Under the rule, each state is required to develop a plan to reduce state-wide carbon dioxide emissions to meet a specified emissions target set by EPA for that state. If implemented, the Clean Power Plan could impose new emissions trading or credit programs, or other requirements, that could indirectly increase the average cost of electricity in states in which we operate.

New laws in the U.S. and other countries may arise as a result of international agreements. In November 2014, the United States and China announced a climate change agreement that established goals for reducing GHG emissions from both countries, including the prevention of increases in GHG emissions from China after 2030. In order for China to meet this commitment, China may impose limitations on fossil fuel generation or costs upon electricity, similar to those imposed in the U.S. and elsewhere.

On December 12, 2015, the Obama Administration reached agreement in Paris with a majority of 194 attending nations concerning a voluntary program for limiting GHGs. This agreement, known as the Paris Climate Accord (the “Accord”) would, if it becomes effective, require signatory countries to establish GHG reduction goals and report on their implementation of programs to achieve such goals. The Accord would be open for signature for one year commencing in April 2016, and would become effective commencing in 2020 if at least 55 countries representing at least 55% of aggregate, global GHG emissions sign. The U.S. has announced a commitment in support of the Accord to achieve reductions of GHG emissions to levels that are 26-28 percent below 2005 levels by 2025.

Compliance with international agreements, such as the agreement with China and the Accord, could require new national legislation to be adopted in the U.S. or other signatory countries. In this case, in the U.S., if the Clean Power Plan is implemented in the form prescribed by EPA as a final regulation, it may substantially achieve international GHG emissions reduction commitments by the U.S. government. Accordingly, there may be no new legislation or regulation would be required to implement the Accord, assuming that the Clean Power Plan is implemented as set forth in the regulation. Nevertheless, laws or regulations may change over time. To the extent any environmental laws enacted or regulations impose new or unexpected costs, our business, results of operations or financial condition may be adversely affected.

If we are unable to recruit or retain qualified personnel, our business could be harmed

We must continue to identify, hire, train and retain IT professionals, technical engineers, operations employees, and sales, marketing, finance and senior management personnel who maintain relationships with our customers and who can provide the technical, strategic and marketing skills required for our company to grow. There is a shortage of qualified personnel in these fields, and we compete with other companies for the limited pool of talent. The failure to recruit and retain necessary personnel, including, but not limited to, members of our executive team, could harm our business and our ability to grow our company.

We may not be able to compete successfully against current and future competitors.

We must be able to differentiate our IBX data centers and product offerings from those of our competitors. In addition to competing with other neutral colocation providers, we compete with traditional colocation providers, including telecommunications companies, carriers, internet service providers, managed services providers and large REITs who also operate in our market and may enjoy a cost advantage in providing offerings similar to those provided by our IBX data centers. We may experience competition from our landlords which could also reduce the amount of space available to us for expansion in the future. Rather than leasing available space in our buildings to large single tenants, they may decide to convert the space instead to smaller square foot units designed for multi-tenant colocation use, blurring the line between retail and wholesale space. We may also face competition from existing competitors or new entrants to the market seeking to replicate our global IBX data center concept by building or acquiring data centers, offering colocation on neutral terms or by replicating our strategy and messaging. Finally, customers may also decide it is cost-effective for them to build out their own data centers. Once customers have an established data center footprint, either through a relationship with one of our competitors or through in-sourcing, it may be extremely difficult to convince them to relocate to our IBX data centers.

Some of our competitors may adopt aggressive pricing policies, especially if they are not highly leveraged or have lower return thresholds than we do. As a result, we may suffer from pricing pressure that would adversely affect our ability to generate revenues. Some of these competitors may also provide our target customers with additional benefits, including bundled communication services or cloud services, and may do so in a manner that is more attractive to our potential customers than obtaining space in our IBX data centers. Similarly, with growing acceptance of cloud-based technologies, Equinix is at risk losing customers that may decide to fully leverage cloud infrastructure offerings instead of managing their own. Competitors could also operate more successfully or form alliances to acquire significant market share.

Failure to compete successfully may materially adversely affect our financial condition, cash flows and results of operations.

Our business could be harmed by prolonged power outages or shortages, increased costs of energy or general lack of availability of electrical resources.

Our IBX data centers are susceptible to regional costs of power, power shortages, planned or unplanned power outages and limitations, especially internationally, on the availability of adequate power resources.

Power outages, such as those relating to large storms, earthquakes and tsunamis, could harm our customers and our business. We attempt to limit our exposure to system downtime by using backup generators and power supplies; however, we may not be able to limit our exposure entirely even with these protections in place. Some of our IBXs are located in leased buildings where, depending upon the lease requirements and number of tenants involved, we may or may not control some or all of the infrastructure including generators and fuel tanks. As a result, in the event of a power outage, we may be dependent upon the landlord, as well as the utility company, to restore the power.

In addition, global fluctuations in the price of power can increase the cost of energy, and although contractual price increase clauses exist in the majority of our customer agreements, we may not always choose to pass these increased costs on to our customers.

In each of our markets, we rely on third parties to provide a sufficient amount of power for current and future customers. At the same time, power and cooling requirements are growing on a per unit basis. As a result, some customers are consuming an increasing amount of power per cabinet. We generally do not control the amount of power our customers draw from their installed circuits. This means that we could face power limitations in our IBX data centers. This could have a negative impact on the effective available capacity of a given center and limit our ability to grow our business, which could have a negative impact on our financial performance, operating results and cash flows.

We may also have difficulty obtaining sufficient power capacity for potential expansion sites in new or existing markets. We may experience significant delays and substantial increased costs demanded by the utilities to provide the level of electrical service required by our current IBX data center designs.

If our internal controls are found to be ineffective, our financial results or our stock price may be adversely affected.

Our most recent evaluation of our controls resulted in our conclusion that, as of December 31, 2015, in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, our internal controls over financial reporting were effective. Our ability to manage our operations and growth, through, for example, our upgrade of our worldwide financial application suite from Oracle's version 11i to R12 and our overhaul of our back office systems that support customer experience from initial quote to customer billing and our revenue recognition process, will require us to further develop our controls and reporting systems and implement or amend new or existing controls and reporting systems in those areas where the implementation is still ongoing. All of these changes to our financial systems create an increased risk of deficiencies in our internal controls over financial reporting until such systems are stabilized. If, in the future, our internal control over financial reporting is found to be ineffective, or if a material weakness is identified in our controls over financial reporting, our financial results may be adversely affected. Investors may also lose confidence in the reliability of our financial statements which could adversely affect our stock price.

If we cannot effectively manage our international operations, and successfully implement our international expansion plans, our revenues may not increase and our business and results of operations would be harmed.

For the years ended December 31, 2015, 2014 and 2013, we recognized approximately 49%, 49% and 46%, respectively, of our revenues outside the U.S. We currently operate outside of the U.S. in Canada, Brazil, EMEA and Asia-Pacific.

To date, the network neutrality of our IBX data centers and the variety of networks available to our customers has often been a competitive advantage for us. In certain of our acquired IBX data centers in the Asia-Pacific region the limited number of carriers available reduces that advantage. As a result, we may need to adapt our key revenue-generating offerings and pricing to be competitive in those markets. In addition, we are currently undergoing expansions or evaluating expansion opportunities outside of the U.S. Undertaking and managing expansions in foreign jurisdictions may present unanticipated challenges to us.

Our international operations are generally subject to a number of additional risks, including:

- the costs of customizing IBX data centers for foreign countries;
- protectionist laws and business practices favoring local competition;
- greater difficulty or delay in accounts receivable collection;
- difficulties in staffing and managing foreign operations, including negotiating with foreign labor unions or workers' councils;
- difficulties in managing across cultures and in foreign languages;
- political and economic instability;
- fluctuations in currency exchange rates;
- difficulties in repatriating funds from certain countries;
- our ability to obtain, transfer, or maintain licenses required by governmental entities with respect to our business;
- unexpected changes in regulatory, tax and political environments;
- our ability to secure and maintain the necessary physical and telecommunications infrastructure;
- compliance with anti-bribery and corruption laws;

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- compliance with economic and trade sanctions enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury; and
- compliance with evolving governmental regulation with which we have little experience.

In addition, compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions. These laws and regulations include data privacy requirements, labor relations laws, tax laws, anti-competition regulations, import and trade restrictions, export requirements, economic and trade sanctions, U.S. laws such as the Foreign Corrupt Practices Act and local laws which also prohibit corrupt payments to governmental officials. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers or our employees, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our offerings in one or more countries, could delay or prevent potential acquisitions, and could also materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, our business and our operating results. Our success depends, in part, on our ability to anticipate and address these risks and manage these difficulties.

Economic uncertainty in developing markets could adversely affect our revenue and earnings.

We conduct business and are contemplating expansion, in developing markets with economies that tend to be more volatile than those in the U.S. and Western Europe. The risk of doing business in developing markets such as Brazil, China, India, Indonesia, Russia, the United Arab Emirates and other economically volatile areas could adversely affect our operations and earnings. Such risks include the financial instability among customers in these regions, political instability, fraud or corruption and other non-economic factors such as irregular trade flows that need to be managed successfully with the help of the local governments. In addition, commercial laws in some developing countries can be vague, inconsistently administered and retroactively applied. If we are deemed not to be in compliance with applicable laws in developing countries where we conduct business, our prospects and business in those countries could be harmed, which could then have a material adverse impact on our results of operations and financial position. Our failure to successfully manage economic, political and other risks relating to doing business in developing countries and economically and politically volatile areas could adversely affect our business.

The use of high power density equipment may limit our ability to fully utilize our older IBX data centers.

Some customers have increased their use of high power density equipment, such as blade servers, in our IBX data centers which has increased the demand for power on a per cabinet basis. Because many of our IBX data centers were built a number of years ago, the current demand for power may exceed the designed electrical capacity in these centers. As power, not space, is a limiting factor in many of our IBX data centers, our ability to fully utilize those IBX data centers may be limited. The ability to increase the power capacity of an IBX data center, should we decide to, is dependent on several factors including, but not limited to, the local utility's ability to provide additional power; the length of time required to provide such power; and/or whether it is feasible to upgrade the electrical infrastructure of an IBX data center to deliver additional power to customers. Although we are currently designing and building to a higher power specification than that of many of our older IBX data centers, there is a risk that demand will continue to increase and our IBX data centers could become underutilized sooner than expected.

Our operating results may fluctuate.

We have experienced fluctuations in our results of operations on a quarterly and annual basis. The fluctuations in our operating results may cause the market price of our common stock to be volatile. We may experience significant fluctuations in our operating results in the foreseeable future due to a variety of factors, including, but not limited to:

- fluctuations of foreign currencies in the markets in which we operate;
- the timing and magnitude of depreciation and interest expense or other expenses related to the acquisition, purchase or construction of additional IBX data centers or the upgrade of existing IBX data centers;
- demand for space, power and services at our IBX data centers;
- changes in general economic conditions, such as an economic downturn, or specific market conditions in the telecommunications and Internet industries, both of which may have an impact on our customer base;
- charges to earnings resulting from past acquisitions due to, among other things, impairment of goodwill or intangible assets, reduction in the useful lives of intangible assets acquired, identification of additional assumed contingent liabilities or revised estimates to restructure an acquired company's operations;

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- the duration of the sales cycle for our offerings and our ability to ramp our newly-hired sales persons to full productivity within the time period we have forecasted;
- restructuring charges or reversals of restructuring charges, which may be necessary due to revised sublease assumptions, changes in strategy or otherwise;
- acquisitions or dispositions we may make;
- the financial condition and credit risk of our customers;
- the provision of customer discounts and credits;
- the mix of current and proposed products and offerings and the gross margins associated with our products and offerings;
- the timing required for new and future IBX data centers to open or become fully utilized;
- competition in the markets in which we operate;
- conditions related to international operations;
- increasing repair and maintenance expenses in connection with aging IBX data centers;
- lack of available capacity in our existing IBX data centers to generate new revenue or delays in opening new or acquired IBX data centers that delay our ability to generate new revenue in markets which have otherwise reached capacity;
- changes in rent expense as we amend our IBX data center leases in connection with extending their lease terms when their initial lease term expiration dates approach or changes in shared operating costs in connection with our leases, which are commonly referred to as common area maintenance expenses;
- the timing and magnitude of other operating expenses, including taxes, expenses related to the expansion of sales, marketing, operations and acquisitions, if any, of complementary businesses and assets;
- the cost and availability of adequate public utilities, including power;
- changes in employee stock-based compensation;
- overall inflation;
- increasing interest expense due to any increases in interest rates and/or potential additional debt financings;
- changes in our tax planning strategies or failure to realize anticipated benefits from such strategies;
- changes in income tax benefit or expense;
and
- changes in or new generally accepted accounting principles (“GAAP”) in the U.S. as periodically released by the Financial Accounting Standards Board (“FASB”).

Any of the foregoing factors, or other factors discussed elsewhere in this report, could have a material adverse effect on our business, results of operations and financial condition. Although we have experienced growth in revenues in recent quarters, this growth rate is not necessarily indicative of future operating results. Prior to 2008, we had generated net losses every fiscal year since inception. It is possible that we may not be able to generate net income on a quarterly or annual basis in the future. In addition, a relatively large portion of our expenses are fixed in the short-term, particularly with respect to lease and personnel expenses, depreciation and amortization and interest expenses. Therefore, our results of operations are particularly sensitive to fluctuations in revenues. As such, comparisons to prior reporting periods should not be relied upon as indications of our future performance. In addition, our operating results in one or more future quarters may fail to meet the expectations of securities analysts or investors.

Our days sales outstanding (DSO) of our accounts receivables have been increasing.

Although we have historically experienced a record of strong collection of our accounts receivables as evidenced by our prior DSO metrics, our DSO has increased over the past year. Our DSO was affected by the implementation of a new billing system that was introduced during the second half of 2014. While this new system is now operational in all three regions, it is not operational in all countries within each region and further enhancements to the overall system are still ongoing. While our DSO began to improve during the second half of 2015, our DSO may continue to be adversely impacted by ongoing changes in the billing system, which would continue to have a negative impact on our operating cash flows, liquidity and financial performance.

We may incur goodwill and other intangible asset impairment charges, or impairment charges to our property, plant and equipment, which could result in a significant reduction to our earnings.

In accordance with GAAP, we are required to assess our goodwill and other intangible assets annually, or more frequently whenever events or changes in circumstances indicate potential impairment, such as changing market conditions or any changes in key assumptions. If the testing performed indicates that an asset may not be recoverable, we are required to record a non-cash impairment charge for the difference between the carrying value of the goodwill or other intangible assets and the implied fair value of the goodwill or other intangible assets in the period the determination is made.

We also monitor the remaining net book values of our property, plant and equipment periodically, including at the individual IBX data center level. Although each individual IBX data center is currently performing in line with our expectations, the possibility that one or more IBX data centers could begin to under-perform relative to our expectations is possible and may also result in non-cash impairment charges.

These charges could be significant, which could have a material adverse effect on our business, results of operations or financial condition.

We have incurred substantial losses in the past and may incur additional losses in the future.

As of December 31, 2015, our accumulated deficit was \$108.2 million. Although we have generated net income for each fiscal year since 2008, except for the year ended December 31, 2014, we are also currently investing heavily in our future growth through the build out of multiple additional IBX data centers and IBX data center expansions as well as acquisitions of complementary businesses. As a result, we will incur higher depreciation and other operating expenses, as well as acquisition costs and interest expense, that may negatively impact our ability to sustain profitability in future periods unless and until these new IBX data centers generate enough revenue to exceed their operating costs and cover our additional overhead needed to scale our business for this anticipated growth. The current global financial uncertainty may also impact our ability to sustain profitability if we cannot generate sufficient revenue to offset the increased costs of our recently-opened IBX data centers or IBX data centers currently under construction. In addition, costs associated with the acquisition and integration of any acquired companies, as well as the additional interest expense associated with debt financing we have undertaken to fund our growth initiatives, may also negatively impact our ability to sustain profitability. Finally, given the competitive and evolving nature of the industry in which we operate, we may not be able to sustain or increase profitability on a quarterly or annual basis.

The failure to obtain favorable terms when we renew our IBX data center leases, or the failure to renew such leases, could harm our business and results of operations.

While we own certain of our IBX data centers, others are leased under long-term arrangements with lease terms expiring at various dates through 2065. These leased centers have all been subject to significant development by us in order to convert them from, in most cases, vacant buildings or warehouses into IBX data centers. Most of our IBX data center leases have renewal options available to us. However, many of these renewal options provide for the rent to be set at then-prevailing market rates. To the extent that then-prevailing market rates or negotiated rates are higher than present rates, these higher costs may adversely impact our business and results of operations, or we may decide against renewing the lease. In the event that an IBX data center lease does not have a renewal option, or we fail to exercise a renewal option in a timely fashion and lose our right to renew the lease, we may not be successful in negotiating a renewal of the lease with the landlord. A failure to renew a lease could force us to exit a building prematurely, which could be disruptive to our business, harm our customer relationships, expose us to liability under our customer contracts, cause us to take impairment charges and negatively affect our operating results.

We depend on a number of third parties to provide Internet connectivity to our IBX data centers; if connectivity is interrupted or terminated, our operating results and cash flow could be materially and adversely affected.

The presence of diverse telecommunications carriers' fiber networks in our IBX data centers is critical to our ability to retain and attract new customers. We are not a telecommunications carrier, and as such, we rely on third parties to provide our customers with carrier services. We believe that the availability of carrier capacity will directly affect our ability to achieve our projected results. We rely primarily on revenue opportunities from the telecommunications carriers' customers to encourage them to invest the capital and operating resources required to connect from their centers to our IBX data centers. Carriers will likely evaluate the revenue opportunity of an IBX data center based on the assumption that the environment will be highly competitive. We cannot provide assurance that each and every carrier will elect to offer its services within our IBX data centers or that once a carrier has decided to provide Internet connectivity to our IBX data centers that it will continue to do so for any period of time.

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Our new IBX data centers require construction and operation of a sophisticated redundant fiber network. The construction required to connect multiple carrier facilities to our IBX data centers is complex and involves factors outside of our control, including regulatory processes and the availability of construction resources. Any hardware or fiber failures on this network may result in significant loss of connectivity to our new IBX data center expansions. This could affect our ability to attract new customers to these IBX data centers or retain existing customers.

If the establishment of highly diverse Internet connectivity to our IBX data centers does not occur, is materially delayed or is discontinued, or is subject to failure, our operating results and cash flow will be adversely affected.

We may be vulnerable to security breaches which could disrupt our operations and have a material adverse effect on our financial performance and operating results.

We face risks associated with unauthorized access to our computer systems, loss or destruction of data, computer viruses, malware, distributed denial-of-service attacks, or other malicious activities. These threats may result from human error, equipment failure, or fraud or malice on the part of employees or third parties. A party who is able to compromise the security measures on our networks or the security of our infrastructure could misappropriate either our proprietary information or the personal information of our customers or our employees, or cause interruptions or malfunctions in our operations or our customers' operations. As we provide assurances to our customers that we provide a high level of security, such a compromise could be particularly harmful to our brand and reputation. We may be required to expend significant capital and resources to protect against such threats or to alleviate problems caused by breaches in security. As techniques used to breach security change frequently, and are generally not recognized until launched against a target, we may not be able to promptly detect that a cyber breach has occurred, or implement security measures in a timely manner or, if and when implemented, we may not be able to determine the extent to which these measures could be circumvented. Any breaches that may occur could expose us to increased risk of lawsuits, regulatory penalties, loss of existing or potential customers, damage relating to loss of proprietary information, harm to our reputation and increases in our security costs, which could have a material adverse effect on our financial performance and operating results. We maintain insurance coverage for cyber risks but such coverage may be unavailable or insufficient to cover our losses.

We offer professional services to our customers where we consult on data center solutions and assist with implementations. We also offer managed services in certain of our foreign jurisdictions outside of the U.S. where we manage the data center infrastructure for our customers. The access gained from these services to our clients' networks and data creates some risk that our clients' networks or data will be improperly accessed. We may also design our clients' cloud storage systems in such a way that exposes our clients to increased risk of data breach. If Equinix were held to be responsible for any such a breach, it could result in a significant loss to Equinix, including damage to Equinix's client relationships, harm to our brand and reputation, and legal liability.

We have government customers, which subjects us to risks including early termination, audits, investigations, sanctions and penalties.

We derive some revenues from contracts with the U.S. government, state and local governments and foreign governments. Some of these customers may terminate all or part of their contracts at any time, without cause.

There is increased pressure for governments and their agencies, both domestically and internationally, to reduce spending. Some of our federal government contracts are subject to the approval of appropriations being made by the U.S. Congress to fund the expenditures under these contracts. Similarly, some of our contracts at the state and local levels are subject to government funding authorizations.

Additionally, government contracts are generally subject to audits and investigations which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business.

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

Our ability to maximize revenues depends on our ability to develop and grow a balanced customer base, consisting of a variety of companies, including enterprises, cloud, digital content and financial companies, and network service providers. We consider certain of these customers to be key magnets in that they draw in other customers. The more balanced the customer base within

each IBX data center, the better we will be able to generate significant interconnection revenues, which in turn increases our overall revenues. Our ability to attract customers to our IBX data centers will depend on a variety of factors, including the presence of multiple carriers, the mix of our offerings, the overall mix of customers, the presence of key customers attracting business through vertical market ecosystems, the IBX data center's operating reliability and security and our ability to effectively market our offerings. However, some of our customers may face competitive pressures and may ultimately not be successful or may be consolidated through merger or acquisition. If these customers do not continue to use our IBX data centers it may be disruptive to our business. Finally, the uncertain economic climate may harm our ability to attract and retain customers if customers slow spending, or delay decision-making, on our offerings, or if customers begin to have difficulty paying us and we experience increased churn in our customer base. Any of these factors may hinder the development, growth and retention of a balanced customer base and adversely affect our business, financial condition and results of operations.

We may be subject to securities class action and other litigation, which may harm our business and results of operations.

We may be subject to securities class action or other litigation. For example, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. Litigation can be lengthy, expensive, and divert management's attention and resources. Results cannot be predicted with certainty and an adverse outcome in litigation could result in monetary damages or injunctive relief that could seriously harm our business, results of operations, financial condition or cash flows.

We may not be able to protect our intellectual property rights.

We cannot make assurances that the steps taken by us to protect our intellectual property rights will be adequate to deter misappropriation of proprietary information or that we will be able to detect unauthorized use and take appropriate steps to enforce our intellectual property rights. We also are subject to the risk of litigation alleging infringement of third-party intellectual property rights. Any such claims could require us to spend significant sums in litigation, pay damages, develop non-infringing intellectual property, or acquire licenses to the intellectual property that is the subject of the alleged infringement.

Government regulation may adversely affect our business.

Various laws and governmental regulations, both in the U.S. and abroad, governing Internet related services, related communications services and information technologies remain largely unsettled, even in areas where there has been some legislative action. For example, the Federal Communications Commission recently adopted new network neutrality rules that may result in material changes in the regulations and contribution regime affecting us and our customers. Likewise, as part of a review of the current equity market structure, the Securities and Exchange Commission and the Commodity Futures Trading Commission ("CFTC") have both sought comments regarding the regulation of independent data centers, such as us, which provide colocation for financial markets and exchanges. The CFTC is also considering regulation of companies that use automated and high-frequency trading systems. Any such regulation may ultimately affect our provision of offerings.

It also may take years to determine whether and how existing laws, such as those governing intellectual property, privacy, libel, telecommunications services and taxation, apply to the Internet and to related offerings such as ours, and substantial resources may be required to comply with regulations or bring any non-compliant business practices into compliance with such regulations. In addition, the development of the market for online commerce and the displacement of traditional telephony service by the Internet and related communications services may prompt an increased call for more stringent consumer protection laws or other regulation both in the U.S. 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 and our business, or interpretations of existing laws, could have a material adverse effect on our business, financial condition and results of operations.

Industry consolidation may have a negative impact on our business model.

If customers combine businesses, they may require less colocation space, which could lead to churn in our customer base. Regional competitors may also consolidate to become a global competitor. Consolidation of our customers and/or our competitors may present a risk to our business model and have a negative impact on our revenues.

Terrorist activity throughout the world and military action to counter terrorism could adversely impact our business.

The continued threat of terrorist activity and other acts of war or hostility contribute to a climate of political and economic uncertainty. Due to existing or developing circumstances, we may need to incur additional costs in the future to provide enhanced security, including cyber security, which would have a material adverse effect on our business and results of operations. These circumstances may also adversely affect our ability to attract and retain customers, our ability to raise capital and the operation and maintenance of our IBX data centers.

We have various mechanisms in place that may discourage takeover attempts.

Certain provisions of our certificate of incorporation and bylaws may discourage, delay or prevent a third party from acquiring control of us in a merger, acquisition or similar transaction that a stockholder may consider favorable. Such provisions include:

- ownership limitations and transfer restrictions relating to our stock that are intended to facilitate our compliance with certain REIT rules relating to share ownership;
- authorization for the issuance of “blank check” preferred stock;
- the prohibition of cumulative voting in the election of directors;
- limits on the persons who may call special meetings of stockholders;
- limits on stockholder action by written consent; and
- advance notice requirements for nominations to the Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law, which restricts certain business combinations with interested stockholders in certain situations, may also discourage, delay or prevent someone from acquiring or merging with us.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There is no disclosure to report pursuant to Item 1B.

ITEM 2. PROPERTIES

Our executive offices are located in Redwood City, California, and we also have sales offices in several cities throughout the U.S. Our Asia-Pacific headquarters office is located in Hong Kong and we also have office space in Shanghai, China; Singapore; Tokyo, Japan; and Sydney, Australia. Our EMEA headquarters office is located in Amsterdam, the Netherlands and our regional sales offices in EMEA are based in our IBX data centers in EMEA. We have entered into leases for certain of our IBX data centers in Atlanta, Georgia; New York, New York; Dallas, Texas; Chicago, Illinois; Englewood, Colorado; Los Angeles, Palo Alto, San Jose, Santa Clara and Sunnyvale, California; Miami, Florida; Newark, North Bergen and Secaucus, New Jersey; Philadelphia, Pennsylvania; Reston and Vienna, Virginia; Seattle, Washington; Toronto, Canada; Waltham, Massachusetts and Rio De Janeiro and Sao Paulo, Brazil in the Americas region; Shanghai, China; Hong Kong; Singapore; Sydney, Australia and Osaka and Tokyo, Japan in the Asia-Pacific region; Dubai, U.A.E.; London, United Kingdom; Paris, France; Frankfurt, Munich and Dusseldorf, Germany; Zurich and Geneva, Switzerland and Enschede and Zwolle, the Netherlands in the EMEA region. We own certain of our IBX data centers in Ashburn, Virginia; Chicago, Illinois; Los Angeles and San Jose, California; Melbourne, Australia; Secaucus, New Jersey; New York, New York; Paris, France; Frankfurt, Germany and Amsterdam, the Netherlands. We own campuses in Ashburn, Virginia, Silicon Valley and Frankfurt, Germany that house some of our IBX data centers mentioned in the preceding sentence.

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The following table presents an overview of our portfolio of IBX data centers as of December 31, 2015 (in thousands)

	# of IBXs	Total cabinet capacity ⁽²⁾	Cabinets billed	Cabinet utilization % ⁽³⁾	MRR per cabinet ⁽⁴⁾
Americas	55	62,600	50,600	81 %	\$ 2,448
EMEA	30	49,500	40,500	82 %	1,439
Asia-Pacific ⁽¹⁾	27	27,800	22,600	81 %	1,903
Total	112	139,900	113,700		

- (1) Other than the number of IBX data centers, these amounts exclude the Bit-isle's operations. We acquired Bit-isle on November 2, 2015 and Bit-isle's related operating metrics are not yet available.
- (2) Cabinets represent a specific amount of space within an IBX data center. Customers can combine and use multiple adjacent cabinets within an IBX data center, depending on their space requirements.
- (3) The cabinet utilization rate represents the percentage of cabinet space billing versus net sellable cabinet space available, taking into consideration power limitations.
- (4) MRR per cabinet represents recurring revenue recognized during the year divided by the average number of cabinets invoiced to customers during the year.

The following table presents a summary of our significant IBX data center expansion projects under construction as of December 31, 2015:

Property	Property location	Target open date	Sellable cabinets	Construction progress (in thousands)
Americas:				
AT1 Phase IV	Atlanta	Q3 2016	365	\$ 31,000
DC7 Phase III	Ashburn	Q4 2016	230	6,000
SP 3 Phase I	Sao Paolo	Q1 2017	725	76,000
DC11 Phase III	Ashburn	Q1 2017	1,745	57,000
			3,065	170,000
EMEA:				
FR4 Phase V	Frankfurt	Q1 2016	600	21,000
AM1 Phase III	Amsterdam	Q2 2016	725	32,000
LD6 Phase II	London	Q3 2016	1,385	42,000
FR5 Phase III	Frankfurt	Q4 2016	500	8,000
AM4 Phase I	Amsterdam	Q2 2017	1,555	113,000
			4,765	216,000
Asia-Pacific:				
TY5 Phase VII	Tokyo	Q1 2016	725	43,000
SY4 Phase I	Sydney	Q2 2016	1,500	97,000
HK2 Phase IV	Hong Kong	Q1 2017	900	39,000
			3,125	179,000
Total			10,955	\$ 565,000

ITEM 3. LEGAL PROCEEDINGS

None

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is quoted on the NASDAQ Global Select Market under the symbol of "EQIX." Our common stock began trading in August 2000. The following table sets forth on a per share basis the low and high closing prices of our common stock as reported by the NASDAQ Global Select Market during the last two years.

	Low	High
Fiscal 2015		
Fourth Fiscal Quarter	\$ 265.41	\$ 304.98
Third Fiscal Quarter	251.11	292.02
Second Fiscal Quarter	233.59	270.15
First Fiscal Quarter	216.86	238.95
Fiscal 2014		
Fourth Fiscal Quarter	\$ 191.96	\$ 234.10
Third Fiscal Quarter	206.26	223.58
Second Fiscal Quarter	170.48	210.11
First Fiscal Quarter	173.42	194.02

As of January 31, 2016, we had 69,025,412 shares of our common stock outstanding held by approximately 274 registered holders.

In October 2014, our Board of Directors declared a special distribution of \$416.0 million, or approximately \$7.57 per share (the "2014 Special Distribution"), to our common stockholders in connection with our plan to convert to a REIT. The 2014 Special Distribution was paid on November 25, 2014 to our common stockholders of record as of the close of business on October 27, 2014. Common stockholders had the option to elect to receive payment of the 2014 Special Distribution in the form of stock or cash, with the total cash payment to all stockholders limited to no more than 20% of the total distribution. The number of shares distributed was determined based upon common stockholder elections and the average closing price of our common stock on the three trading days commencing on November 18, 2014 or \$224.45 per share. As such, we issued 1.5 million shares of our common stock and paid \$83.3 million in connection with the 2014 Special Distribution.

In connection with our conversion to a REIT effective January 1, 2015, we began paying quarterly dividends in 2015. On each of February 19, 2015, May 7, 2015, July 29, 2015 and October 28, 2015, our Board of Directors declared a quarterly cash dividend of \$1.69 per share. For additional information, see "Dividends" in Note 11 of our Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

In September 2015, our Board of Directors declared a special distribution of \$627.0 million, or approximately \$10.95 per share (the "2015 Special Distribution"), to our common stockholders. The 2015 Special Distribution represented an amount that included the sum of: (1) foreign earnings and profits repatriated as dividend income in 2015; (2) taxable income in 2015 from depreciation recapture in respect of accounting method changes commenced in our pre-REIT period; and (3) certain other items of taxable income.

The 2015 Special Distribution was paid on November 10, 2015 to our common stockholders of record as of the close of business on October 8, 2015. Common stockholders had the option to elect to receive payment of the 2015 Special Distribution in the form of stock or cash, with the total cash payment to all stockholders limited to no more than 20% of the total distribution. The number of shares distributed was determined based upon common stockholder elections and the average closing price of our common stock on the three trading days commencing on November 3, 2015 or \$297.03 per share. As such, we issued 1.7 million shares of our common stock and paid \$125.5 million in connection with the 2015 Special Distribution.

During the year ended December 31, 2015, we did not issue or sell any securities on an unregistered basis.

Stock Performance Graph

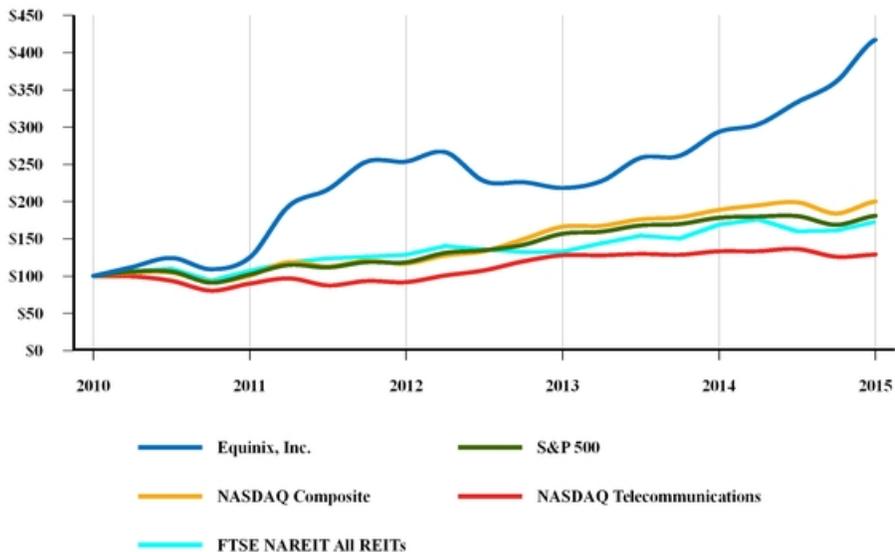
The graph set forth below compares the cumulative total stockholder return on Equinix's common stock between December 31, 2010 and December 31, 2015 with the cumulative total return of (i) the S&P 500 Index, (ii) the NASDAQ Composite Index, (iii) the NASDAQ Telecommunications Index and (iv) the FTSE NAREIT All REITs Index. The graph assumes the investment of \$100.00 on December 31, 2010 in Equinix's common stock and in each index, and assumes the reinvestment of dividends, if any. Equinix converted to a REIT effective January 1, 2015 and thus intends to compare the total stockholder return on Equinix's common stock to the cumulative total return of the FTSE NAREIT All REITs Index instead of that of the NASDAQ Telecommunications index in future filings.

Equinix cautions that the stock price performance shown in the graph below is not indicative of, nor intended to forecast, the potential future performance of Equinix's common stock.

Notwithstanding anything to the contrary set forth in any of Equinix's previous or future filings under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended, that might incorporate this Annual Report on Form 10-K or future filings made by Equinix under those statutes, the stock performance graph shall not be deemed filed with the Securities and Exchange Commission and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by Equinix under those statutes.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Equinix, Inc., the NASDAQ Composite Index, the S&P 500 Index, the NASDAQ Telecommunications Index and the FTSE NAREIT All REITs Index



*\$100 invested on 12/31/10 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

ITEM 6. SELECTED FINANCIAL DATA

The following consolidated statement of operations data for the five years ended December 31, 2015 and the consolidated balance sheet data as of December 31, 2015, 2014, 2013, 2012 and 2011 have been derived from our audited consolidated financial statements and the related notes. Our historical results are not necessarily indicative of the results to be expected for future periods. The following selected consolidated financial data for the three years ended December 31, 2015 and as of December 31, 2015 and 2014, should be read in conjunction with our audited consolidated financial statements and the related notes in Item 8 of this Annual Report on Form 10-K and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 of this Annual Report on Form 10-K. In addition, we completed an acquisition of Nimbo Technologies Inc. in January 2015 and Bit-isle, Inc. in November 2015, an acquisition of an approximate 53% controlling equity interest in ALOG Data Centers do Brasil S.A. (“ALOG”) in April 2011 and the remaining outstanding shares of ALOG in July 2014, acquisitions of the Frankfurt Kleyer 90 carrier hotel in October 2013, a Dubai IBX data center in November 2012, and acquisitions of Asia Tone Limited and ancotel GmbH in July 2012. We also sold 16 of our IBX data centers located throughout the U.S. in November 2012. For further information on our acquisitions during the three years ended December 31, 2015, refer to Note 2 of our Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

	Years ended December 31,				
	2015	2014	2013	2012	2011
	(dollars in thousands, except per share data)				
Revenues	\$ 2,725,867	\$ 2,443,776	\$ 2,152,766	\$ 1,887,376	\$ 1,565,625
Costs and operating expenses:					
Cost of revenues	1,291,506	1,197,885	1,064,403	944,617	829,024
Sales and marketing	332,012	296,103	246,623	202,914	158,347
General and administrative	493,284	438,016	374,790	328,266	265,554
Restructuring charges (reversals)	—	—	(4,837)	—	3,481
Impairment charges	—	—	—	9,861	—
Acquisition costs	41,723	2,506	10,855	8,822	3,297
Total costs and operating expenses	2,158,525	1,934,510	1,691,834	1,494,480	1,259,703
Income from operations	567,342	509,266	460,932	392,896	305,922
Interest income	3,581	2,891	3,387	3,466	2,280
Interest expense	(299,055)	(270,553)	(248,792)	(200,328)	(181,303)
Other income (expense)	(60,581)	119	5,253	(2,208)	2,821
Loss on debt extinguishment	(289)	(156,990)	(108,501)	(5,204)	—
Income from operations before income taxes	210,998	84,733	112,279	188,622	129,720
Income tax expense ⁽¹⁾	(23,224)	(345,459)	(16,156)	(58,564)	(37,347)
Net income (loss) from continuing operations	187,774	(260,726)	96,123	130,058	92,373
Net income from discontinued operations, net of tax	—	—	—	13,086	1,009
Net income (loss)	187,774	(260,726)	96,123	143,144	93,382
Net (income) loss attributable to redeemable non-controlling interests	—	1,179	(1,438)	(3,116)	1,394
Net income attributable to Equinix	\$ 187,774	\$ (259,547)	\$ 94,685	\$ 140,028	\$ 94,776
Earnings per share (“EPS”) attributable to Equinix:					
Basic EPS from continuing operations	\$ 3.25	\$ (4.96)	\$ 1.92	\$ 2.65	\$ 1.75
Basic EPS from discontinued operations	—	—	—	0.27	0.02
Basic EPS	\$ 3.25	\$ (4.96)	\$ 1.92	\$ 2.92	\$ 1.77
Weighted-average shares	57,790	52,359	49,438	48,004	46,956
Diluted EPS from continuing operations	\$ 3.21	\$ (4.96)	\$ 1.89	\$ 2.58	\$ 1.72
Diluted EPS from discontinued operations	—	—	—	0.25	0.02
Diluted EPS	\$ 3.21	\$ (4.96)	\$ 1.89	\$ 2.83	\$ 1.74
Weighted-average shares	58,483	52,359	50,116	51,816	47,898

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- (1) The increase in income tax expense from the year ended December 31, 2013 to the year ended December 31, 2014 was primarily attributed to the de-recognition of \$324.1 million of deferred tax assets and deferred tax liabilities in December 2014, when our Board of Directors formally approved our conversion to a REIT and we reassessed the deferred tax assets and deferred tax liabilities of our U.S. operations included in the REIT structure.

	Years ended December 31,				
	2015	2014	2013	2012	2011
Other financial data: ⁽¹⁾	(dollars in thousands)				
Net cash provided by operating activities	\$ 894,793	\$ 689,420	\$ 604,608	\$ 632,026	\$ 587,320
Net cash used in investing activities	(1,134,927)	(435,839)	(1,169,313)	(442,873)	(1,499,155)
Net cash provided by (used in) financing activities	1,873,182	107,401	574,907	(222,721)	748,728

- (1) For a discussion of our primary non-GAAP financial metrics, see our non-GAAP financial measures discussion in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7 of this Annual Report on Form 10-K.

	As of December 31,				
	2015	2014	2013	2012	2011
	(dollars in thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and short-term and long-term investments	\$ 2,246,297	\$ 1,140,751	\$ 1,030,092	\$ 546,524	\$ 1,076,345
Accounts receivable, net	291,964	262,570	184,840	163,840	139,057
Property, plant and equipment, net	5,606,436	4,998,270	4,591,650	3,915,738	3,223,841
Total assets ⁽¹⁾	10,356,695	7,781,978	7,457,039	6,105,507	5,753,328
Capital lease and other financing obligations, excluding current portion	1,287,139	1,168,042	914,032	545,853	390,269
Mortgage and loans payable, excluding current portion ⁽¹⁾	472,769	532,809	197,172	186,287	168,795
Senior notes ⁽¹⁾	3,804,634	2,717,046	2,220,911	1,478,482	1,475,220
Convertible debt, excluding current portion ⁽¹⁾	—	145,229	720,499	702,469	685,593
Redeemable non-controlling interests	—	—	123,902	84,178	67,601
Total stockholders' equity	2,745,386	2,270,131	2,459,064	2,313,441	1,936,151

- (1) The company adopted ASU 2015-03 during the year ended December 31, 2015. As a result, debt issuance costs of \$35,455, \$35,320, \$30,290, and \$33,956 were reclassified from other assets to debt as of December 31, 2014, 2013, 2012, and 2011, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following commentary should be read in conjunction with the financial statements and related notes contained elsewhere in this Annual Report on Form 10-K. The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based upon current expectations that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. For example, the words "believes," "anticipates," "plans," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Our actual results and the timing of certain events may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such a discrepancy include, but are not limited to, those discussed in "Liquidity and Capital Resources" and "Risk Factors" elsewhere in this Annual Report on Form 10-K. All forward-looking statements in this document are based on information available to us as of the date hereof and we assume no obligation to update any such forward-looking statements.

Our management's discussion and analysis of financial condition and results of operations is intended to assist readers in understanding our financial information from our management's perspective and is presented as follows:

- Overview
- Results of Operations
- Non-GAAP Financial Measures
- Liquidity and Capital Resources
- Contractual Obligations and Off-Balance-Sheet Arrangements
- Critical Accounting Policies and Estimates
- Recent Accounting Pronouncements

In December 2015, as more fully described in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we issued \$1.1 billion aggregate principal amount of 5.875% senior notes due January 15, 2026 (the "2026 Senior Notes").

In December 2015, as more fully described in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we entered into the second amendment (the "Second Amendment") to our Senior Credit Facility. Pursuant to the Second Amendment, our revolving credit facility was increased by \$500.0 million to \$1.5 billion and we received commitments for an additional \$250.0 million seven-year term loan facility and for an additional £300.0 million, or approximately \$442.0 million in U.S. dollars at the exchange rate in effect on December 31, 2015, seven-year term loan (collectively, the "Term Loan B Commitments"). We borrowed the full amount of the Term Loan B Commitments in January 2016.

In November 2015, as more fully described in Note 11 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we issued and sold 2,994,792 shares of our common stock in a public offering. We received net proceeds of approximately \$829.5 million, after deducting underwriting discounts, commissions and offering expenses.

We intend to use the net proceeds we received from the sale of our 2026 Senior Notes and from the sale of our common stock, as well as the net proceeds we received in January 2016 from our Term Loan B Commitments, for both merger and acquisition activities and general corporate purposes.

In November 2015, as more fully described in Note 2 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we completed our acquisition of Tokyo-based Bit-isle Inc. ("Bit-isle") valued at ¥33.2 billion or approximately \$275.4 million U.S. dollars.

In connection with our acquisition of Bit-isle, as more fully described in Note 9 of Notes to Consolidated Financial Statements, in September 2015 we entered into a term loan agreement (the "Bridge Term Loan Agreement") with the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"). BTMU has committed to provide a senior bridge loan facility (the "Bridge Term Loan") in the amount of up to ¥47.5 billion, or approximately \$395.2 million at the exchange rate in effect on December 31, 2015. Proceeds from the Bridge Term Loan are to be used exclusively for the acquisition of Bit-isle, the repayment of Bit-isle's existing debt and transaction costs incurred in connection with the closing of the Bridge Term Loan and the acquisition of Bit-isle. We borrowed ¥46.5 billion, or approximately \$386.5 million in U.S. dollars at the exchange rate in effect on December 31, 2015, under the Bridge Term Loan in the fourth quarter of 2015. We intend to obtain permanent financing to replace and terminate the Bridge Term Loan in 2016.

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In May 2015, as more fully described in Note 2 and Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we announced an offer for the entire issued and to be issued share capital of TelecityGroup, valued at approximately £2.4 billion, or \$3.8 billion in U.S. dollars. The transaction closed in January 2016. The total consideration consisted of \$1.7 billion in cash and 6.9 million shares of our common stock, valued at \$2.1 billion. In connection with the transaction, we also entered into a bridge credit agreement (the "Bridge Loan") with J.P. Morgan Chase Bank, N.A. ("JPMCB") as the initial lender and as administrative agent for the lenders (the "Lenders"), for a principal amount of £875.0 million; or approximately \$1.3 billion. The Bridge Loan was dedicated solely for the acquisition of TelecityGroup and to satisfy funds certain requirements under UK takeover code. We terminated the Bridge Loan in January 2016.

In May 2015, we received a favorable response to the PLR request we had submitted to the IRS in connection with our conversion to a REIT for federal income tax purposes effective for the taxable year commencing January 1, 2015.

In April 2015, as more fully described in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K, we entered into the first amendment (the "First Amendment") of our credit agreement dated December 17, 2014 (the "Senior Credit Facility"). The amendment allowed for the conversion of the outstanding U.S. dollar-denominated principal amount of the term loan facility to an approximately equivalent amount denominated in four foreign currencies. In connection with the execution of the amendment, on April 30, 2015, we repaid the U.S. dollar-denominated \$490.0 million remaining principal balance of the term loan facility and immediately re-borrowed under the term loan facility the aggregate principal amount of CHF 47.8 million, €184.9 million, £92.6 million and ¥11.9 million, or approximately \$490.0 million in U.S. dollars in total.

Overview

Equinix provides global data center offerings that protect and connect the world's most valued information assets. Global enterprises, financial services companies and content and network service providers rely upon Equinix's leading insight and data centers in 33 markets around the world for the safekeeping of their critical IT equipment and the ability to directly connect to the networks that enable today's information-driven economy. Equinix offers the following solutions: (i) premium data center colocation, (ii) interconnection and (iii) exchange and outsourced IT infrastructure services. As of December 31, 2015, we operated or had partner International Business Exchange ("IBX") data centers in the Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Rio de Janeiro, Sao Paulo, Seattle, Silicon Valley, Toronto and Washington, D.C. metro areas in the Americas region; France, Germany, Italy, the Netherlands, Switzerland, the United Arab Emirates and the United Kingdom in the Europe, Middle East and Africa ("EMEA") region; and Australia, China, Hong Kong, Indonesia, Japan and Singapore in the Asia-Pacific region.

Our data centers in 33 markets around the world are a global platform, which allows our customers to increase information and application delivery performance while significantly reducing costs. This global platform and the quality of our IBX data centers have enabled us to establish a critical mass of customers. As more customers choose our IBX data centers, it benefits their suppliers and business partners to colocate with us as well, in order to gain the full economic and performance benefits of our offerings. These partners, in turn, pull in their business partners, creating a "marketplace" for their services. Our global platform enables scalable, reliable and cost-effective colocation, interconnection and traffic exchange that lowers overall cost and increases flexibility. Our focused business model is built on our critical mass of customers and the resulting "marketplace" effect. This global platform, combined with our strong financial position, continues to drive new customer growth and bookings.

Historically, our market has been served by large telecommunications carriers who have bundled telecommunications products and services with their colocation offerings. The data center market landscape has evolved to include cloud computing/utility providers, application hosting providers and systems integrators, managed infrastructure hosting providers and colocation providers. More than 350 companies provide data center solutions in the U.S. alone. Each of these data center solutions providers can bundle various colocation, interconnection and network offerings, and outsourced IT infrastructure services. We are able to offer our customers a global platform that reaches 21 countries with proven operational reliability, improved application performance and network choice, and a highly scalable set of offerings.

Our utilization rate represents the percentage of our cabinet space billing versus net sellable cabinet space available, taking into account power limitations. Our utilization rate was approximately 81% and 78% as of December 31, 2015 and December 31, 2014, respectively. However, excluding the impact of IBX data center expansion projects that have opened during the last 12 months, our utilization rate would be approximately 85% as of December 31, 2015. Our utilization rate varies from market to market among our IBX data centers across the Americas, EMEA and Asia-Pacific regions. We continue to monitor the available capacity in each of our selected markets. To the extent we have limited capacity available in a given market, it may limit our ability for growth in that market. We perform demand studies on an ongoing basis to determine if future expansion is warranted in a market. In addition, power and cooling requirements for most customers are growing on a per unit basis. As a result, customers

are consuming an increasing amount of power per cabinet. Although we generally do not control the amount of power our customers draw from installed circuits, we have negotiated power consumption limitations with certain high power-demand customers. This increased power consumption has driven us to build out our new IBX data centers to support power and cooling needs twice that of previous IBX data centers. We could face power limitations in our IBX data centers, even though we may have additional physical cabinet capacity available within a specific IBX data center. This could have a negative impact on the available utilization capacity of a given IBX data center, which could have a negative impact on our ability to grow revenues, affecting our financial performance, operating results and cash flows.

Strategically, we will continue to look at attractive opportunities to grow our market share and selectively improve our footprint and offerings. As was the case with our recent expansions and acquisitions, our expansion criteria will be dependent on a number of factors, such as demand from new and existing customers, quality of the design, power capacity, access to networks, capacity availability in the current market location, amount of incremental investment required by us in the targeted property, lead-time to break even on a free cash flow basis, and in-place customers. Like our recent expansions and acquisitions, the right combination of these factors may be attractive to us. Depending on the circumstances, these transactions may require additional capital expenditures funded by upfront cash payments or through long-term financing arrangements in order to bring these properties up to Equinix standards. Property expansion may be in the form of purchases of real property, long-term leasing arrangements or acquisitions. Future purchases, construction or acquisitions may be completed by us or with partners or potential customers to minimize the outlay of cash, which can be significant.

Our business is based on a recurring revenue model comprised of colocation and related interconnection and managed infrastructure offerings. We consider these offerings recurring because our customers are generally billed on a fixed and recurring basis each month for the duration of their contract, which is generally one to three years in length. Our recurring revenues have comprised more than 90% of our total revenues during the past three years. In addition, during any given quarter of the past three years, more than half of our monthly recurring revenue bookings came from existing customers, contributing to our revenue growth. Our largest customer accounted for approximately 3% of our recurring revenues for the period ended December 31, 2015 and 2% of our recurring revenues for the periods ended December 31, 2014 and 2013. Our 50 largest customers accounted for approximately 34%, 36% and 35% of our recurring revenues for the years ended December 31, 2015, 2014 and 2013.

Our non-recurring revenues are primarily comprised of installation services related to a customer's initial deployment and professional services that we perform. These services are considered to be non-recurring because they are billed typically once, upon completion of the installation or the professional services work performed. The majority of these non-recurring revenues are typically billed on the first invoice distributed to the customer in connection with their initial installation. However, revenues from installation services are deferred and recognized ratably over the expected life of the customer installation. Additionally, revenue from contract settlements, when a customer wishes to terminate their contract early, is recognized when no remaining performance obligations exist and collectability is reasonably assured, to the extent that the revenue has not previously been recognized. As a percentage of total revenues, we expect non-recurring revenues to represent less than 10% of total revenues for the foreseeable future.

Our Americas revenues are derived primarily from colocation and related interconnection offerings, and our EMEA and Asia-Pacific revenues are derived primarily from colocation and managed infrastructure offerings.

The largest components of our cost of revenues are depreciation, rental payments related to our leased IBX data centers, utility costs, including electricity and bandwidth, IBX data center employees' salaries and benefits, including stock-based compensation, repairs and maintenance, supplies and equipment and security services. A substantial majority of our cost of revenues is fixed in nature and should not vary significantly from period to period, unless we expand our existing IBX data centers or open or acquire new IBX data centers. However, there are certain costs that are considered more variable in nature, including utilities and supplies that are directly related to growth in our existing and new customer base. We expect the cost of our utilities, specifically electricity, will generally increase in the future on a per-unit or fixed basis, in addition to the variable increase related to the growth in consumption by our customers. In addition, the cost of electricity is generally higher in the summer months, as compared to other times of the year. To the extent we incur increased utility costs, such increased costs could materially impact our financial condition, results of operations and cash flows. Furthermore, to the extent we incur increased electricity costs as a result of either climate change policies or the physical effects of climate change, such increased costs could materially impact our financial condition, results of operations and cash flows.

Sales and marketing expenses consist primarily of compensation and related costs for sales and marketing personnel, including stock-based compensation, sales commissions, marketing programs, public relations, promotional materials and travel, as well as bad debt expense and amortization of customer contract intangible assets.

General and administrative expenses consist primarily of salaries and related expenses, including stock-based compensation, accounting, legal and other professional service fees, and other general corporate expenses, such as our corporate regional headquarters office leases and some depreciation expense.

Due to our recurring revenue model, and a cost structure which has a large base that is fixed in nature and generally does not grow in proportion to revenue growth, we expect our cost of revenues, sales and marketing expenses and general and administrative expenses to decline as a percentage of revenues over time, although we expect each of them to grow in absolute dollars in connection with our growth. However, for cost of revenues, this trend may periodically be impacted when a large expansion project opens or is acquired, and before it starts generating any meaningful revenue. Furthermore, in relation to cost of revenues, we note that the Americas region has a lower cost of revenues as a percentage of revenue than either EMEA or Asia-Pacific. This is due to both the increased scale and maturity of the Americas region, compared to either the EMEA or Asia-Pacific region, as well as a higher cost structure outside of the Americas, particularly in EMEA. While we expect all three regions to continue to see lower cost of revenues as a percentage of revenues in future periods, we expect the trend that sees the Americas having the lowest cost of revenues as a percentage of revenues to continue. As a result, to the extent that revenue growth outside the Americas grows in greater proportion than revenue growth in the Americas, our overall cost of revenues as a percentage of revenues may increase in future periods. Sales and marketing expenses may periodically increase as a percentage of revenues as we continue to scale our operations to invest in sales and marketing initiatives to further increase our revenue, including the hiring of additional headcount and new product innovations. General and administrative expenses may also periodically increase as a percentage of revenues as we continue to scale our operations to support our growth.

Real Estate Investment Trust Conversion

We began operating as a REIT for federal income tax purposes effective January 1, 2015. In May 2015, we received a favorable PLR from the IRS in connection with our conversion to a REIT. As of December 31, 2015, our REIT structure includes all of our data center operations in the U.S., Canada, Europe and the historical data center operations in Japan. Our data center operations in other jurisdictions, as well as the data center operations acquired in the Bit-isle Acquisition, have initially been designated as TRSs.

As a REIT, we generally are permitted to deduct from federal taxable income the dividends we pay to our stockholders (including, for this purpose, the value of any deemed distribution on account of adjustments to the conversion rate relating to our outstanding debt securities that are convertible into our common stock). The income represented by such dividends is not subject to federal taxation at the entity level but is taxed, if at all, at the stockholder level. Nevertheless, the income of our TRSs which hold our U.S. operations that may not be REIT-compliant, are subject, as applicable, to federal and state corporate income tax. Likewise, our foreign subsidiaries continue to be subject to foreign income taxes in jurisdictions in which they hold assets or conduct operations, regardless of whether held or conducted through TRSs or through QRSs. We are also subject to a separate corporate income tax on gain recognized from a sale of a REIT asset where our basis in the asset is determined by reference to the basis of the asset in the hands of a present or former C corporation (such as (i) an asset that we held as of the effective date of our REIT election, that is, January 1, 2015 or (ii) an asset that we hold in a QRS following the liquidation or other conversion of a former TRS). This built-in-gains tax is generally applicable to any disposition of such an asset during the five-year period after the date we first owned the asset as a REIT asset (e.g., January 1, 2015 in the case of REIT assets we held at the time of our REIT conversion), to the extent of the built-in-gain based on the fair market value of such asset on the date we first held the asset as a REIT asset. If we fail to qualify for taxation as a REIT, we will be subject to federal income tax at regular corporate rates. Even if we remain qualified for taxation as a REIT, we may be subject to some federal, state, local and foreign taxes on our income and property in addition to taxes owed with respect to our TRSs' operations. In particular, while state income tax regimes often parallel the federal income tax regime for REITs, many states do not completely follow federal rules and some may not follow them at all.

We incurred a total of approximately \$364.0 million in tax liabilities associated with a change in our methods of depreciating and amortizing various data center assets for tax purposes from our prior methods to methods that are more consistent with the characterization of such assets as real property for REIT purposes. These liabilities were generally payable over a four-year period starting in 2012.

On September 28, 2015, we announced the declaration by our Board of Directors of a special distribution (the "2015 Special Distribution") of \$627.0 million on our shares of common stock, payable in either common stock or cash to, and at the election of, our stockholders of record as of October 8, 2015 (the "Record Date"). The 2015 Special Distribution included: (1) foreign earnings and profits repatriated as dividend income recognized in 2015; (2) taxable income in 2015 from depreciation recapture in respect of accounting method changes commenced in our pre-REIT period; and (3) certain other items of taxable income. The 2015 Special Distribution was paid on November 10, 2015 to our common stockholders of record as of the close of business on October 8, 2015 in the form of an aggregate of approximately \$125.5 million in cash and 1.69 million shares of our common stock.

The 2015 Special Distribution followed an initial special distribution of \$416.0 million paid in cash and common stock to stockholders in November 2014.

In connection with our conversion to a REIT effective January 1, 2015, we also paid quarterly cash dividends of \$1.69 per share on each of March 25, 2015, June 17, 2015, September 16, 2015, and December 16, 2015. The amount of the 2015 Special Distribution, plus the amount of all of our other distributions during 2015 and the value of the deemed distributions on account of the adjustments to the conversion rate relating to our outstanding 4.75% convertible subordinated notes that were made as a result of all our 2015 distributions, equaled or exceeded the taxable income that we recognized in 2015.

We have initially designated all the legal entities acquired in the Bit-isle acquisition as taxable REIT subsidiaries (“TRSs”), which we believe will not impact our qualification for taxation as a REIT. We plan to integrate the data center business of Bit-isle into our REIT structure by the end of 2016.

We will initially designate all the legal entities acquired in the TelecityGroup acquisition as taxable REIT subsidiaries (“TRSs”), which we believe will not impact our qualification for taxation as a REIT. We plan to integrate a significant portion of the TelecityGroup businesses into our REIT structure by the end of 2016 and to complete almost all remaining REIT integration efforts in the first half of 2017.

We continue to monitor our REIT compliance to maintain our qualification for taxation as a REIT. For this, and other reasons, as necessary, we may convert certain of our data center operations in additional countries into the REIT in future periods.

Results of Operations

Our results of operations for the year ended December 31, 2015 include the results of operations of the Nimbo and Bit-isle acquisitions from January 15, 2015 and November 2, 2015 respectively. Our results of operations for the year ended December 31, 2013 include the operations of Frankfurt Kleyer 90 carrier hotel acquisition from October 1, 2013.

Years Ended December 31, 2015 and 2014

Revenues. Our revenues for the years ended December 31, 2015 and 2014 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas:						
Recurring revenues	\$ 1,432,084	52%	\$ 1,311,518	54%	9%	12%
Non-recurring revenues	80,451	3%	64,585	3%	25%	25%
	1,512,535	55%	1,376,103	57%	10%	13%
EMEA:						
Recurring revenues	651,778	24%	598,953	24%	9%	23%
Non-recurring revenues	47,029	2%	38,312	1%	23%	41%
	698,807	26%	637,265	25%	10%	24%
Asia-Pacific:						
Recurring revenues	485,279	18%	407,319	17%	19%	31%
Non-recurring revenues	29,246	1%	23,089	1%	27%	39%
	514,525	19%	430,408	18%	20%	31%
Total:						
Recurring revenues	2,569,141	94%	2,317,790	95%	11%	18%
Non-recurring revenues	156,726	6%	125,986	5%	24%	32%
	\$ 2,725,867	100%	\$ 2,443,776	100%	12%	19%

Americas Revenues. During the years ended December 31, 2015 and 2014, our revenues from the United States, the largest revenue contributor in the Americas region for the periods, represented approximately 93% and 91%, respectively, of the regional revenues. Growth in Americas revenues was primarily due to (i) \$44.5 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Dallas, New York, Rio de Janeiro, Silicon Valley, Toronto and Washington DC metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above, in both our new and existing IBX data centers. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$37.7 million of unfavorable foreign currency impact on our Americas revenues primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect that our Americas revenues will continue to grow in future periods as a result of continued growth in the recently-opened IBX data centers and additional IBX data center expansions currently taking place in the Atlanta, Sao Paulo and Washington, D.C. metro areas, which are expected to open during 2016 and 2017. Our estimates of future revenue growth also take into account expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

EMEA Revenues. During the years ended December 31, 2015 and 2014, our revenues from the United Kingdom, the largest revenue contributor in the EMEA region for the periods, represented approximately 37% and 36%, respectively, of the regional revenues. Our EMEA revenue growth was due to (i) \$23.6 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Amsterdam, Frankfurt, London, and Paris metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above, in both our new and existing IBX data centers. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$94.1 million of net unfavorable foreign currency impact on our EMEA revenues primarily due to the generally stronger U.S. dollar relative to the British pound and Euro during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect that our EMEA revenues will continue to grow in future periods as a result of continued growth in recently-opened IBX data centers and additional IBX data center expansions currently taking place in the Amsterdam, Frankfurt and London metro areas, which are expected to open during 2016 and 2017, and as a result of our acquisition of TelecityGroup, which closed in January 2016. Our estimates of future revenue growth also take into account expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

Asia-Pacific Revenues. Our revenues from Singapore, the largest revenue contributor in the Asia-Pacific region, represented approximately 37% and 38% of the regional revenues for the years ended December 31, 2015 and 2014. Our Asia-Pacific revenue growth was due to (i) \$58.8 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Hong Kong, Melbourne, Shanghai, Singapore and Tokyo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above, in both our new and existing IBX data centers. In addition, our Asia-Pacific revenues for the year ended December 31, 2015 included \$21.6 million of revenue attributable to our acquisition of Bit-isle, which closed on November 2, 2015. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$46.4 million of net unfavorable foreign currency impact on our Asia-Pacific revenues primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect that our Asia-Pacific revenues will continue to grow in future periods as a result of continued growth in these recently-opened IBX data center expansions and additional expansions currently taking place in the Hong Kong, Sydney, and Tokyo metro areas, which are expected to open during 2016 and 2017, and as a result of our acquisition of Bit-isle. Our estimates of future revenue growth also take into account expected changes in recurring revenues attributed to customer bookings, customer churn or changes or amendments to customers' contracts.

Cost of Revenues. Our cost of revenues for the years ended December 31, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	\$ 637,604	49%	\$ 605,184	51%	5%	10%
EMEA	350,270	27%	337,095	28%	4%	19%
Asia-Pacific	303,632	24%	255,606	21%	19%	30%
Total	\$ 1,291,506	100%	\$ 1,197,885	100%	8%	17%

	Years ended December 31,	
	2015	2014
<i>Cost of revenues as a percentage of revenues:</i>		
Americas	42%	44%
EMEA	50%	53%
Asia-Pacific	59%	59%
Total	47%	49%

Americas Cost of Revenues. Our Americas cost of revenues for the years ended December 31, 2015 and 2014 included \$219.1 million and \$218.4 million, respectively, of depreciation expense. The increase in our Americas cost of revenues was primarily due to (i) \$17.4 million of higher office expense, utilities, and repair and maintenance costs in support of our business growth, (ii) \$7.3 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (1,032 employees included in Americas cost of revenues as of December 31, 2015 versus 941 as of December 31, 2014), (iii) \$3.9 million of higher costs associated with equipment resales to support the growth of non-recurring revenues and (iv) \$3.5 million of higher property and real property tax expenses primarily due to our newly-opened IBX data centers during the year ended December 31, 2015, partially offset by \$2.6 million of lower rent and facility costs primarily as a result of certain leases being accounted for as capital leases rather than as operating leases. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$29.6 million of net favorable foreign currency impact on our Americas cost of revenues primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect Americas cost of revenues to increase as we continue to grow our business.

EMEA Cost of Revenues. EMEA cost of revenues included \$97.8 million of depreciation expense for the years ended December 31, 2015 and 2014. The increase in our EMEA cost of revenues was primarily due to \$3.4 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (541 employees included in EMEA cost of revenues as of December 31, 2015 versus 473 as of December 31, 2014), and \$13.2 million of higher costs associated with equipment resales, bandwidth and other customer services in support of our non-recurring revenues growth as well as an increase in net losses related to cash flow derivatives. These increases were partially offset by \$5.0 million of lower rent, facilities and utilities expenses and \$2.7 million of lower consulting costs. During the year ended December 31, 2015, the impact of foreign currency fluctuations resulted in approximately \$50.8 million of net favorable foreign currency impact on our EMEA cost of revenues primarily due to the generally stronger U.S. dollar relative to the British pound and Euro during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect EMEA cost of revenues to increase as we continue to grow our business and as a result of our acquisition of TeleticityGroup, which closed in January 2016.

Asia-Pacific Cost of Revenues. Asia-Pacific cost of revenues for the year ended December 31, 2015 included \$17.4 million of cost of revenues attributable to our acquisition of Bit-isle, which closed in November 2015. Excluding cost of revenues attributable to Bit-isle, Asia-Pacific cost of revenues for the year ended December 31, 2015 was \$286.2 million compared to \$255.6 for the year ended December 31, 2014. Depreciation expense, excluding Bit-isle, was \$116.9 million and \$101.4 million for the years ended December 31, 2015 and 2014, respectively. Growth in depreciation expense was primarily due to our IBX data center expansion activity. In addition to the increase in depreciation expense, the increase in Asia-Pacific cost of revenues, excluding cost of revenues attributable to Bit-isle, was primarily due to \$9.9 million in higher consulting costs, utility costs, repairs and maintenance costs and rent and facility costs in support of our revenue growth as well as \$2.8 million of higher compensation

costs, including general salaries, bonuses, stock-based compensation and headcount growth (390 employees included in Asia-Pacific cost of revenues, excluding Bit-isle employees, as of December 31, 2015 versus 342 as of December 31, 2014). During the year ended December 31, 2015, currency fluctuations resulted in approximately \$24.7 million of net favorable foreign currency impact on our Asia-Pacific cost of revenues primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. We expect Asia-Pacific cost of revenues to increase as we continue to grow our business and as a result of our acquisition of Bit-isle.

Sales and Marketing Expenses. Our sales and marketing expenses for the years ended December 31, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	\$ 208,310	63%	\$ 172,264	58%	21%	24%
EMEA	71,871	22%	79,890	27%	(10)%	0%
Asia-Pacific	51,831	15%	43,949	15%	18%	27%
Total	\$ 332,012	100%	\$ 296,103	100%	12%	18%

	Years ended December 31,	
	2015	2014
<i>Sales and marketing expenses as a percentage of revenues:</i>		
Americas	14%	13%
EMEA	10%	13%
Asia-Pacific	10%	10%
Total	12%	12%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was primarily due to (i) \$26.5 million of higher compensation costs, including sales compensation, general salaries, bonuses, commission and stock-based compensation as a result of business and headcount growth (497 Americas sales and marketing employees as of December 31, 2015 versus 450 as of December 31, 2014) and (ii) \$8.6 million of higher travel, consulting and advertising and promotion costs in support of our business growth. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$4.7 million of net favorable foreign currency impact on our Americas sales and marketing expenses primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. Over the past several years, we have been investing in our Americas sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts. Although we anticipate that we will continue to invest in Americas sales and marketing initiatives, we believe our Americas sales and marketing expenses as a percentage of revenues will remain at approximately current levels over the next year or two but should ultimately decrease as we continue to grow our business.

EMEA Sales and Marketing Expenses. The decrease in our EMEA sales and marketing expenses was primarily due to \$4.5 million of lower professional fees primarily due to the termination of certain contracts during 2014. During the year ended December 31, 2015, the impact of foreign currency fluctuations resulted in approximately \$8.3 million of net favorable foreign currency impact on our EMEA sales and marketing expenses primarily due to the generally stronger U.S. dollar relative to the British pound and Euro compared to the year ended December 31, 2014. Over the past several years, we have been investing in our EMEA sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our EMEA sales and marketing expenses as a percentage of revenues have increased. We expect our EMEA sales and marketing expenses to further increase as a result of the TeleticityGroup acquisition. Although we anticipate that we will continue to invest in EMEA sales and marketing initiatives, including the integration of TeleticityGroup, we believe our EMEA sales and marketing expenses as a percentage of revenues will ultimately decrease as we continue to grow our business beyond 2016.

Asia-Pacific Sales and Marketing Expenses. Asia-Pacific sales and marketing expenses for the year ended December 31, 2015 included \$2.2 million of sales and marketing expenses attributable to our acquisition of Bit-isle, which closed in November 2015. Excluding Bit-isle, Asia-Pacific sales and marketing expenses were \$49.6 million for the year ended December 31, 2015 compared to \$43.9 million for the year ended December 31, 2014. The increase in our Asia-Pacific sales and marketing expenses, excluding Bit-isle, was primarily due to \$3.6 million of higher compensation costs, including sales compensation, general salaries, bonuses, commission and stock-based compensation as a result of business and headcount growth (183 Asia-Pacific sales and marketing employees, excluding Bit-isle employees, versus 155 as of December 31, 2014). During the year ended December 31, 2015, the impact of foreign currency fluctuations resulted in approximately \$3.6 million of net favorable impact on our Asia-Pacific sales and marketing expenses primarily due to a generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. Over the past several years, we have been investing in our Asia-Pacific sales and marketing initiatives to further increase our revenue. These investments have included the hiring of additional headcount and new product innovation efforts and, as a result, our Asia-Pacific sales and marketing expenses have increased. We expect our APAC sales and marketing expenses to further increase as a result of the Bit-Isle acquisition. Although we anticipate that we will continue to invest in Asia-Pacific sales and marketing initiatives, including the integration of Bit-isle, we believe our Asia-Pacific sales and marketing expenses as a percentage of revenues will ultimately decrease as we continue to grow our business.

General and Administrative Expenses. Our general and administrative expenses for the years ended December 31, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	\$ 347,421	70%	\$ 315,533	72%	10%	11%
EMEA	92,803	19%	79,942	18%	16%	26%
Asia-Pacific	53,060	11%	42,541	10%	25%	35%
Total	\$ 493,284	100%	\$ 438,016	100%	13%	16%

	Years ended December 31,	
	2015	2014
<i>General and Administrative expenses as a percentage of revenues:</i>		
Americas	23%	23%
EMEA	13%	13%
Asia-Pacific	10%	10%
Total	18%	18%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to (i) \$15.0 million of higher compensation costs, including general salaries, bonuses and stock-based compensation as a result of headcount growth (800 Americas general and administrative employees as of December 31, 2015 versus 731 as of December 31, 2014), (ii) \$17.0 million of higher depreciation expenses primarily associated with the implementation of the Oracle R12 ERP system and certain systems to support the REIT conversion and (iii) \$10.9 million of higher office expenses, travel, entertainment, and rent and facility costs, in support of our business growth, partially offset by an \$11.3 million reduction in professional fees related to our REIT conversion as compared to those incurred during the year ended December 31, 2014. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$3.2 million of net favorable foreign currency impact on our Americas general and administrative expenses primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014. Over the course of the past year, we have been investing in our Americas general and administrative functions to scale this region effectively for growth, which has included additional investments into improving our back office systems. We expect our current efforts to improve our back office systems will continue over the next several years. Going forward, although we are carefully monitoring our spending, we expect Americas general and administrative expenses to increase as we continue to further scale our operations to support our growth, including these investments in our back office systems and maintaining our REIT qualification.

EMEA General and Administrative Expenses. The increase in our EMEA general and administrative expenses was primarily due to (i) approximately \$4.2 million of higher compensation costs, including general salaries, bonuses and stock-based

compensation as a result of headcount growth (420 EMEA general and administrative employees as of December 31, 2015 versus 353 as of December 31, 2014), (ii) \$4.3 million of higher depreciation expenses due to implementation of the Oracle R12 ERP system and certain systems to support the REIT conversion and (iii) \$2.8 million of higher consulting costs primarily due to integration efforts in connection with our acquisition of TelecityGroup as well as an increase in net losses related to cash flow hedging derivatives. During the year ended December 31, 2015, the impact of foreign currency fluctuations resulted in approximately \$7.8 million of net favorable foreign currency impact on our EMEA general and administrative expenses primarily due to the generally stronger U.S. dollar relative to the British pound and Euro during the year ended December 31, 2015 compared to the year ended December 31, 2014. Going forward, although we are carefully monitoring our spending, we expect our EMEA general and administrative expenses to increase in future periods as a result of our acquisition of TelecityGroup and as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Asia-Pacific General and Administrative Expenses. Asia-Pacific general and administrative expenses for the year ended December 31, 2015 included \$5.8 million of general and administrative expenses attributable to our acquisition of Bit-isle, which closed on November 2, 2015. Excluding general and administrative expenses attributable to Bit-isle, Asia-Pacific general and administrative expenses for the year ended December 31, 2015 were \$47.3 million compared to \$42.5 million for the year ended December 31, 2014. Excluding general and administrative expenses attributable to Bit-isle, the increase in our Asia-Pacific general and administrative expenses was primarily due to a \$2.2 million increase in consulting costs, legal fees and other costs for tax-related matters as well as higher compensation costs, including general salaries, bonuses and stock-based compensation as a result of headcount growth (266 Asia-Pacific general and administrative employees, excluding Bit-isle employees, as of December 31, 2015 versus 224 as of December 31, 2014). During the year ended December 31, 2015, the impact of foreign currency fluctuations resulted in approximately \$3.4 million of net favorable impact on our Asia-Pacific general and administrative expenses primarily due to a generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar compared to the year ended December 31, 2014. Going forward, although we are carefully monitoring our spending, we expect Asia-Pacific general and administrative expenses to increase as a result of our acquisition of Bit-isle and as we continue to scale our operations to support our growth; however, as a percentage of revenues, we generally expect them to decrease.

Acquisition Costs. During the year ended December 31, 2015, we recorded acquisition costs totaling \$41.7 million primarily attributed to the EMEA region, and to a lesser degree, to the Asia-Pacific region. During the year ended December 31, 2014, we recorded acquisition costs totaling \$2.5 million primarily attributed to the EMEA region.

Income from Operations. Our income from operations for the years ended December 31, 2015 and 2014 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	\$ 324,458	57%	\$ 282,219	56%	15%	15%
EMEA	145,527	26%	138,685	27%	5%	23%
Asia-Pacific	97,357	17%	88,362	17%	10%	24%
Total	\$ 567,342	100%	\$ 509,266	100%	11%	19%

Americas Income from Operations. The increase in our Americas income from operations was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above, partially offset by higher operating expenses as a percentage of revenues primarily attributable to higher compensation and other headcount related expenses to support our growth.

EMEA Income from Operations. The increase in our EMEA income from operations was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$25.6 million of net unfavorable foreign currency impact on our EMEA income from operations primarily due to the generally stronger U.S. dollar relative to the British pounds and Euro during the year ended December 31, 2015 compared to the year ended December 31, 2014.

Asia-Pacific Income from Operations. The increase in our Asia-Pacific income from operations was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher operating expenses as a percentage of revenues primarily attributable to higher compensation and other headcount related expenses and higher professional fees to support our growth. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$17.5 million of net unfavorable foreign currency impact on our Asia-Pacific income from operations primarily

due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014.

Interest Income. Interest income was \$3.6 million and \$2.9 million for the years ended December 31, 2015 and 2014, respectively. The average yield for the year ended December 31, 2015 was 0.38% versus 0.33% for the year ended December 31, 2014. We expect our interest income to remain at these low levels for the foreseeable future due to the impact of a continued low interest rate environment and a portfolio more weighted towards short-term securities and U.S. government securities in order to satisfy REIT compliance requirements.

Interest Expense. Interest expense increased to \$299.1 million for the year ended December 31, 2015 from \$270.6 million for the year ended December 31, 2014. This increase in interest expense was primarily due to the full impact recognized for the year ended December 31, 2015 of our \$1.25 billion of senior notes issued in November 2014, the \$0.5 billion Term loan A we borrowed in December 2014 under our senior credit facility and \$18 million of higher interest expense from various capital lease and other financing obligations to support our expansion projects, which was partially offset by the redemption of our 7.00% senior notes in December 2014, the settlement of the 3.00% convertible notes and the partial redemption of the 4.75% convertible notes in June 2014. During the years ended December 31, 2015 and 2014, we capitalized \$10.9 million and \$19.0 million, respectively, of interest expense to construction in progress. Going forward, we expect to incur higher interest expense as we recognize the full impact of our \$1.1 billion of senior notes issued in December 2015 and the full impact of financing our acquisition of Bit-isle as well as the impact of approximately \$0.7 billion of borrowings under our Term loan B commitments under our senior credit facility that we completed in January 2016. We may also incur additional indebtedness to support our growth, resulting in higher interest expense.

Other Income (Expense). We recorded net expense of \$60.6 million and net income of \$0.1 million for the years December 31, 2015 and 2014, respectively, primarily due to foreign currency exchange gains and losses during the periods. The expense recorded in 2015 is primarily attributed to foreign currency losses to fund the TelecityGroup acquisition purchase price.

Loss on Debt Extinguishment. During the year ended December 31, 2015, we recorded a \$0.3 million loss on debt extinguishment which was attributable to partial conversions of our 4.75% convertible subordinated notes in December 2015. During the year ended December 31, 2014, we recorded a \$157.0 million loss on debt extinguishment, of which \$51.2 million was attributable to the exchanges of the 3.00% convertible subordinated notes and 4.75% convertible subordinated notes, \$103.3 million was attributable to the redemption of our \$750.0 million 7.00% senior notes and \$2.5 million was attributable to the prepayment and termination of our \$750.0 million multicurrency credit facility. For additional information, see "Loss on Debt Extinguishment" in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Income Taxes. Effective January 1, 2015, we have operated as a REIT for federal income tax purposes. As a REIT, we are generally not subject to U.S. income taxes on taxable income distributed to our stockholders. We distributed the entire taxable income generated by the operations of our REIT and its QRSs for the tax year ending December 31, 2015. As such, no provision for U.S. federal income taxes for the REIT and its QRSs has been included in the accompanying consolidated financial statements for the year ended December 31, 2015.

We have made TRS elections for some of our subsidiaries in and outside the U.S. In general, a TRS may provide services that would otherwise be considered impermissible for REITs to provide and may hold assets that REITs cannot hold directly. U.S. income taxes for the TRS entities located in the U.S. and foreign income taxes for our foreign operations regardless of whether the foreign operations are operated as a QRS or TRS were accrued, as necessary, for the year ended December 31, 2015.

For the years ended December 31, 2015 and 2014, we recorded \$23.2 million and \$345.5 million of income tax expenses, respectively. We recognized a significantly lower income tax provision in 2015 as compared to the income tax provision in 2014 primarily due to the de-recognition, in 2014, of the deferred tax assets and liabilities of our U.S. operations upon conversion to a REIT. As a REIT, we are entitled to a deduction for dividends paid, resulting in a substantial reduction of U.S. income tax expense. Substantially all of our income tax expense for 2015 is for foreign income taxes incurred by our foreign subsidiaries and U.S. income tax incurred by our U.S. TRSs.

The \$345.5 million of income tax expense recorded during the year ended December 31, 2014 was primarily attributable to the statutory tax rate change due to our REIT conversion, which resulted in a \$324.1 million domestic deferred tax assets write-off. In connection with the formal approval of our conversion to a REIT by our Board of Directors in December 2014, we reassessed, in the fourth quarter of 2014, the deferred tax assets and liabilities of our U.S. operations to be included in the REIT structure. The reevaluation resulted in de-recognizing the deferred tax assets and liabilities of our REIT's U.S. operations, excluding the deferred tax liabilities associated with the depreciation and amortization recapture expected in 2015. The de-recognition of the deferred tax

assets and liabilities of our REIT's U.S. operations occurred because the expected recovery or settlement of the related assets and liabilities will not result in deductible or taxable amounts in any post-REIT conversion periods. The deferred tax assets and liabilities associated with our foreign operations, regardless of whether such foreign operations were part of the REIT conversion, are not subject to the de-recognition assessment. We generally do not expect our occasional sale of assets to result in a material tax liability.

Our effective tax rates were 11.0% and 407.7%, respectively, for the years ended December 31, 2015 and 2014. Our effective tax rate for the year ended December 31, 2014 was primarily due to tax expense attributable to the \$324.1 million domestic deferred tax assets write-off as a result of our REIT conversion. Excluding this tax expense, our effective tax rate would have been 25.2% for the year ended December 31, 2014. Due to our REIT conversion, we are entitled to a deduction for dividends paid, which results in a substantial reduction of U.S. income tax expense. As a REIT, substantially all of our income tax expense is the foreign income tax incurred by our foreign subsidiaries and the U.S. income tax expense incurred by our U.S. TRSs. Assuming no material changes to tax rules and regulations, as a REIT we expect our effective long-term world-wide cash tax rate to remain in the range of 10% to 15%.

We recorded excess income tax benefits of \$30,000 and \$18.6 million during the years ended December 31, 2015 and 2014, respectively, in our consolidated balance sheets.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the performance of our segments, measure the operational cash generating abilities of our segments and develop regional growth strategies such as IBX data center expansion decisions. We define adjusted EBITDA as income or loss from operations plus depreciation expense, amortization expense, accretion expense, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs. See "Non-GAAP Financial Measures" below for more information about adjusted EBITDA and a reconciliation of adjusted EBITDA to income or loss from operations. Periodically, we enter into new lease agreements or amend existing lease agreements. To the extent we conclude that a lease is an operating lease, the rent expense may decrease our adjusted EBITDA whereas to the extent we conclude that a lease is a capital or financing lease, and this lease was previously reported as an operating lease, this outcome may increase our adjusted EBITDA. Our adjusted EBITDA for the years ended December 31, 2015 and 2014 was split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2015	%	2014	%	Actual	Constant currency
Americas	\$ 698,604	55%	\$ 635,007	57%	10%	12%
EMEA	318,561	25%	269,222	24%	18%	35%
Asia-Pacific	254,462	20%	209,662	19%	21%	34%
Total	\$ 1,271,627	100%	\$ 1,113,891	100%	14%	22%

Americas Adjusted EBITDA. The increase in our Americas adjusted EBITDA was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above, partially offset by higher adjusted operating expenses as a percentage of revenues primarily attributable to higher compensation and other headcount related expenses to support our growth. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$12.2 million of net unfavorable foreign currency impact on our Americas adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014.

EMEA Adjusted EBITDA. The increase in our EMEA adjusted EBITDA was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$45.4 million of net unfavorable foreign currency impact on our EMEA adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the British pounds and Euro during the year ended December 31, 2015 compared to the year ended December 31, 2014.

Asia-Pacific Adjusted EBITDA. The increase in our Asia-Pacific adjusted EBITDA was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher adjusted operating expenses as percentages of revenues primarily attributable to higher compensation and other headcount related expenses and higher professional fees to support our growth. During the year ended December 31, 2015, currency fluctuations resulted in approximately \$26.1 million of net unfavorable foreign currency impact on our Asia-Pacific adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2015 compared to the year ended December 31, 2014.

Years Ended December 31, 2014 and 2013

Revenues. Our revenues for the years ended December 31, 2014 and 2013 were generated from the following revenue classifications and geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas:						
Recurring revenues	\$ 1,311,518	54%	\$ 1,214,301	56%	8%	10%
Non-recurring revenues	64,585	3%	50,473	3%	28%	28%
	<u>1,376,103</u>	<u>57%</u>	<u>1,264,774</u>	<u>59%</u>	<u>9%</u>	<u>11%</u>
EMEA:						
Recurring revenues	598,953	24%	492,361	23%	22%	19%
Non-recurring revenues	38,312	1%	32,657	1%	17%	19%
	<u>637,265</u>	<u>25%</u>	<u>525,018</u>	<u>24%</u>	<u>21%</u>	<u>19%</u>
Asia-Pacific:						
Recurring revenues	407,319	17%	343,300	16%	19%	22%
Non-recurring revenues	23,089	1%	19,674	1%	17%	26%
	<u>430,408</u>	<u>18%</u>	<u>362,974</u>	<u>17%</u>	<u>19%</u>	<u>22%</u>
Total:						
Recurring revenues	2,317,790	95%	2,049,962	95%	13%	14%
Non-recurring revenues	125,986	5%	102,804	5%	23%	25%
	<u>\$ 2,443,776</u>	<u>100%</u>	<u>\$ 2,152,766</u>	<u>100%</u>	<u>14%</u>	<u>15%</u>

Americas Revenues. During the years ended December 31, 2014 and 2013, our revenues from the United States, the largest revenue contributor in the Americas region for the periods, represented approximately 91% of the regional revenues. Growth in Americas revenues was primarily due to (i) \$38.3 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Atlanta, Chicago, Dallas, Miami, New York and Sao Paulo metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$22.1 million of unfavorable foreign currency impact on our Americas revenues primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013. We expect that our Americas revenues will continue to grow in future periods as a result of continued growth in the recently-opened IBX data centers and additional IBX data center expansions currently taking place in the Dallas, New York, Philadelphia, Rio de Janeiro, Seattle, Silicon Valley, Toronto and Washington, D.C. metro areas, which opened during 2015.

EMEA Revenues. During the years ended December 31, 2014 and 2013, our revenues from the United Kingdom, the largest revenue contributor in the EMEA region for the periods, represented approximately 36% of the regional revenues. Our EMEA revenue growth was due to (i) \$20.0 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Amsterdam and Frankfurt metro areas and (ii) an increase in orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above, in both our new and existing IBX data centers. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$11.1 million of favorable foreign currency impact on our EMEA revenues primarily due to the generally weaker U.S. dollar relative to the British pound, Euro and Swiss franc during the year ended December 31, 2014 compared to the year ended December 31, 2013. We expect that our EMEA revenues will continue to grow in future periods as a result of continued growth in recently-opened IBX data centers and an additional IBX data center expansion currently taking place in the Amsterdam, Frankfurt, London and Paris metro areas, which opened during 2015.

Asia-Pacific Revenues. Our revenues from Singapore, the largest revenue contributor in the Asia-Pacific region, represented approximately 38% and 36%, respectively, of the regional revenues for the years ended December 31, 2014 and 2013. Our Asia-Pacific revenue growth was due to (i) \$53.4 million of revenue generated from our recently-opened IBX data centers and IBX data center expansions in the Hong Kong, Melbourne, Osaka, Singapore, Sydney and Tokyo metro areas and (ii) an increase in

orders from both our existing customers and new customers during the period as reflected in the growth in our utilization rate, as discussed above, in both our new and existing IBX data centers. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$13.7 million of net unfavorable foreign currency impact on our Asia-Pacific revenues primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013. We expect that our Asia-Pacific revenues will continue to grow in future periods as a result of continued growth in these recently-opened IBX data center expansions and additional expansions currently taking place in the Hong Kong, Singapore and Tokyo metro areas, which opened during 2015 or are expected to open during 2016.

Cost of Revenues. Our cost of revenues for the years ended December 31, 2014 and 2013 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas	\$ 605,184	51%	\$ 576,869	54%	5%	8%
EMEA	337,095	28%	271,965	26%	24%	22%
Asia-Pacific	255,606	21%	215,569	20%	19%	22%
Total	\$ 1,197,885	100%	\$ 1,064,403	100%	13%	14%

	Years ended December 31,	
	2014	2013
<i>Cost of revenues as a percentage of revenues:</i>		
Americas	44%	46%
EMEA	53%	52%
Asia-Pacific	59%	59%
Total	49%	49%

Americas Cost of Revenues. Our Americas cost of revenues for the years ended December 31, 2014 and 2013 included \$218.4 million and \$216.6 million, respectively, of depreciation expense. Excluding depreciation expense, the increase in our Americas cost of revenues was primarily due to (i) \$17.7 million of higher utilities and repair and maintenance expense in support of our business growth, (ii) \$8.7 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (941 employees included in Americas cost of revenues as of December 31, 2014 versus 894 as of December 31, 2013), (iii) \$8.1 million of higher costs associated with equipment resales to support the growth of non-recurring revenues and (iv) \$3.9 million of higher accretion expenses as a result of the reversal of asset retirement obligations during the year ended December 31, 2013 associated with the execution of certain lease amendments, partially offset by \$12.9 million of lower rent and facility costs primarily as a result of either certain leases no longer being subject to operating lease treatment or the purchase of previously-leased sites. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$16.3 million of favorable foreign currency impact on our Americas cost of revenues primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

EMEA Cost of Revenues. EMEA cost of revenues for the years ended December 31, 2014 and 2013 included \$97.8 million and \$77.9 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in our EMEA cost of revenues was primarily due to (i) \$29.9 million of higher utility costs, repair and maintenance, professional fees and rent and facility costs in support of our revenue growth, (ii) \$7.4 million of higher compensation, including general salaries, bonuses, stock-based compensation and headcount growth (473 employees included in EMEA cost of revenues as of December 31, 2014 versus 396 as of December 31, 2013) and (iii) \$5.8 million of higher costs associated with equipment resales, bandwidth and other customer services in support of our non-recurring revenues growth. During the year ended December 31, 2014, the impact of foreign currency fluctuations resulted in approximately \$4.4 million of unfavorable foreign currency impact on our EMEA cost of revenues primarily due to the generally

weaker U.S. dollar relative to the British pound, Euro and Swiss franc during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Asia-Pacific Cost of Revenues. Asia-Pacific cost of revenues for the years ended December 31, 2014 and 2013 included \$101.4 million and \$82.6 million, respectively, of depreciation expense. Growth in depreciation expense was primarily due to our IBX data center expansion activity. Excluding depreciation expense, the increase in Asia-Pacific cost of revenues was primarily due to (i) \$13.7 million in higher utility costs, repairs and maintenance costs, as well as rent and facility costs in support of our revenue growth; (ii) \$2.7 million of higher compensation costs, including general salaries, bonuses, stock-based compensation and headcount growth (342 employees included in Asia-Pacific cost of revenues as of December 31, 2014 versus 289 as of December 31, 2013) and (iii) \$3.3 million of higher costs associated with equipment resales in support of our non-recurring revenues growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$8.4 million of net favorable foreign currency impact on our Asia-Pacific cost of revenues primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Sales and Marketing Expenses. Our sales and marketing expenses for the years ended December 31, 2014 and 2013 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas	\$ 172,264	58%	\$ 144,178	58%	19%	21%
EMEA	79,890	27%	68,925	28%	16%	12%
Asia-Pacific	43,949	15%	33,520	14%	31%	35%
Total	\$ 296,103	100%	\$ 246,623	100%	20%	21%

	Years ended December 31,	
	2014	2013
<i>Sales and marketing expenses as a percentage of revenues:</i>		
Americas	13%	11%
EMEA	13%	13%
Asia-Pacific	10%	9%
Total	12%	11%

Americas Sales and Marketing Expenses. The increase in our Americas sales and marketing expenses was primarily due to (i) \$21.6 million of higher compensation costs, including sales compensation, general salaries, bonuses, commission, stock-based compensation as a result of headcount growth (450 Americas sales and marketing employees as of December 31, 2014 versus 395 as of December 31, 2013) and (ii) \$5.3 million of higher travel, advertising and promotion costs in support of our business growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$2.5 million of favorable foreign currency impact on our Americas sales and marketing expenses primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

EMEA Sales and Marketing Expenses. The increase in our EMEA sales and marketing expenses was primarily due to \$8.2 million of higher compensation costs, including sales compensation, general salaries, bonuses and stock-based compensation expense as a result of business growth, which incorporates a change in our sales commission practices whereby our sales commission accrual will occur when sales orders are booked versus when the sales orders are billed. For the year ended December 31, 2014, the impact of foreign currency fluctuations on our EMEA sales and marketing expenses was not significant when compared to average exchange rates of the year ended December 31, 2013.

Asia-Pacific Sales and Marketing Expenses. The increase in our Asia-Pacific sales and marketing expenses was primarily due to \$9.5 million of higher compensation costs, including sales compensation, general salaries, bonuses, commission, stock-based compensation as a result of business and headcount growth (155 Asia-Pacific sales and marketing employees as of December 31,

2014 versus 120 as of December 31, 2013), which incorporates a change in our sales commission practices whereby our sales commission accrual will occur when sales orders are booked versus when the sales orders are billed. For the year ended December 31, 2014, the impact of foreign currency fluctuations to our Asia-Pacific sales and marketing expenses was not significant when compared to average exchange rates of the year ended December 31, 2013.

General and Administrative Expenses. Our general and administrative expenses for the years ended December 31, 2014 and 2013 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas	\$ 315,533	72%	\$ 263,145	70%	20%	21%
EMEA	79,942	18%	72,867	19%	10%	7%
Asia-Pacific	42,541	10%	38,778	11%	10%	12%
Total	\$ 438,016	100%	\$ 374,790	100%	17%	17%

	Years ended December 31,	
	2014	2013
<i>General and Administrative expenses as a percentage of revenues:</i>		
Americas	23%	21%
EMEA	13%	14%
Asia-Pacific	10%	11%
Total	18%	17%

Americas General and Administrative Expenses. The increase in our Americas general and administrative expenses was primarily due to (i) \$24.9 million of higher compensation costs, including general salaries, bonuses, stock-based compensation, as a result of headcount growth (731 Americas general and administrative employees as of December 31, 2014 versus 695 as of December 31, 2013) and the exercise of the ALOG stock options, (ii) \$15.2 million of higher professional fees, recruiting, training and travel expenses to support the REIT conversion, (iii) \$5.4 million of higher depreciation expenses primarily due to implementation of our Oracle R12 ERP system and certain systems to support the REIT conversion and (iv) \$4.0 million higher of office expenses in support of our business growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$2.4 million of favorable foreign currency impact on our Americas general and administrative expenses primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

EMEA General and Administrative Expenses. The increase in our EMEA general and administrative expenses was primarily due to (i) approximately \$3.7 million of higher compensation costs, including general salaries, bonuses and headcount growth (353 EMEA general and administrative employees as of December 31, 2014 versus 301 as of December 31, 2013) and (ii) \$2.5 million of higher depreciation expenses due to implementation of the Oracle R12 ERP system and certain systems to support the REIT conversion. During the year ended December 31, 2014, the impact of foreign currency fluctuations resulted in approximately \$2.0 million of unfavorable foreign currency impact on our EMEA general and administrative expenses primarily due to the generally weaker U.S. dollar relative to the British pound, Euro and Swiss franc during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Asia-Pacific General and Administrative Expenses. The increase in our Asia-Pacific general and administrative expenses was primarily due to \$4.2 million of higher compensation costs, including general salaries, bonuses and headcount growth (224 Asia-Pacific general and administrative employees as of December 31, 2014 versus 208 as of December 31, 2013). For the year ended December 31, 2014, the impact of foreign currency fluctuations on our Asia-Pacific general and administrative expenses was not significant when compared to average exchange rates of the year ended December 31, 2013.

Restructuring Charges. During the year ended December 31, 2014, we did not record any restructuring charges. During the year ended December 31, 2013, we recorded a \$4.8 million reversal of the restructuring charge accrual for our excess space in the

New York 2 IBX data center as a result of our decision to purchase this property and utilize the space. See “Restructuring Charges” in Note 17 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Acquisition Costs. During the year ended December 31, 2014, we recorded acquisition costs totaling \$2.5 million primarily attributed to the EMEA region. During the year ended December 31, 2013, we recorded acquisition costs totaling \$10.9 million primarily attributed to our Americas and EMEA regions.

Income from Operations. Our income from operations for the years ended December 31, 2014 and 2013 were split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas	\$ 282,219	56%	\$ 279,785	61%	1%	1%
EMEA	138,685	27%	106,221	23%	31%	28%
Asia-Pacific	88,362	17%	74,926	16%	18%	22%
Total	\$ 509,266	100%	\$ 460,932	100%	10%	11%

Americas Income from Operations. The increase in our Americas income from operations was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above, partially offset by higher operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth.

EMEA Income from Operations. The increase in our EMEA income from operations was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$3.3 million of net favorable foreign currency impact on our EMEA income from operations primarily due to the generally weaker U.S. dollar relative to the Euro and Swiss franc during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Asia-Pacific Income from Operations. The increase in our Asia-Pacific income from operations was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$3.2 million of net unfavorable foreign currency impact on our Asia-Pacific income from operations primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Interest Income. Interest income was \$2.9 million and \$3.4 million for the years ended December 31, 2014 and 2013, respectively. The average yield for the year ended December 31, 2014 was 0.33% versus 0.32% for the year ended December 31, 2013.

Interest Expense. Interest expense increased to \$270.6 million for the year ended December 31, 2014 from \$248.8 million for the year ended December 31, 2013. This increase in interest expense was primarily due to the impact of our \$1.25 billion senior notes offering in November 2014 and \$29.8 million of higher interest expense from various capital lease and other financing obligations to support our expansion projects, which was offset by the redemption of our 7.00% senior notes in December 2014, the settlement of the 3.00% convertible notes, the partial redemption of the 4.75% convertible notes in June 2014 and more capitalized interest expense. During the years ended December 31, 2014 and 2013, we capitalized \$19.0 million and \$10.6 million, respectively, of interest expense to construction in progress.

Other Income (Expense). We recorded \$0.1 million and \$5.3 million, respectively, of other income for the years ended December 31, 2014 and 2013, primarily due to foreign currency exchange gains (losses) during the periods.

Loss on Debt Extinguishment. During the year ended December 31, 2014, we recorded a \$157.0 million loss on debt extinguishment, of which \$51.2 million was attributable to the exchanges of the 3.00% convertible subordinated notes and 4.75% convertible subordinated notes, \$103.3 million was attributable to the redemption of our \$750.0 million 7.00% senior notes and \$2.5 million was attributable to the prepayment and termination of our \$750.0 million multicurrency credit facility. During the year ended December 31, 2013, we recorded a \$108.5 million loss on debt extinguishment, of which \$93.6 million was attributable

to the redemption of our \$750 million 8.125% senior notes, \$13.2 million was attributable to the extinguishment of the financing liabilities for our London 4 and 5 IBX data centers and \$1.7 million was attributable to an amendment of our New York 5 and 6 IBX lease. For additional information, see "Loss on Debt Extinguishment" in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Income Taxes. During the year ended December 31, 2014, we recorded \$345.5 million of income tax expense. The income tax expense recorded during the year ended December 31, 2014 was primarily attributable to the statutory tax rate change due to our anticipated REIT conversion, which resulted in a \$324.1 million domestic deferred tax assets write-off. In connection with the formal approval of our conversion to a REIT by our Board of Directors in December 2014, we reassessed, in the fourth quarter of 2014, the deferred tax assets and liabilities of our U.S. operations to be included in the REIT structure. The reevaluation resulted in de-recognizing the deferred tax assets and liabilities of our REIT's U.S. operations, excluding the deferred tax liabilities associated with the depreciation and amortization recapture expected in 2015. The de-recognition of the deferred tax assets and liabilities of our REIT's U.S. operations occurred because the expected recovery or settlement of the related assets and liabilities will not result in deductible or taxable amounts in any post-REIT conversion periods. The deferred tax assets and liabilities associated with our foreign operations, regardless of whether such foreign operations are part of the REIT conversion, are not subject to the de-recognition assessment. In addition, we generally do not expect our occasional sale of assets to result in a material tax liability. As of December 31, 2014, we had a net deferred tax liability of approximately \$52.2 million for our domestic operations, which included approximately \$82.5 million of deferred tax liabilities associated with the depreciation and amortization recapture.

During the year ended December 31, 2013, we recorded \$16.2 million of income tax expense. The income tax expense recorded during the year ended December 31, 2013 was primarily attributable to our foreign operations, as we incurred losses in our domestic operations during the period. Our effective tax rates were 407.7% and 14.4%, respectively, for the years ended December 31, 2014 and 2013. The increase in our effective tax rate was primarily due to tax expense attributable to the domestic deferred tax assets write-off as a result of our REIT conversion. Excluding this tax expense, our effective tax rate would have been 25.2% for the year ended December 31, 2014.

During the year ended December 31, 2013, we utilized all of our federal net operating losses free of Section 382 limitations in the U.S. for which a deferred tax asset had been previously recognized and all of our windfall tax losses in the U.S. for which a deferred tax asset had not been previously recognized. We recorded excess income tax benefits of \$18.6 million and \$25.6 million during the year ended December 31, 2014 and 2013, respectively, in our consolidated balance sheet.

To better align our EMEA corporate structure and intercompany relationship with the nature of our business activities and regional centralization, we commenced certain reorganization activities during the fourth quarter of 2012 in the EMEA region. The new organizational structure centralized the majority of our EMEA business management activities in the Netherlands effective July 1, 2013. In December 2013, our Dutch subsidiaries that were created to carry-out EMEA's centralized management activities received favorable rulings from the Dutch Tax Authorities effective July 1, 2013. The rulings acknowledge the reorganization and agree to a lower level of earnings by our Dutch subsidiaries subject to tax in the Netherlands. The rulings also require both the Dutch Tax Authorities and our Dutch subsidiaries to revisit and renew the agreement in five years from the effective date. As a result, we expect our overall effective tax rate will be lower in subsequent periods as the new structure takes full effect.

Adjusted EBITDA. Adjusted EBITDA is a key factor in how we assess the performance of our segments, measure the operational cash generating abilities of our segments and develop regional growth strategies such as IBX data center expansion decisions. We define adjusted EBITDA as income or loss from operations plus depreciation expense, amortization expense, accretion expense, stock-based compensation, restructuring charges, impairment charges and acquisition costs. See "Non-GAAP Financial Measures" below for more information about adjusted EBITDA and a reconciliation of adjusted EBITDA to income or loss from operations. Periodically, we enter into new lease agreements or amend existing lease agreements. To the extent we conclude that a lease is an operating lease, the rent expense may decrease our adjusted EBITDA whereas to the extent we conclude that a lease is a capital or financing lease, and this lease was previously reported as an operating lease, this outcome may increase our adjusted EBITDA. Our adjusted EBITDA for the years ended December 31, 2014 and 2013 was split among the following geographic regions (dollars in thousands):

	Years ended December 31,				% change	
	2014	%	2013	%	Actual	Constant currency
Americas	\$ 635,007	57%	\$ 608,718	61%	4%	6%
EMEA	269,222	24%	216,186	22%	25%	22%
Asia-Pacific	209,662	19%	175,994	17%	19%	23%
Total	\$ 1,113,891	100%	\$ 1,000,898	100%	11%	12%

Americas Adjusted EBITDA. The increase in our Americas adjusted EBITDA was due to higher revenues as result of our IBX data center expansion activity and organic growth as described above, partially offset by higher adjusted operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$8.1 million of unfavorable foreign currency impact on our Americas adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Brazilian real and Canadian dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

EMEA Adjusted EBITDA. The increase in our EMEA adjusted EBITDA was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher adjusted operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$4.9 million of net favorable foreign currency impact on our EMEA adjusted EBITDA primarily due to the generally weaker U.S. dollar relative to the Euro and Swiss franc during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Asia-Pacific Adjusted EBITDA. The increase in our Asia-Pacific adjusted EBITDA was primarily due to higher revenues as a result of our IBX data center expansion activity and organic growth as described above, partially offset by higher adjusted operating expenses as a percentage of revenues primarily attributable to higher compensation expense and higher professional fees to support our growth. During the year ended December 31, 2014, currency fluctuations resulted in approximately \$7.0 million of net unfavorable foreign currency impact on our Asia-Pacific adjusted EBITDA primarily due to the generally stronger U.S. dollar relative to the Australian dollar, Japanese yen and Singapore dollar during the year ended December 31, 2014 compared to the year ended December 31, 2013.

Non-GAAP Financial Measures

We provide all information required in accordance with generally accepted accounting principles (“GAAP”), but we believe that evaluating our ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, we use non-GAAP financial measures to evaluate our operations.

Non-GAAP financial measures are not a substitute for financial information prepared in accordance with GAAP. Non-GAAP financial measures should not be considered in isolation, but should be considered together with the most directly comparable GAAP financial measures and the reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measures. We have presented such non-GAAP financial measures to provide investors with an additional tool to evaluate our operating results in a manner that focuses on what management believes to be our core, ongoing business operations. We believe that the inclusion of these non-GAAP financial measures provides consistency and comparability with past reports and provides a better understanding of the overall performance of the business and ability to perform in subsequent periods. We believe that if we did not provide such non-GAAP financial information, investors would not have all the necessary data to analyze Equinix effectively.

Investors should note that the non-GAAP financial measures used by us may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as those of other companies. Investors should therefore exercise caution when comparing non-GAAP financial measures used by us to similarly titled non-GAAP financial measures of other companies.

Our primary non-GAAP financial measures, adjusted funds from operations (“AFFO”) and adjusted EBITDA, exclude depreciation expense as these charges primarily relate to the initial construction costs of our IBX data centers and do not reflect our current or future cash spending levels to support our business. Our IBX data centers are long-lived assets and have an economic life greater than 10 years. The construction costs of an IBX data center do not recur with respect to such data center, although we may incur initial construction costs in future periods with respect to additional IBX data centers, and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the

estimated useful lives of our IBX data centers. These estimates could vary from actual performance of the asset, are based on historical costs incurred to build out our IBX data centers and are not indicative of current or expected future capital expenditures. Therefore, we exclude depreciation from our operating results when evaluating our operations.

In addition, in presenting AFFO and adjusted EBITDA, we exclude amortization expense related to certain intangible assets, as it represents the amortization of a cost that may not recur and is not meaningful in the evaluation of our current or future operating performance. We exclude accretion expense, both as it relates to asset retirement obligations as well as accrued restructuring charge liabilities, as these expenses represent costs which we believe are not meaningful in evaluating our current operations. We exclude stock-based compensation expense as it represents expense attributed to equity awards that have no current or future cash obligations. As such, we, and many investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. We also exclude restructuring charges. The restructuring charges relate to our decisions to exit leases for excess space adjacent to several of our IBX data centers, which we did not intend to build out, or our decision to reverse such restructuring charges. We also exclude impairment charges related to certain long-lived assets. The impairment charges are related to expense recognized whenever events or changes in circumstances indicate that the carrying amount of long-lived assets are not recoverable. Finally, we exclude acquisition costs from AFFO and adjusted EBITDA. The acquisition costs relate to costs we incur in connection with business combinations. Management believes items such as restructuring charges, impairment charges and acquisition costs are non-core transactions; however, these types of costs may occur in future periods.

Adjusted EBITDA

We define adjusted EBITDA as income or loss from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs as presented below (in thousands):

	Years ended December 31,		
	2015	2014	2013
Income from operations	\$ 567,342	\$ 509,266	\$ 460,932
Depreciation, amortization, and accretion expense	528,929	484,129	431,008
Stock-based compensation expense	133,633	117,990	102,940
Restructuring charges	—	—	(4,837)
Acquisition costs	41,723	2,506	10,855
Adjusted EBITDA	<u>\$ 1,271,627</u>	<u>\$ 1,113,891</u>	<u>\$ 1,000,898</u>

Our adjusted EBITDA results have improved each year and in each region in total dollars due to the improved operating results discussed earlier in “Results of Operations”, as well as the nature of our business model consisting of a recurring revenue stream and a cost structure which has a large base that is fixed in nature also discussed earlier in “Overview”.

Funds from Operations (“FFO”) and AFFO

We use FFO and AFFO, which are non-GAAP financial measures commonly used in the REIT industry. FFO is calculated in accordance with the standards established by the National Association of Real Estate Investment Trusts (“NAREIT”). FFO represents net income (loss), excluding gains (losses) from the disposition of real estate assets, depreciation and amortization on real estate assets and adjustments for unconsolidated joint ventures’ and non-controlling interests’ share of these items.

We use AFFO to evaluate our performance on a consolidated basis and as a metric in the determination of employees’ annual bonuses beginning in 2015 and vesting of restricted stock units that were granted in 2015 that have both service and performance conditions. In presenting AFFO, we exclude certain items that we believe are not good indicators of our current or future operating performance. AFFO represents FFO excluding depreciation and amortization expense on non-real estate assets, accretion, stock-based compensation, restructuring charges, impairment charges, acquisition costs, an installation revenue adjustment, a straight-line rent expense adjustment, amortization of deferred financing costs, gains (losses) on debt extinguishment, an income tax expense adjustment, recurring capital expenditures and adjustments for unconsolidated joint ventures’ and non-controlling interests’ share of these items. We include an adjustment for revenue from installation fees, since installation fees are deferred and recognized ratably over the expected life of the installation, although the fees are generally paid in a lump sum upon installation. We include an adjustment for straight-line rent expense on its operating leases, since the total minimum lease payments are recognized ratably over the lease term, although the lease payments generally increase over the lease term. The adjustments for both installation revenue and straight-line rent expense are intended to isolate the cash activity included within the straight-lined or amortized results in the consolidated statement of operations. We exclude the amortization of deferred financing costs as these expenses relate to the initial costs incurred in connection with debt financings that have no current or future cash obligations. We exclude gains (losses) on debt extinguishment since it represents a cost that may not recur and is not a good indicator of our current or future

operating performance. We include an income tax expense adjustment, which represents changes in its income tax reserves and valuation allowances that may not recur or may not relate to the current year's operations. We also excludes recurring capital expenditures, which represent expenditures to extend the useful life of its IBX centers or other assets that are required to support current revenues.

Our FFO and AFFO for were as follows (in thousands):

	Years ended December 31,		
	2015	2014	2013
Net income (loss)	\$ 187,774	\$ (260,726)	\$ 96,123
Net (income) loss attributable to redeemable non-controlling interests	—	1,179	(1,438)
Net (income) loss attributable to Equinix	187,774	(259,547)	94,685
Adjustments:			
Real estate depreciation and amortization	439,969	417,703	377,049
Gain/loss on disposition of real estate property	1,382	301	825
Adjustments for FFO from unconsolidated joint ventures	113	112	112
Non-controlling interests' share of above adjustments	—	(5,303)	(6,711)
NAREIT FFO attributable to common shareholders	<u>\$ 629,238</u>	<u>\$ 153,266</u>	<u>\$ 465,960</u>

	Years ended December 31,		
	2015	2014	2013
NAREIT FFO attributable to common shareholders	\$ 629,238	\$ 153,266	\$ 465,960
Adjustments:			
Installation revenue adjustment	35,498	25,720	25,017
Straight-line rent expense adjustment	7,931	13,048	8,612
Amortization of deferred financing costs	16,135	19,020	24,429
Stock-based compensation expense	133,633	117,990	102,940
Non-real estate depreciation expense	58,165	36,232	28,395
Amortization expense	27,446	27,756	27,287
Accretion expense	3,349	2,438	(1,723)
Recurring capital expenditures	(120,281)	(105,366)	(93,504)
Loss on debt extinguishment	289	156,990	108,501
Restructuring charge reversal	—	—	(4,837)
Acquisition costs	41,723	2,506	10,855
Income tax expense adjustment ⁽¹⁾	(1,270)	315,289	(16,421)
Adjustments for AFFO from unconsolidated joint ventures	(58)	(76)	(185)
Non-controlling interests' share of above adjustments	—	(3,134)	(5,824)
Adjusted Funds from Operations (AFFO) attributable to common shareholders	<u>\$ 831,798</u>	<u>\$ 761,679</u>	<u>\$ 679,502</u>

(1) Represents changes in its income tax reserves and valuation allowances that may not relate to the current year's operations.

Our AFFO results have improved due to the improved operating results discussed earlier in "Results of Operations," as well as due to the nature of our business model which consists of a recurring revenue stream and a cost structure which has a large base that is fixed in nature as discussed earlier in "Overview."

Constant Currency Presentation

Our revenues and certain operating expenses (cost of revenues, sales and marketing and general and administrative expenses) from our international operations have represented and will continue to represent a significant portion of our total revenues and

certain operating expenses. As a result, our revenues and certain operating expenses have been and will continue to be affected by changes in the U.S. dollar against major international currencies such as the Brazilian reals, British pound, Canadian dollar, Euro, Swiss franc, Australian dollar, Chinese Yuan, Hong Kong dollar, Japanese yen and Singapore dollar. In order to provide a framework for assessing how each of our business segments performed excluding the impact of foreign currency fluctuations, we present period-over-period percentage changes in our revenues and certain operating expenses on a constant currency basis in addition to the historical amounts as reported. Presenting constant currency results of operations is a non-GAAP financial measure and is not meant to be considered in isolation or as an alternative to GAAP results of operations. However, we have presented this non-GAAP financial measure to provide investors with an additional tool to evaluate our operating results. To present this information, our current and comparative prior period revenues and certain operating expenses from entities reporting in currencies other than the U.S. dollar are converted into U.S. dollars at constant exchange rates rather than the actual exchange rates in effect during the respective periods (i.e. average rates in effect for the year ended December 31, 2014 are used as exchange rates for the year ended December 31, 2015 when comparing the year ended December 31, 2015 with the year ended December 31, 2014, and average rates in effect for the year ended December 31, 2013 are used as exchange rates for the year ended December 31, 2014 when comparing the year ended December 31, 2014 with the year ended December 31, 2013).

Liquidity and Capital Resources

As of December 31, 2015, our total indebtedness was comprised of (i) convertible debt principal totaling \$150.1 million from our 4.75% convertible subordinated notes (gross of discount) and (ii) non-convertible debt and financing obligations totaling approximately \$6.4 billion consisting of (a) approximately \$3.9 billion of principal from our senior notes, (b) approximately \$1.3 billion from our capital lease and other financing obligations, (c) \$325.6 million from our revolving credit facility, and (c) \$920.1 million of principal from our mortgage and other loans payable (gross of discount and premium).

We believe we have sufficient cash, coupled with anticipated cash generated from operating activities, to meet our operating requirements, including repayment of the current portion of our debt as it becomes due, payment of regular dividend and special distributions due to our REIT conversion (see below) and completion of our publicly-announced expansion projects. As of December 31, 2015, we had \$2.2 billion of cash, cash equivalents and short-term and long-term investments, of which approximately \$2.0 billion was held in the U.S. In January 2016, we used £1.2 billion, or approximately \$1.7 billion in U.S. dollars at exchange rates in effect on January 15, 2016, to fund the cash portion of the TelecityGroup purchase price. We believe that our current expansion activities in the U.S. can be funded with our cash and cash equivalents and investments.

As of December 31, 2015, we had 30 irrevocable letters of credit totaling \$55.3 million issued and outstanding under the revolving credit facility; as a result of these letters of credit plus \$325.6 million of outstanding borrowings under our revolving credit facility, we had a total of approximately \$1.1 billion of additional liquidity available to us under the revolving credit facility. Besides any further financing activities we may pursue, customer collections are our primary source of cash. While we believe we have a strong customer base, and have continued to experience relatively strong collections, if the current market conditions were to deteriorate, some of our customers may have difficulty paying us and we may experience increased churn in our customer base, including reductions in their commitments to us, all of which could have a material adverse effect on our liquidity. Additionally, we may pursue additional expansion opportunities, primarily the build out of new IBX data centers, in certain of our existing markets which are at or near capacity within the next year, as well as potential acquisitions. We are also now operating as a REIT (see below). While we expect to fund these plans with our existing resources, additional financing, either debt or equity, may be required if current market conditions were to deteriorate, we may be unable to secure additional financing or any such additional financing may only be available to us on unfavorable terms. An inability to pursue additional expansion opportunities will have a material adverse effect on our ability to maintain our desired level of revenue growth in future periods.

Impact of REIT Conversion

We completed our conversion to a REIT in 2014 and began operating as a REIT effective January 1, 2015. As a result of our conversion to a REIT, we made special distributions to our stockholders in 2015 and 2014. The distributions were payable in common stock or cash at the election of our stockholders, with the cash portion of the distributions subject to certain maximum amounts. As a result of the special distributions, we paid a total of \$125.5 million in 2015 and \$83.3 million in 2014 and distributed 1.7 million and 1.5 million shares of common stock in 2015 and 2014, respectively. Also as a result of our conversion to a REIT, we began paying quarterly dividends in 2015. We paid an aggregate of \$396.0 million of cash dividends during 2015, which consisted of \$393.6 million of cash dividends paid to shareholders and \$2.4 million of cash paid in lieu of stock for fractional shares upon the vesting of restricted stock units.

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We have incurred \$78.3 million in costs to support our conversion to a REIT since 2012, including \$4.5 million and \$49.4 million in 2015 and 2014, respectively. We expect to incur approximately \$10.0 million annually in REIT compliance costs.

Sources and Uses of Cash

	Years ended December 31,		
	2015	2014	2013
	(dollars in thousands)		
Net cash provided by operating activities	\$ 894,793	\$ 689,420	\$ 604,608
Net cash used in investing activities	(1,134,927)	(435,839)	(1,169,313)
Net cash provided by (used in) financing activities	1,873,182	107,401	574,907

Operating Activities

The increase in net cash provided by operating activities during 2015 compared to 2014 was primarily due to improved operating results. The increase in net cash provided by operating activities during 2014 compared to 2013 was primarily due to improved operating results, offset by unfavorable working capital activities such as decreased collections of customer receivables and a \$51.4 million increase in interest payments. We expect we will continue to generate cash from our operating activities during 2016.

Investing Activities

The increase in net cash used in investing activities during 2015 compared to 2014 was primarily due to a \$513.9 million increase in restricted cash, primarily in connection with our cash and share offer for TelecitecGroup, \$245.6 million, net of cash for our acquisition of Bit-isle and Nimbo, \$207.9 million of higher capital expenditures primarily as a result of expansion activity and \$21.5 million of higher purchase of real estate, partially offset by \$187.0 million of lower purchase of investments and \$87.6 million of higher sales and maturities of investment. The decrease in net cash used in investing activities during 2014 compared to 2013 was primarily due to \$423.0 million of lower purchases of investments, \$295.7 million of higher sales and maturities of investments, \$57.5 million of lower real estate purchases and \$49.3 million of lower business acquisition spending, partially offset by \$87.8 million of higher capital expenditures as a result of more IBX expansion activity.

In May 2015, we announced a cash and share offer valued at £2.4 billion or \$3.8 billion U.S. dollars for the entire issued and outstanding share capital of TelecitecGroup. The acquisition closed on January 15, 2016.

During 2016, we expect that our IBX expansion construction activity will be greater than our 2015 levels. However, if the opportunity to expand is greater than planned and we have sufficient funding to pursue such expansion opportunities, we may further increase the level of capital expenditures to support this growth as well as pursue additional business acquisitions, property acquisitions or joint ventures.

Financing Activities

Net cash provided by financing activities during 2015 was primarily due to (i) \$1.1 billion of gross proceeds from the senior notes offering in December 2015, (ii) \$829.5 million of net proceeds from our public offering of common stock in November 2015, (iii) \$1.2 billion of proceeds from loans payable including proceeds from our term loan modification, our bridge term loan and our revolving credit facility, partially offset by (iv) \$715.3 million repayment of mortgage and loans payable including repayment of \$171.2 million of loans assumed in the Bit-isle acquisition and repayment of \$544.1 million of U.S. dollar-denominated term loan and other mortgage and loan payments, (v) \$396.0 million of quarterly dividend distributions and (vi) \$125.5 million of special distributions. The net cash provided by financing activities for 2014 was primarily due to \$1.25 billion of proceeds from the senior notes offering in November 2014, \$500.0 million of proceeds from the term loan facility, partially offset by (i) \$1.1 billion for repayment of debt including \$750.0 million for the redemption of the 7.00% senior notes, prepayment of the remaining principal balance of the U.S. term loan of \$110.0 million, \$43.5 million for repayments of mortgage and other loan payable, and \$29.5 million for the exchanges of the 3.00% convertible subordinated notes and 4.75% convertible subordinated notes, (ii) \$298.0 million for the purchases of treasury stock, (iii) \$226.3 million for the purchase of Riverwood's interest in ALOG and the approximate 10% of ALOG owned by ALOG management and (iv) \$83.3 million for the cash portion of the special distribution. The net cash provided by financing activities for 2013 was primarily due to \$1.5 billion of proceeds from the senior notes offering in March 2013, partially offset by \$834.7 million for the redemption of the \$750.0 million 8.125% senior notes, repayments of various debt

and purchases of treasury stock. Going forward, we expect that our financing activities will consist primarily of repayment of our debt and additional financings needed to support expansion opportunities, additional acquisitions or joint ventures and the payment of our regular cash dividends.

Debt Obligations

Debt Facilities

We have various debt obligations with maturity dates ranging from 2016 to 2026 under which a total principal balance of \$5.2 billion remained outstanding as of December 31, 2015. For further information on debt obligations, see “Debt Facilities” in Note 9 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Capital Lease and Other Financing Obligations

We have numerous capital lease and other financing obligations with maturity dates ranging from 2016 to 2065 under which a total principal balance of \$1.3 billion remained outstanding as of December 31, 2015 with a weighted average effective interest rate of 8.17%. For further information on our capital leases and other financing obligations, see “Capital Leases and Other Financing Obligations” in Note 8 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Contractual Obligations and Off-Balance-Sheet Arrangements

We lease a majority of our IBX data centers and certain equipment under non-cancelable lease agreements expiring through 2065. The following represents our debt maturities, financings, leases and other contractual commitments as of December 31, 2015 (in thousands):

	2016	2017	2018	2019	2020	Thereafter	Total
Convertible debt ⁽¹⁾	\$ 150,082	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 150,082
Senior notes ⁽²⁾	—	—	—	—	500,000	3,350,000	3,850,000
Term loan A ⁽²⁾	41,565	39,541	39,540	336,094	—	—	456,740
Bridge term loan ⁽²⁾	386,547	—	—	—	—	—	386,547
Brazil financings ⁽²⁾	11,540	7,936	4,419	—	—	—	23,895
Mortgage payable ⁽²⁾	1,049	1,094	1,141	1,191	1,242	26,626	32,343
Other loans payable ⁽²⁾	3,720	2,477	2,515	2,044	1,982	7,801	20,539
Revolving credit facility ⁽²⁾	325,622	—	—	—	—	—	325,622
Interest ⁽³⁾	203,872	220,234	218,821	217,806	201,034	682,032	1,743,799
Capital lease and other financing obligations ⁽⁴⁾	140,632	139,653	140,981	138,847	136,587	1,346,341	2,043,041
Operating leases ⁽⁵⁾	115,091	113,624	108,810	100,462	89,227	632,677	1,159,891
Other contractual commitments ⁽⁶⁾	476,217	79,750	18,898	4,252	4,302	25,540	608,959
Asset retirement obligations ⁽⁷⁾	491	9,982	4,150	11,297	3,651	48,911	78,482
	<u>\$ 1,856,428</u>	<u>\$ 614,291</u>	<u>\$ 539,275</u>	<u>\$ 811,993</u>	<u>\$ 938,025</u>	<u>\$ 6,119,928</u>	<u>\$ 10,879,940</u>

- (1) Represents principal only. As of December 31, 2015, had the holders of the 4.75% convertible subordinated notes due 2016 converted their notes, the 4.75% convertible subordinated notes would have been convertible into approximately 2.0 million shares of our common stock, which would have a total value of \$593.0 million based on the closing price of our common stock on December 31, 2015.
- (2) Represents principal only.
- (3) Represents interest on Brazil financings, convertible debt, mortgage payable, senior notes and term loan facility based on their approximate interest rates as of December 31, 2015.
- (4) Represents principal and interest.
- (5) Represents minimum operating lease payments, excluding potential lease renewals.
- (6) Represents unaccrued contractual commitments. Other contractual commitments are described below.
- (7) Represents liability, net of future accretion expense.

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In connection with certain of our leases and other contracts requiring deposits, we entered into 30 irrevocable letters of credit totaling \$55.3 million under the revolving credit facility. These letters of credit were provided in lieu of cash deposits under the revolving credit facility. If the landlords for these IBX leases decide to draw down on these letters of credit triggered by an event of default under the lease, we will be required to fund these letters of credit either through cash collateral or borrowing under the revolving credit facility. These contingent commitments are not reflected in the table above.

We had accrued liabilities related to uncertain tax positions totaling approximately \$26.8 million as of December 31, 2015. These liabilities, which are reflected on our balance sheet, are not reflected in the table above since it is unclear when these liabilities will be paid.

Primarily as a result of our various IBX data center expansion projects, as of December 31, 2015, we were contractually committed for \$256.8 million of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided in connection with the work necessary to complete construction and open these IBX data centers prior to making them available to customers for installation. This amount, which is expected to be paid during 2016 and thereafter, is reflected in the table above as “other contractual commitments.”

We had other non-capital purchase commitments in place as of December 31, 2015, such as commitments to purchase power in select locations and other open purchase orders, which contractually bind us for goods or services to be delivered or provided during 2016 and beyond. Such other purchase commitments as of December 31, 2015, which total \$352.2 million, are also reflected in the table above as “other contractual commitments.”

In addition, although we are not contractually obligated to do so, we expect to incur additional capital expenditures of approximately \$359.6 million to \$459.6 million, in addition to the \$609.0 million in contractual commitments discussed above as of December 31, 2015, in our various IBX data center expansion projects during 2016 and thereafter in order to complete the work needed to open these IBX data centers. These non-contractual capital expenditures are not reflected in the table above. If we so choose, whether due to economic factors or other considerations, we could delay these non-contractual capital expenditure commitments to preserve liquidity.

Other Off-Balance-Sheet Arrangements

We have various guarantor arrangements with both our directors and officers and third parties, including customers, vendors and business partners. As of December 31, 2015, there were no significant liabilities recorded for these arrangements. For additional information, see “Guarantor Arrangements” in Note 14 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the U.S. (“GAAP”). The preparation of our financial statements requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with GAAP. Management bases its assumptions, estimates and judgments on historical experience, current trends and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. However, because future events and their effects cannot be determined with certainty, actual results may differ from these assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 1 to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K. Management believes that the following critical accounting policies and estimates are the most critical to aid in fully understanding and evaluating our consolidated financial statements, and they require significant judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain:

- Accounting for income taxes;
- Accounting for business combinations;
- Accounting for impairment of goodwill; and
- Accounting for property, plant and equipment.

Description	Judgments and Uncertainties	Effect if Actual Results Differ From Assumptions
<p>Accounting for Income Taxes.</p> <p>Deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences that exist between the financial statement carrying value of assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards on a taxing jurisdiction basis. We measure deferred tax assets and liabilities using enacted tax rates that will apply in the years in which we expect the temporary differences to be recovered or settled.</p> <p>The accounting standard for income taxes requires a reduction of the carrying amounts of deferred tax assets by recording a valuation allowance if, based on the available evidence, it is more likely than not (defined by the accounting standard as a likelihood of more than 50%) that such assets will not be realized.</p> <p>A tax benefit from an uncertain income tax position may be recognized in the financial statements only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents.</p>	<p>The valuation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns. Our accounting for deferred tax consequences represents our best estimate of those future events.</p> <p>In assessing the need for a valuation allowance, we consider both positive and negative evidence related to the likelihood of realization of the deferred tax assets. If, based on the weight of that available evidence, it is more likely than not the deferred tax assets will not be realized, we record a valuation allowance. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence may be objectively verified.</p> <p>This assessment, which is completed on a taxing jurisdiction basis, takes into account a number of types of evidence, including the following: 1) the nature, frequency and severity of current and cumulative financial reporting losses, 2) sources of future taxable income and 3) tax planning strategies.</p> <p>In assessing the tax benefit from an uncertain income tax position, the tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information.</p>	<p>As of December 31, 2015 and 2014, we recorded a total of net deferred tax liabilities of \$39.5 million and \$100.8 million, respectively. As of December 31, 2015 and 2014, we had a total valuation allowance of \$29.9 million and \$27.2 million, respectively. During the year ended December 31, 2015 and 2014, we decided to provide a partial release of valuation allowance against the net deferred tax assets associated with certain foreign operating entities, which resulted in an insignificant income tax benefit in our results of operations.</p> <p>Our decisions to release our valuation allowances were based on our belief that the operations of these jurisdictions had achieved a sufficient level of profitability and will sustain a sufficient level of profitability in the future to support the release of these valuation allowances based on relevant facts and circumstances. However, if our assumptions on the future performance of these jurisdictions prove not to be correct and these jurisdictions are not able to sustain a sufficient level of profitability to support the associated deferred tax assets on our consolidated balance sheet, we will have to impair our deferred tax assets through an additional valuation allowance, which would impact our financial position and results of operations in the period such a determination is made.</p> <p>Our remaining valuation allowance as of December 31, 2015 was \$29.9 million and primarily relates to certain of our subsidiaries outside of the U.S. If and when we release our remaining valuation allowances, it will have a favorable impact to our financial position and results of operations in the periods such determinations are made. We will continue to assess the need for our valuation allowances, by country or location, in the future.</p> <p>As of December 31, 2015 and 2014, we had unrecognized tax benefits of \$30.8 million and \$36.1 million, respectively, exclusive of interest and penalties. During the year ended December 31, 2015, the unrecognized tax benefits decreased by \$5.3 million primarily due to an agreement with Dutch Tax Authorities on the availability of historical loss carry-forwards to offset future profits generated by the Dutch fiscal unity. During the year ended December 31, 2014, the unrecognized tax benefits decreased by an insignificant amount primarily due to the settlement of a tax audit and the lapse of statute of limitations in our foreign operations. The unrecognized tax benefits of \$30.8 million as of December 31, 2015, if subsequently recognized, will affect our effective tax rate favorably at the time when such benefits are recognized.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ From Assumptions
<p>Accounting for Business Combinations</p> <p>In accordance with the accounting standard for business combinations, we allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed, if any, is recorded as goodwill.</p> <p>We use all available information to estimate fair values. We typically engage outside appraisal firms to assist in the fair value determination of identifiable intangible assets such as customer contracts, leases and any other significant assets or liabilities and contingent consideration. We adjust the preliminary purchase price allocation, as necessary, up to one year after the acquisition closing date if we obtain more information regarding asset valuations and liabilities assumed.</p>	<p>Our purchase price allocation methodology contains uncertainties because it requires assumptions and management’s judgment to estimate the fair value of assets acquired and liabilities assumed at the acquisition date. Management estimates the fair value of assets and liabilities based upon quoted market prices, the carrying value of the acquired assets and widely accepted valuation techniques, including discounted cash flows and market multiple analyses. Our estimates are inherently uncertain and subject to refinement. Unanticipated events or circumstances may occur which could affect the accuracy of our fair value estimates, including assumptions regarding industry economic factors and business strategies.</p>	<p>During the last three years, we have completed three business combinations, including the Bit-isle acquisition in November 2015, the Nimbo acquisition in January 2015 and the Frankfurt Kleyer 90 Carrier Hotel acquisition in October 2013. The purchase price allocation for the Bit-isle and Frankfurt Kleyer 90 Carrier Hotel acquisitions were completed in the fourth quarters of 2015 and 2013, respectively.</p> <p>We do not believe there is a reasonable likelihood that there will be a material change in the estimates or assumptions we used to complete the purchase price allocations and the fair value of assets acquired and liabilities assumed. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to losses or gains that could be material, which would be recorded in our statements of operations in 2016 or beyond.</p>
<p>Accounting for Impairment of Goodwill</p> <p>In accordance with the accounting standard for goodwill and other intangible assets, we perform goodwill impairment reviews annually, or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.</p> <p>During the year ended December 31, 2014, we changed our annual goodwill impairment testing date from November 30th to October 31st of each year, commencing on October 31, 2014.</p> <p>During the year ended December 31, 2015, we elected to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit in which goodwill resides is less than its carrying value.</p> <p>During the year ended December 31, 2015, we completed annual goodwill impairment assessment of the Americas reporting unit, the EMEA reporting unit and the Asia-Pacific reporting unit and concluded that it is more likely than not that the fair value of these reporting units exceeded their carrying value, goodwill is not considered impaired and we are not required to perform the two-step goodwill impairment test.</p>	<p>During the year ended December 31, 2015, we elected to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value requires assumptions and estimates before performing the two-step goodwill impairment test, the assessment requires assumptions and estimates derived from a review of our actual and forecasted operating results, approved business plans, future economic conditions and other market data.</p> <p>Prior to 2015, when we elected to perform the first step of the two-step goodwill impairment test, we used both the income and market approach. Under the income approach, we develop a five-year cash flow forecast and use our weighted-average cost of capital applicable to our reporting units as discount rates. This requires assumptions and estimates derived from a review of our actual and forecasted operating results, approved business plans, future economic conditions and other market data. The market approach requires judgment in determining the appropriate market comparables.</p> <p>These assumptions require significant management judgment and are inherently subject to uncertainties.</p>	<p>As of December 31, 2015, goodwill attributable to the Americas reporting unit, the EMEA reporting unit and the Asia-Pacific reporting unit was \$460.2 million, \$374.1 million and \$228.9 million, respectively.</p> <p>Future events, changing market conditions and any changes in key assumptions may result in an impairment charge. While we have not recorded an impairment charge against our goodwill to date, the development of adverse business conditions in our Americas, EMEA or Asia-Pacific reporting units, such as higher than anticipated customer churn or significantly increased operating costs, or significant deterioration of our market comparables that we use in the market approach, could result in an impairment charge in future periods.</p> <p>Any potential impairment charge against our goodwill would not exceed the amounts recorded on our consolidated balance sheets.</p>

Description	Judgments and Uncertainties	Effect if Actual Results Differ From Assumptions
<p>Accounting for Property, Plant and Equipment</p> <p>We have a substantial amount of property, plant and equipment recorded on our consolidated balance sheet. The vast majority of our property, plant and equipment represent the costs incurred to build out or acquire our IBX data centers. Our IBX data centers are long-lived assets. The majority of our IBX data centers are in properties that are leased. We depreciate our property, plant and equipment using the straight-line method over the estimated useful lives of the respective assets (subject to the term of the lease in the case of leased assets or leasehold improvements and integral equipment located in leased properties).</p> <p>Accounting for property, plant and equipment includes determining the appropriate period in which to depreciate such assets, making assessments for leased properties to determine whether they are capital or operating leases, determining if construction projects performed at leased properties trigger build-to-suit lease accounting, assessing such assets for potential impairment, capitalizing interest during periods of construction and assessing the asset retirement obligations required for certain leased properties that require us to return the leased properties back to their original condition at the time we decide to exit a leased property.</p>	<p>While there are numerous judgments and uncertainties involved in accounting for property, plant and equipment that are significant, arriving at the estimated useful life of an asset requires the most critical judgment for us and changes to these estimates would have the most significant impact on our financial position and results of operations. When we lease a property for our IBX data centers, we generally enter into long-term arrangements with initial lease terms of at least 8-10 years and with renewal options generally available to us. During the next several years, a number of leases for our IBX data centers will come up for renewal. As we start approaching the end of these initial lease terms, we will need to reassess the estimated useful lives of our property, plant and equipment. In addition, we may find that our estimates for the useful lives of non-leased assets may also need to be revised periodically. We periodically review the estimated useful lives of certain of our property, plant and equipment and changes in these estimates in the future are possible.</p> <p>Another area of judgment for us in connection with our property, plant and equipment is related to lease accounting. Most of our IBX data centers are leased. Each time we enter into a new lease or lease amendment for one of our IBX data centers, we analyze each lease or lease amendment for the proper accounting. This requires certain judgments on our part such as establishing the lease term to include in a lease test, establishing the remaining estimated useful life of the underlying property or equipment and estimating the fair value of the underlying property or equipment and establishing the incremental borrowing rate to calculate the present value of the minimum lease payment for the lease test. All of these judgments are inherently uncertain. Different assumptions or estimates could result in a different accounting treatment for a lease.</p> <p>The assessment of long-lived assets for impairment requires assumptions and estimates of undiscounted and discounted future cash flows. These assumptions and estimates require significant judgment and are inherently uncertain.</p>	<p>We did not revise the estimated useful lives of our property, plant and equipment during the years ended December 31, 2015 and 2013. During the quarter ended December 31, 2014, we revised the estimated useful lives of certain of our property, plant and equipment. As a result, we recorded an insignificant amount of higher depreciation expense for the quarter ended December 31, 2014 due to the reduction of the estimated useful lives of certain of our property, plant and equipment. We undertook this review due to our determination that we were generally using certain of our existing assets over a shorter period than originally anticipated and, therefore, the estimated useful lives of certain of our property, plant and equipment has been shortened. This change was accounted for as a change in accounting estimate on a prospective basis effective October 1, 2014 under the accounting standard for change in accounting estimates.</p> <p>As of December 31, 2015, 2014 and 2013, we had property, plant and equipment of \$5.6 billion, \$5.0 billion, and \$4.6 billion, respectively. During the years ended December 31, 2015, 2014 and 2013, we recorded depreciation expense of \$498.1 million, \$453.9 million, and \$405.5 million, respectively. Further changes in our estimated useful lives of our property, plant and equipment could have a significant impact on our results of operations.</p> <p>As of December 31, 2015 and 2014, we had property, plant and equipment under capital leases and other financing obligations of \$1.5 billion, \$1.1 billion and \$949.0 million, respectively. During the years ended December 31, 2015, 2014 and 2013, we recorded depreciation expense of \$52.9 million, \$43.2 million, and \$32.5 million respectively, related to property, plant and equipment under capital leases and other financing obligations. During the year ended December 31, 2015, 2014, 2013, we recorded interest expense of \$104.4 million, \$86.4 million, \$56.6 million, respectively related to property, plant, equipment, under capital leases and other financing obligations.</p> <p>Additionally, during the years ended December 31, 2015, 2014 and 2013, we recorded rent expense of \$200.0 million \$105.4 million, and \$112.7 million under operating leases.</p>

Recent Accounting Pronouncements

See “Recent Accounting Pronouncements” in Note 1 of Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The following discussion about market risk involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We may be exposed to market risks related to changes in interest rates and foreign currency exchange rates and fluctuations in the prices of certain commodities, primarily electricity.

We employ foreign currency forward exchange contracts for the purpose of hedging certain specifically-identified exposures. The use of these financial instruments is intended to mitigate some of the risks associated with fluctuations in currency exchange rates, but does not eliminate such risks. We do not use financial instruments for trading or speculative purposes.

Investment Portfolio Risk

We maintain an investment portfolio of various holdings, types, and maturities that is prioritized on meeting REIT asset requirements. All of our marketable securities are designated as available-for-sale and, therefore, are recorded on our consolidated balance sheets at fair value with unrealized gains or losses reported as a component of other comprehensive income, net of tax. We consider various factors in determining whether we should recognize an impairment charge for our securities, including the length of time and extent to which the fair value has been less than our cost basis and our intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery. We anticipate that we will recover the entire cost basis of these securities and have determined that no other-than-temporary impairments associated with credit losses were required to be recognized during the year ended December 31, 2015.

As of December 31, 2015, our investment portfolio of cash equivalents and marketable securities consisted of money market fund investments, U.S. government securities, certificates of deposits and publicly traded equity securities and publicly traded fixed income securities. The amount in our investment portfolio that could be susceptible to market risk totaled \$1.1 billion.

Interest Rate Risk

Our primary objective for holding fixed income securities is to achieve an appropriate investment return consistent with preserving principal and managing risk which meets asset measurement requirements for REIT qualification. At any time, a sharp rise in interest rates or credit spreads could have a material adverse impact on the fair value of our fixed income investment portfolio. Securities with longer maturities are subject to a greater interest rate risk than those with shorter maturities. As of December 31, 2015, the average duration of our portfolio was less than one year. An immediate hypothetical shift in the yield curves of plus or minus 50 basis points from their position as of December 31, 2015 would not have a material impact on the fair value of our investment portfolio. This sensitivity analysis assumes a parallel shift of all interest rates, however, interest rates do not always move in such a manner and actual results may differ materially. We monitor our interest rate and credit risk, including our credit exposures to specific rating categories and to individual issuers. There were no impairment charges on our cash equivalents and fixed income securities during the year ended December 31, 2015.

An immediate 10% increase or decrease in current interest rates from their position as of December 31, 2015 would not have a material impact on our debt obligations due to the fixed nature of the majority of our debt obligations. However, the interest expense associated with our senior credit facility, the Brazil financings and bridge term loan, which bear interest at variable rates, could be affected. For every 100 basis point change in interest rates, our annual interest expense could increase or decrease by a total of approximately \$6.9 million based on the total balance of our primary borrowings under the term loan A facility, revolving credit facility, bridge term loan and the Brazil financings as of December 31, 2015. As of December 31, 2015, we had not employed any interest rate derivative products against our debt obligations. However, we may enter into interest rate hedging agreements in the future to mitigate our exposure to interest rate risk.

The fair value of our long-term fixed interest rate debt is subject to interest rate risk. Generally, the fair value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. These interest rate changes may affect the fair value of the fixed interest rate debt but do not impact our earnings or cash flows. The fair value of our convertible debt, which is traded in the market, is based on quoted market prices. The fair value of our loans payable, which are not traded in the market, is estimated by considering our credit rating, current rates available to us for debt of the same remaining maturities and the terms of the debt. The following table represents the carrying value and estimated fair value of our loans payable, senior notes and convertible debt as of (in thousands):

	December 31, 2015		December 31, 2014	
	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value
Mortgage and loans payable	\$ 920,064	\$ 916,602	\$ 595,752	\$ 553,045
Convertible debt	150,082	151,997	157,885	162,159
Senior notes	3,850,000	3,954,000	2,750,000	2,790,023
Revolving credit facility	325,622	325,617	—	—

(1) The carrying value is gross of debt discount.

Foreign Currency Risk

A significant portion of our revenue is denominated in U.S. dollars, however, approximately 48.5% of our revenues and 48.6% of our operating costs are attributable to Brazil, Canada and the EMEA and Asia-Pacific regions and a large portion of those revenues and costs are denominated in a currency other than the U.S. dollar, primarily the Brazilian Reals, Canadian dollar, British pound, Euro, Swiss franc, United Arab Emirates dirham, Australian dollar, Chinese Yuan, Hong Kong dollar, Japanese yen and Singapore dollar. As a result, our operating results and cash flows are impacted by currency fluctuations relative to the U.S. dollar. To protect against certain reductions in value caused by changes in currency exchange rates, we have established a risk management program to offset some of the risk of carrying assets and liabilities denominated in foreign currencies. As a result, we have entered into foreign currency forward contracts to manage the risk associated with certain foreign currency-denominated assets and liabilities. We entered into foreign currency forward contracts to help manage our exposure to foreign currency exchange rate fluctuations for forecasted revenues and expenses in our EMEA region. Our risk management program reduces, but does not entirely eliminate, the impact of currency exchange rate movements and its impact on the consolidated statements of operations. As of December 31, 2015, the outstanding foreign currency forward contracts had maturities of less than two years.

For the foreseeable future, we anticipate that more than 50% of our revenues and operating costs will continue to be generated and incurred outside of the U.S. in currencies other than the U.S. dollar. During fiscal 2015, the U.S. dollar was generally strong relative to certain of the currencies of the foreign countries in which we operate. This overall strength of the U.S. dollar had a negative impact on our consolidated results of operations because the foreign denominations translated into less U.S. dollars. In future periods, the volatility of the U.S. dollar as compared to the other currencies in which we do business could have a significant impact on our consolidated financial position and results of operations including the amount of revenue that we report in future periods.

Excluding consideration from hedging contracts, an immediate 10% appreciation in current foreign exchange rates as of December 31, 2015 would have resulted in an increase of \$130.8 million and \$23.1 million in revenue and net income before taxes. Excluding consideration from hedging contracts, an immediate 10% depreciation in current foreign exchange rates as of December 31, 2015 would have resulted in a decrease of \$128.4 million and \$25.2 million in revenue and net income before taxes.

We may enter into additional hedging activities in the future to mitigate our exposure to foreign currency risk as our exposure to foreign currency risk continues to increase due to our growing foreign operations; however, we do not currently intend to eliminate all foreign currency transaction exposure.

Commodity Price Risk

Certain operating costs incurred by us are subject to price fluctuations caused by the volatility of underlying commodity prices. The commodities most likely to have an impact on our results of operations in the event of price changes are electricity, supplies and equipment used in our IBX data centers. We closely monitor the cost of electricity at all of our locations. We have entered into several power contracts to purchase power at fixed prices during 2014 and beyond in certain locations in the U.S., Australia, Brazil, France, Germany, Japan, the Netherlands, Singapore and the United Kingdom.

In addition, as we are building new, or expanding existing, IBX data centers, we are subject to commodity price risk for building materials related to the construction of these IBX data centers, such as steel and copper. In addition, the lead-time to procure certain pieces of equipment, such as generators, is substantial. Any delays in procuring the necessary pieces of equipment for the construction of our IBX data centers could delay the anticipated openings of these new IBX data centers and, as a result, increase the cost of these projects.

We do not currently employ forward contracts or other financial instruments to address commodity price risk other than the power contracts discussed above.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data required by this Item 8 are listed in Item 15(a)(1) and begin at page F-1 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There is no disclosure to report pursuant to Item 9.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2015.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our evaluation under the framework in *Internal Control – Integrated Framework* (2013), our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

The evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2015 did not include the internal controls of Bit-isle Inc. We excluded Bit-isle Inc. from our assessment of internal control over financial reporting as of December 31, 2015 as it was acquired in November 2015. Bit-isle Inc. is our wholly-owned subsidiary whose total assets represented 4% and total revenues represented 1% of the related consolidated financial statements amounts as of and for the year ended December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included herein on page F-1 of this Annual Report on Form 10-K.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed and operated to be effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must

reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting

There was no change in our internal controls over financial reporting during the fourth quarter of fiscal 2015 that has materially affected, or is reasonable likely to affect, our internal controls over financial reporting.

ITEM 9B. OTHER INFORMATION

There is no disclosure to report pursuant to Item 9B.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders.

We have adopted a Code of Ethics applicable for the Chief Executive Officer and Senior Financial Officers and a Code of Business Conduct. This information is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders and is also available on our website, www.equinix.com.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this item is incorporated by reference to the Equinix proxy statement for the 2016 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements:

Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets	F-2
Consolidated Statements of Operations	F-3
Consolidated Statements of Comprehensive Income (Loss)	F-4
Consolidated Statements of Stockholders' Equity and Other Comprehensive Income (Loss)	F-5
Consolidated Statements of Cash Flows	F-7
Notes to Consolidated Financial Statements	F-8

(a)(2) All schedules have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(a)(3) Exhibits:

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
2.1	Rule 2.7 Announcement, dated as May 29, 2015. Recommended Cash and Share Offer for Telecty Group plc by Equinix, Inc.	8-K	5/29/15	2.1	
2.2	Cooperation Agreement, dated as of May 29, 2015, by and between Equinix, Inc. and Telecty Group plc.	8-K	5/29/15	2.2	
2.3	Amendment to Cooperation Agreement, dated as of November 24, 2015, by and between Equinix, Inc. and Telecty Group plc.				X
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended to date.	10-K/A	12/31/02	3.1	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/14/11	3.1	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	8-K	6/11/13	3.1	
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant	10-Q	6/30/2014	3.4	
3.5	Certificate of Designation of Series A and Series A-1 Convertible Preferred Stock.	10-K/A	12/31/02	3.3	
3.6	Amended and Restated Bylaws of the Registrant.	8-K	01/19/16	3.1	
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6.				
4.2	Indenture dated June 12, 2009 by and between Equinix, Inc. and U.S. Bank National Association, as trustee.	8-K	6/12/09	4.1	
4.3	Form of 4.75% Convertible Subordinated Note Due 2016 (see Exhibit 4.2).				
4.4	Indenture for the 2020 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.1	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
4.5	Form of 4.875% Senior Note due 2020 (see Exhibit 4.4)				
4.6	Indenture for the 2023 Notes dated March 5, 2013 by and between Equinix, Inc. and U.S. Bank National Association as trustee	8-K	3/5/13	4.3	
4.7	Form of 5.375% Senior Note due 2023 (see Exhibit 4.6)				
4.8	Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.1	
4.9	First Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.2	
4.10	Form of 5.375% Senior Note due 2022 (see Exhibit 4.9)				
4.11	Second Supplemental Indenture, dated as of November 20, 2014, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	11/20/14	4.4	
4.12	Form of 5.750% Senior Note due 2025 (see Exhibit 4.11)				
4.13	Third Supplemental Indenture, dated as of December 4, 2015, between Equinix, Inc. and U.S. Bank National Association, as trustee	8-K	12/04/15	4.2	
4.14	Form of 5.875% Senior Note due 2026 (see Exhibit 4.13)				
4.15	Form of Registrant's Common Stock Certificate	10-K	12/31/14	4.13	
10.1**	Form of Indemnification Agreement between the Registrant and each of its officers and directors.	S-4 (File No. 333-93749)	12/29/1999	10.5	
10.2**	2000 Equity Incentive Plan, as amended.	10-Q	3/31/12	10.2	
10.3**	2000 Director Option Plan, as amended.	10-K	12/31/07	10.4	
10.4**	2001 Supplemental Stock Plan, as amended.	10-K	12/31/07	10.5	
10.5**	Equinix, Inc. 2004 Employee Stock Purchase Plan, as amended.	10-Q	6/30/14	10.5	
10.6**	Severance Agreement by and between Stephen Smith and Equinix, Inc. dated December 18, 2008.	10-K	12/31/08	10.31	
10.7**	Severance Agreement by and between Peter Van Camp and Equinix, Inc. dated December 10, 2008.	10-K	12/31/08	10.32	
10.8**	Severance Agreement by and between Keith Taylor and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.33	
10.9**	Change in Control Severance Agreement by and between Eric Schwartz and Equinix, Inc. dated December 19, 2008.	10-K	12/31/08	10.35	
10.10	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.1	
10.11	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Deutsche Bank AG, London Branch.	8-K	6/12/09	10.2	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.12	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.4	
10.13	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch.	8-K	6/12/09	10.5	
10.14	Confirmation for Base Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.7	
10.15	Confirmation for Additional Capped Call Transaction dated as of June 9, 2009 between Equinix, Inc. and Goldman, Sachs & Co.	8-K	6/12/09	10.8	
10.16**	Switch & Data 2007 Stock Incentive Plan.	S-1/A (File No. 333-137607) filed by Switch & Data Facilities Company, Inc.	2/5/07	10.9	
10.17**	Change in Control Severance Agreement by and between Charles Meyers and Equinix, Inc. dated September 30, 2010.	10-Q	9/30/10	10.42	
10.18**	Form of amendment to existing severance agreement between the Registrant and each of Messrs. Meyers, Smith, Taylor and Van Camp.	10-K	12/31/10	10.33	
10.19**	Letter amendment, dated December 14, 2010, to Change in Control Severance Agreement, dated December 18, 2008, and letter agreement relating to expatriate benefits, dated April 22, 2008, as amended, by and between the Registrant and Eric Schwartz.	10-K	12/31/10	10.34	
10.20**	Offer Letter from Equinix, Inc. to Sara Baack dated July 31, 2012.	10-Q	3/31/13	10.42	
10.21**	Change in Control Severance Agreement by and between Sara Baack and Equinix, Inc. dated July 31, 2012.	10-Q	3/31/13	10.44	
10.22**	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/13	10.46	
10.23**	Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/13	10.47	
10.24**	International Long-Term Assignment Letter by and between Equinix, Inc. and Eric Schwartz, dated May 21, 2013.	10-Q	6/30/13	10.51	
10.25**	Employment Agreement by and between Equinix (EMEA) B.V. and Eric Schwartz, dated as of August 7, 2013.	10-Q	9/30/13	10.54	
10.26**	Restricted Stock Unit Agreement dated August 14, 2013 for Charles Meyers under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	9/30/13	10.55	
10.27**	Offer Letter from Equinix, Inc. to Karl Strohmeyer dated October 28, 2013.	10-Q	3/31/14	10.49	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.28**	Restricted Stock Unit Agreement for Karl Strohmeyer under the Equinix, Inc. 2000 Equity Incentive Plan.	10-Q	3/31/14	10.50	
10.29**	Change in Control Severance Agreement by and between Karl Strohmeyer and Equinix, Inc. dated December 2, 2013.	10-Q	3/31/14	10.51	
10.30**	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/14	10.52	
10.31**	2014 Form of Revenue/Adjusted EBITDA Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/14	10.53	
10.32**	2014 Form of TSR Restricted Stock Unit Agreement for CEO and CFO.	10-Q	3/31/14	10.54	
10.33**	2014 Form of TSR Restricted Stock Unit Agreement for all other Section 16 officers.	10-Q	3/31/14	10.55	
10.34	Lease between Digital 1350 Duane, LLC and Equinix LLC, dated March 27, 2014.	10-Q	3/31/14	10.56	
10.35	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and Goldman, Sachs & Co. and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.54	
10.36	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and Deutsche Bank AG, London Branch and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.55	
10.37	Amendment Agreement dated as of May 2, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending and restating the Master Terms and Conditions for Capped Call Transactions between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch and amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.56	
10.38	Amendment Agreement, dated as of May 13, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.57	
10.39	Amendment Agreement dated as of May 13, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.58	
10.40	Amendment Agreement dated as of May 13, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.59	
10.41	Amendment Agreement, dated as of June 6, 2014, between Equinix, Inc. and Goldman, Sachs & Co., amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.60	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.42	Amendment Agreement dated as of June 6, 2014, between Equinix, Inc. and Deutsche Bank AG, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.61	
10.43	Amendment Agreement dated as of June 6, 2014, between Equinix, Inc. and JPMorgan Chase Bank, National Association, London Branch, amending the Confirmation for Base Capped Call Transaction.	10-Q	6/30/14	10.62	
10.44	Agreement for Purchase and Sale of Shares Among RW Brasil Fundo de Investimentos em Participação, Antônio Eduardo Zago De Carvalho and Sidney Victor da Costa Breyer, as Sellers, and Equinix Brasil Participações Ltda., as Purchaser, and Equinix South America Holdings LLC., as a Party for Limited Purposes and ALOG Soluções de Tecnologia em Informática S.A. as Intervening Consenting Party dated July 18, 2014	10-Q	9/30/14	10.67	
10.45	Credit Agreement, by and among Equinix, Inc., as borrower, Equinix LLC and Switch & Data LLC as guarantors, the Lenders (defined therein), Bank of America, N.A., as administrative agent, a Lender and L/C issuer, JPMorgan Chase Bank, N.A., and TD Securities (USA) LLC, as co-syndication agents, Barclays Bank PLC, Citibank, N.A., Royal Bank of Canada and ING Bank N.V., Singapore Branch, as Co-Documentation Agents and Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, and TD Securities (USA) LLC, as joint lead arrangers and book runners, dated December 17, 2014.	10-K	12/31/14	10.48	
10.46**	Equinix, Inc. 2015 Incentive Plan.	10-Q	3/31/15	10.49	
10.47**	2015 Form of Revenue/ AFFO Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.50	
10.48**	2015 Form of TSR Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.51	
10.49**	2015 Form of Time-Based Restricted Stock Unit Agreement for executives.	10-Q	3/31/15	10.52	
10.50	First Amendment to Credit Agreement and first Amendment to Pledge and Security Agreement by and among Equinix, Inc., as borrower, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as administrative agent, dated April 30, 2015.	10-Q	9/30/2015	10.52	
10.51	Bridge Credit Agreement dated as of May 28, 2015 among Equinix, Inc. as Borrower, Various Financial Institutions as Lenders, and JPMorgan Chase Bank, N.A., as Administrative Agent. JPMorgan Securities LLC as sole Arranger and Bookrunner.	10-Q	6/30/15	10.53	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date/ Period End Date	Exhibit	
10.52	First Amendment to the Bridge Credit Agreement Dated as of May 28, 2015 as Amended on June 19, 2015 among Equinix, Inc., as Borrower, Various Financial Institutions as Lenders, and JP Morgan Chase Bank, N.A. as Administrative Agent. JPMorgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, CityGroup Global Markets Inc. and RBC Capital Markets, LLC as Lead Arrangers and Bookrunners and TD Securities (USA) LLC, ING Bank N.V., HSBC Securities (USA) Inc. and The Bank of Tokyo-Mitsubishi UFJ, LTD as Co-Managers	10-Q	6/30/15	10.54	
10.53	Term Loan Agreement dated as of September 30, 2015 among QAON G.K. and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Arranger and Lender.	10-Q	9/30/15	10.55	
10.54	First Amendment to Term Loan Agreement, dated as of October 26, 2015, among QAON G.K. and certain other direct and indirect subsidiaries of Equinix, Inc., as Borrowers, and The Bank of Tokyo-Mitsubishi UFJ, Ltd. as Arranger and Lender.	10-Q	9/30/15	10.56	
10.55	Second Amendment to Credit Agreement by and among Equinix, Inc., as borrower, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as administrative agent, dated December 8, 2015.				X
21.1	Subsidiaries of Equinix, Inc.				X
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Document.				X
101.DEF	XBRL Taxonomy Extension Definition Document.				X
101.LAB	XBRL Taxonomy Extension Labels Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Document.				X

** Management contracts or compensation plans or arrangements in which directors or executive officers are eligible to participate.

- (b) Exhibits.
See (a) (3) above.
- (c) Financial Statement Schedule.
See (a) (2) above.

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ STEPHEN M. SMITH</u> Stephen M. Smith	President and Chief Executive Officer (Principal Executive Officer)	February 26, 2016
<u>/s/ KEITH D. TAYLOR</u> Keith D. Taylor	Chief Financial Officer (Principal Financial and Accounting Officer)	February 26, 2016
<u>/s/ PETER F. VAN CAMP</u> Peter F. Van Camp	Executive Chairman	February 26, 2016
<u>/s/ THOMAS A. BARTLETT</u> Thomas A. Bartlett	Director	February 26, 2016
<u>/s/ NANCI CALDWELL</u> Nanci Caldwell	Director	February 26, 2016
<u>/s/ GARY F. HROMADKO</u> Gary F. Hromadko	Director	February 26, 2016
<u>/s/ JOHN HUGHES</u> John Hughes	Director	February 26, 2016
<u>/s/ SCOTT G. KRIENS</u> Scott G. Kriens	Director	February 26, 2016
<u>/s/ WILLIAM K. LUBY</u> William K. Luby	Director	February 26, 2016
<u>/s/ IRVING F. LYONS, III</u> Irving F. Lyons, III	Director	February 26, 2016
<u>/s/ CHRISTOPHER B. PAISLEY</u> Christopher B. Paisley	Director	February 26, 2016

INDEX TO EXHIBITS

Exhibit Number	Description of Document
2.3	Amendment to Cooperation Agreement, dated as of November 24, 2015, by and between Equinix, Inc. and Telecity Group plc.
10.55	Second Amendment to Credit Agreement by and among Equinix, Inc., as borrower, the Guarantors (defined therein), the Lenders (defined therein) and Bank of America, N.A., as administrative agent, dated December 8, 2015.
21.1	Subsidiaries of Equinix, Inc.
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Document.
101.DEF	XBRL Taxonomy Extension Definition Document.
101.LAB	XBRL Taxonomy Extension Labels Document.
101. PRE	XBRL Taxonomy Extension Presentation Document.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and
Shareholders of Equinix, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Equinix, Inc. and its subsidiaries at December 31, 2015 and December 31, 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it classifies deferred tax assets and liabilities and debt issuance costs on the consolidated balance sheet in 2015.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Bit-isle, Inc. from its assessment of internal control over financial reporting as of December 31, 2015 because it was acquired by the Company in a purchase business combination during 2015. We have also excluded Bit-isle Inc. from our assessment of internal control over financial reporting. Bit-isle, Inc. is a wholly-owned subsidiary with total assets and total revenue representing approximately 4% and 1%, respectively of the consolidated financial statement amounts as of and for the year ended December 31, 2015.

/s/ PricewaterhouseCoopers LLP
San Jose, CA
February 26, 2016

EQUINIX, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31,	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,228,838	\$ 610,917
Short-term investments	12,875	529,395
Accounts receivable, net of allowance for doubtful accounts of \$10,352 and \$9,466	291,964	262,570
Current portion of restricted cash	479,417	3,057
Other current assets	212,929	85,004
Assets held for sale	33,257	—
Total current assets	3,259,280	1,490,943
Long-term investments	4,584	439
Property, plant and equipment, net	5,606,436	4,998,270
Goodwill	1,063,200	1,002,129
Intangible assets, net	224,565	147,527
Restricted cash, less current portion	10,172	14,060
Other assets	188,458	128,610
Total assets	\$ 10,356,695	\$ 7,781,978
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 400,948	\$ 285,796
Accrued property, plant and equipment	103,107	114,469
Current portion of capital lease and other financing obligations	40,121	21,362
Current portion of mortgage and loans payable	770,236	59,466
Current portion of convertible debt	146,121	—
Other current liabilities	192,286	162,664
Liabilities held for sale	3,535	—
Total current liabilities	1,656,354	643,757
Capital lease and other financing obligations, less current portion	1,287,139	1,168,042
Mortgage and loans payable, less current portion	472,769	532,809
Convertible debt, less current portion	—	145,229
Senior notes	3,804,634	2,717,046
Other liabilities	390,413	304,964
Total liabilities	7,611,309	5,511,847
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, \$0.001 par value per share: 100,000,000 shares authorized in 2015 and 2014; zero shares issued and outstanding	—	—
Common stock, \$0.001 par value per share: 300,000,000 shares authorized in 2015 and 2014; 62,134,894 issued and 62,100,159 outstanding in 2015 and 56,505,122 issued and 56,451,255 outstanding in 2014	62	57
Additional paid-in capital	4,838,444	3,334,305
Treasury stock, at cost; 34,735 shares in 2015 and 53,867 shares in 2014	(7,373)	(11,411)
Accumulated dividends	(1,468,472)	(424,387)
Accumulated other comprehensive loss	(509,059)	(332,443)
Accumulated deficit	(108,216)	(295,990)
Total stockholders' equity	2,745,386	2,270,131
Total liabilities and stockholders' equity	\$ 10,356,695	\$ 7,781,978

See accompanying notes to consolidated financial statements.

EQUINIX, INC.
Consolidated Statements of Operations
(in thousands, except per share data)

	Years ended December 31,		
	2015	2014	2013
Revenues	\$ 2,725,867	\$ 2,443,776	\$ 2,152,766
Costs and operating expenses:			
Cost of revenues	1,291,506	1,197,885	1,064,403
Sales and marketing	332,012	296,103	246,623
General and administrative	493,284	438,016	374,790
Restructuring reversals	—	—	(4,837)
Acquisition costs	41,723	2,506	10,855
Total costs and operating expenses	2,158,525	1,934,510	1,691,834
Income from operations	567,342	509,266	460,932
Interest income	3,581	2,891	3,387
Interest expense	(299,055)	(270,553)	(248,792)
Other income (expense)	(60,581)	119	5,253
Loss on debt extinguishment	(289)	(156,990)	(108,501)
Income from operations before income taxes	210,998	84,733	112,279
Income tax expense	(23,224)	(345,459)	(16,156)
Net income (loss)	187,774	(260,726)	96,123
Net (income) loss attributable to redeemable non-controlling interests	—	1,179	(1,438)
Net income (loss) attributable to Equinix	\$ 187,774	\$ (259,547)	\$ 94,685
Earnings per share ("EPS") attributable to Equinix:			
Basic EPS	\$ 3.25	\$ (4.96)	\$ 1.92
Weighted-average shares	57,790	52,359	49,438
Diluted EPS	\$ 3.21	\$ (4.96)	\$ 1.89
Weighted-average shares	58,483	52,359	50,116

See accompanying notes to consolidated financial statements.

EQUINIX, INC.
Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Years ended December 31,		
	2015	2014	2013
Net income (loss)	\$ 187,774	\$ (260,726)	\$ 96,123
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment ("CTA") loss	(186,763)	(204,065)	(18,203)
Net investment hedge CTA gain	4,484	—	—
Unrealized loss on available-for-sale securities	(40)	(279)	(298)
Unrealized gain (loss) on cash flow hedges	4,550	8,790	(1,750)
Net actuarial gain (loss) on defined benefit plans	1,153	(2,001)	—
Total other comprehensive loss, net of tax	(176,616)	(197,555)	(20,251)
Comprehensive income (loss), net of tax	11,158	(458,281)	75,872
Net (income) loss attributable to redeemable non-controlling interests	—	1,179	(1,438)
Other comprehensive (income) loss attributable to redeemable non-controlling interest	—	(1,810)	7,526
Comprehensive income (loss) attributable to Equinix	<u>\$ 11,158</u>	<u>\$ (458,912)</u>	<u>\$ 81,960</u>

See accompanying notes to consolidated financial statements.

EQUINIX, INC.
Consolidated Statements of Stockholders' Equity and Other Comprehensive Income (Loss)
For the Three Years Ended December 31, 2015
(in thousands, except share data)

	<u>Common stock</u>		<u>Treasury stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated dividends</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total stockholder's equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			<u>other comprehensive income (loss)</u>	<u>deficit</u>	
Balance as of December 31, 2012	49,139,851	\$ 49	(363,743)	\$ (36,676)	\$ 2,582,238	\$ —	\$ (101,042)	\$ (131,128)	\$ 2,313,441
Net income	—	—	—	—	—	—	—	96,123	96,123
Net income attributable to non-controlling interests	—	—	—	—	—	—	—	(1,438)	(1,438)
Other comprehensive loss	—	—	—	—	—	—	(20,251)	—	(20,251)
Other comprehensive loss attributable to redeemable non-controlling interests	—	—	—	—	—	—	7,526	—	7,526
Issuance of common stock and release of treasury stock for employee equity awards	1,093,373	1	8,198	805	31,087	—	—	—	31,893
Release of treasury stock upon conversions of convertible debt	—	—	68	7	(1)	—	—	—	6
Common shares repurchased	—	—	(288,739)	(48,799)	—	—	—	—	(48,799)
Change in redemption value of redeemable non-controlling interests	—	—	—	—	(47,940)	—	—	—	(47,940)
Tax benefit from employee stock plans	—	—	—	—	25,638	—	—	—	25,638
Stock-based compensation, net of estimated forfeitures	—	—	—	—	102,865	—	—	—	102,865
Balance as of December 31, 2013	50,233,224	50	(644,216)	(84,663)	2,693,887	—	(113,767)	(36,443)	2,459,064
Net loss	—	—	—	—	—	—	—	(260,726)	(260,726)
Net loss attributable to non-controlling interests	—	—	—	—	—	—	—	1,179	1,179
Other comprehensive loss	—	—	—	—	—	—	(197,555)	—	(197,555)
Other comprehensive income attributable to redeemable non-controlling interests	—	—	—	—	—	—	(1,810)	—	(1,810)
Issuance of common stock and release of treasury stock for employee equity awards	933,554	1	7,846	1,185	28,134	—	—	—	29,320
Common shares repurchased	—	—	(1,517,743)	(297,958)	—	—	—	—	(297,958)
Issuance of common stock and release of treasury stock for the exchanges and conversions of 4.75% convertible debt	1,411,851	2	1,000,102	147,706	43,024	—	—	—	190,732
Issuance of common stock and release of treasury stock for the exchange of 3.00% convertible debt	1,248,578	1	700,000	139,004	77,953	—	—	—	216,958
Issuance of common stock and release of treasury stock for conversions of 3.00% convertible debt	1,195,496	1	400,144	83,315	95,428	—	—	—	178,744
Issuance of common stock for special distribution	1,482,419	2	—	—	332,732	(414,856)	—	—	(82,122)
Accrued dividends on unvested equity awards	—	—	—	—	—	(9,531)	—	—	(9,531)
Change in redemption value of redeemable non-controlling interests	—	—	—	—	(90,913)	—	—	—	(90,913)
Purchase of redeemable non-controlling interests	—	—	—	—	17,977	—	(19,311)	—	(1,334)
Tax benefit from employee stock plans	—	—	—	—	18,561	—	—	—	18,561
Stock-based compensation, net of estimated forfeitures	—	—	—	—	117,522	—	—	—	117,522

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	<u>Common stock</u>		<u>Treasury stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated dividends</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total stockholder's equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			<u>other comprehensive income (loss)</u>		
Balance as of December 31, 2014	56,505,122	57	(53,867)	(11,411)	3,334,305	(424,387)	(332,443)	(295,990)	2,270,131
Net income	—	—	—	—	—	—	—	187,774	187,774
Other comprehensive loss	—	—	—	—	—	—	(176,616)	—	(176,616)
Issuance of common stock in public offering of common stock	2,994,792	3	—	—	829,493	—	—	—	829,496
Issuance of common stock and release of treasury stock for employee equity awards	856,406	1	7,348	1,546	28,493	—	—	—	30,040
Issuance of common stock and release of treasury stock for the exchanges and conversions of 4.75% convertible debt	90,163	—	11,784	2,492	5,392	—	—	—	7,884
Dividend distributions	—	—	—	—	—	(393,584)	—	—	(393,584)
Settlement of accrued dividends on vested equity awards	—	—	—	—	3,775	—	—	—	3,775
Issuance of common stock and cash payment for special distribution	1,688,411	1	—	—	501,513	(627,221)	—	—	(125,707)
Accrued dividends on unvested equity awards	—	—	—	—	—	(23,280)	—	—	(23,280)
Tax benefit from employee stock plans	—	—	—	—	30	—	—	—	30
Stock-based compensation, net of estimated forfeitures	—	—	—	—	135,443	—	—	—	135,443
Balance as of December 31, 2015	<u>62,134,894</u>	<u>\$ 62</u>	<u>(34,735)</u>	<u>\$ (7,373)</u>	<u>\$ 4,838,444</u>	<u>\$ (1,468,472)</u>	<u>\$ (509,059)</u>	<u>\$ (108,216)</u>	<u>\$ 2,745,386</u>

See accompanying notes to consolidated financial statements.

EQUINIX, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Years ended December 31,		
	2015	2014	2013
Cash flows from operating activities:			
Net income (loss)	\$ 187,774	\$ (260,726)	\$ 96,123
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	498,134	453,935	405,444
Stock-based compensation	132,443	117,990	102,940
Excess tax benefits from stock-based compensation	(30)	(19,582)	(27,330)
Amortization of intangible assets	27,446	27,756	27,027
Amortization of debt issuance costs and debt discounts	16,050	18,667	23,868
Provision for allowance for doubtful accounts	5,037	7,093	5,819
Restructuring charges (reversals)	—	—	(4,837)
Loss on debt extinguishment	289	156,990	108,501
Foreign currency transactions and other, net	16,490	19,912	11,543
Changes in operating assets and liabilities:			
Accounts receivable	(44,583)	(101,966)	(27,956)
Income taxes, net	(109,579)	226,774	(108,189)
Other assets	(70,371)	(6,496)	(36,853)
Accounts payable and accrued expenses	109,125	10,681	7,242
Other liabilities	126,568	38,392	21,266
Net cash provided by operating activities	<u>894,793</u>	<u>689,420</u>	<u>604,608</u>
Cash flows from investing activities:			
Purchases of investments	(359,031)	(545,997)	(968,971)
Sales of investments	837,708	573,582	276,351
Maturities of investments	35,431	211,966	213,484
Business acquisitions, net of cash acquired	(245,553)	—	(49,337)
Purchases of real estate	(38,282)	(16,791)	(74,332)
Purchases of other property, plant and equipment	(868,120)	(660,203)	(572,406)
Increase in restricted cash	(512,319)	(968)	(837,190)
Release of restricted cash	15,239	2,572	843,088
Net cash used in investing activities	<u>(1,134,927)</u>	<u>(435,839)</u>	<u>(1,169,313)</u>
Cash flows from financing activities:			
Purchases of treasury stock	—	(297,958)	(48,799)
Proceeds from employee equity awards	30,040	29,320	31,892
Excess tax benefits from stock-based compensation	30	19,582	27,330
Payment of dividends and special distribution	(521,461)	(83,266)	—
Purchase of non-controlling interests	—	(226,276)	—
Proceeds from public offering of common stock, net of issuance costs	829,496	—	—
Proceeds from senior notes	1,100,000	1,250,000	1,500,000
Proceeds from loans payable	1,197,108	508,826	28,038
Repayment of senior notes	—	(750,000)	(750,000)
Repayment of convertible debt	—	(29,513)	—
Repayment of capital lease and other financing obligations	(28,663)	(18,030)	(40,133)
Repayment of mortgage and loans payable	(715,270)	(153,473)	(52,500)
Debt extinguishment costs	—	(116,517)	(97,864)
Debt issuance costs	(18,098)	(25,294)	(23,057)
Net cash provided by financing activities	<u>1,873,182</u>	<u>107,401</u>	<u>574,907</u>
Effect of foreign currency exchange rates on cash and cash equivalents	(15,127)	(11,959)	(521)
Net increase in cash and cash equivalents	<u>1,617,921</u>	<u>349,023</u>	<u>9,681</u>
Cash and cash equivalents at beginning of period	<u>610,917</u>	<u>261,894</u>	<u>252,213</u>
Cash and cash equivalents at end of period	<u>\$ 2,228,838</u>	<u>\$ 610,917</u>	<u>\$ 261,894</u>
Supplemental cash flow information			
Cash paid for taxes	<u>\$ 132,302</u>	<u>\$ 117,197</u>	<u>\$ 123,690</u>
Cash paid for interest	<u>\$ 237,410</u>	<u>\$ 262,018</u>	<u>\$ 210,629</u>

See accompanying notes to consolidated financial statements.

EQUINIX, INC.
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 in Delaware on June 22, 1998. Equinix provides colocation space and related services. Global enterprises, content providers, financial companies and network service providers rely upon Equinix's insight and expertise to safehouse and connect their most valued information assets. The Company operates International Business Exchange™ ("IBX®") data centers, or IBX data centers across Americas; Europe, Middle East and Africa ("EMEA") and Asia-Pacific geographic regions where customers directly interconnect with a network ecosystem of partners and customers. More than 1,000 network service providers offer access to the world's Internet routes inside the Company's IBX data centers. This access to Internet routes provides Equinix customers improved reliability and streamlined connectivity while significantly reducing costs by reaching a critical mass of networks within a centralized physical location.

The Company began operating as a Real Estate Investment Trust ("REIT") for federal income tax purposes effective January 1, 2015. See "Income Taxes" in Note 1 below for additional information.

On November 2, 2015, the Company acquired Bit-isle, Inc. ("Bit-isle"), a Tokyo-based company which primarily provides data center services in Japan. On January 15, 2016, the Company completed its acquisition of Telecity Group plc ("TelecityGroup") which provides data center services in Europe. As a result of these acquisitions, the Company operates 145 IBX data centers in 40 markets across five continents.

Basis of Presentation, Consolidation and Foreign Currency

The accompanying consolidated financial statements include the accounts of Equinix and its subsidiaries, including the acquisitions of Bit-isle Inc. ("Bit-isle") from November 2, 2015, Nimbo Technologies Inc. ("Nimbo") from January 14, 2015 and Frankfurt Kleyer 90 Carrier Hotel from October 1, 2013. All intercompany accounts and transactions have been eliminated in consolidation. Foreign exchange gains or losses resulting from foreign currency transactions, including intercompany foreign currency transactions, that are anticipated to be repaid within the foreseeable future, are reported within other income (expense) on the Company's accompanying consolidated statements of operations. For additional information on the impact of foreign currencies to the Company's consolidated financial statements, see "Accumulated Other Comprehensive Loss" in Note 11.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("U.S.") 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. On an ongoing basis, the Company evaluates its estimates, including, but not limited to, those related to the allowance for doubtful accounts, fair values of financial instruments, intangible assets and goodwill, useful lives of intangible assets and property, plant and equipment, assets acquired and liabilities assumed from acquisitions, asset retirement obligations, restructuring charges, redemption value of redeemable non-controlling interests and income taxes. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable.

Cash, Cash Equivalents and Short-Term and Long-Term Investments

The Company considers all highly liquid instruments with an original maturity from the date of purchase of three months or less to be cash equivalents. Cash equivalents consist of money market mutual funds and highly liquid debt securities of corporations and certificates of deposit with original maturities up to 90 days. Short-term investments generally consist of debt securities with original maturities of between 90 days and one year. Long-term investments consist of debt securities with original maturities greater than 365 days and publicly traded equity securities. The Company's fixed income securities and publicly traded equity securities are classified as "available-for-sale" and are carried at fair value with unrealized gains and losses reported in stockholders' equity as a component of other comprehensive income (loss). The cost of securities sold is based on the specific identification method. The Company reviews its investment portfolio quarterly to determine if any securities may be other-than-temporarily impaired due to increased credit risk, changes in industry or sector of a certain instrument or ratings downgrades.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Equity method and cost method investments

The Company's non-marketable securities are accounted under cost method accounting. The Company records the dividends declared by the investees in other income and expense in the consolidated statement of operations and records any dividends in excess of earnings as a reduction of cost of investment. The Company's other equity investments include private equity investments which are accounted under equity method accounting. The Company adjusts the carrying amount of an investment for its share of the earnings and losses of the investees and recognizes its share of income or loss in other income and expense in the consolidated statement of operations. The Company records cost method and equity method investments in other assets in the consolidated balance sheet. The Company reviews these investments periodically to determine if any investments may be other-than-temporarily impaired primarily based on the financial condition and near-term prospects of these companies and funds.

Financial Instruments and Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash, cash equivalents, short-term investments, long-term investments and accounts receivable. Risks associated with cash, cash equivalents, short-term investments and long-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/P-1 Short Term Rating and A-/A3 Long Term Rating, as determined by independent credit rating agencies. Risk to the Company's investment portfolio is further mitigated by its significant weighting in U.S. government securities in order to achieve REIT asset measure requirements.

A significant portion of the Company's customer base is comprised of businesses throughout the Americas. However, a portion of the Company's revenues are derived from the Company's EMEA and Asia-Pacific operations. The following table sets forth percentages of the Company's revenues by geographic region for the years ended December 31:

	2015	2014	2013
Americas	55%	56%	59%
EMEA	26%	26%	24%
Asia-Pacific	19%	18%	17%

No single customer accounted for greater than 10% of accounts receivable or revenues as of or for the years ended December 31, 2015, 2014 and 2013.

Property, Plant and Equipment

Property, plant and equipment are stated at the Company's original cost or fair value for acquired property, plant and equipment. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements and assets acquired under capital leases are amortized over the shorter of the lease term or the estimated useful life of the asset or improvement, unless they are considered integral equipment, in which case they are amortized over the lease term. Leasehold improvements acquired in a business combination are amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date of acquisition. Leasehold improvements that are placed into service significantly after and not contemplated at or near the beginning of the lease term are amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date the leasehold improvements are purchased.

The Company's estimated useful lives of its property, plant and equipment are as follows:

Core systems	3-25 years
Buildings	12-50 years
Leasehold improvements	12-40 years
Construction in progress	N/A
Personal Property	3-10 years

During the three months ended December 31, 2014, the Company revised the estimated useful lives of certain of its property, plant and equipment as part of a review of the related assumptions. As a result, the Company recorded an insignificant amount of higher depreciation expense for the quarter ended December 31, 2014 due to the reduction of the estimated useful lives of certain

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

of its property, plant and equipment. This change was accounted for as a change in accounting estimate on a prospective basis effective October 1, 2014 under the accounting standard for change in accounting estimates. The Company did not revise the estimated useful lives of the property, plant and equipment during the years ended December 31, 2015 and 2013.

The Company's construction in progress includes direct and indirect expenditures for the construction and expansion of IBX data centers and is stated at original cost. The Company has contracted out substantially all of the construction and expansion efforts of its IBX data centers to independent contractors under construction contracts. Construction in progress includes costs incurred under construction contracts including project management services, engineering and schematic design services, design development, construction services and other construction-related fees and services. In addition, the Company has capitalized interest costs during the construction phase. Once an IBX data center or expansion project becomes operational, these capitalized costs are allocated to certain property, plant and equipment categories and are depreciated over the estimated useful life of the underlying assets.

Asset Retirement Costs

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred. The associated retirement costs are capitalized and included as part of the carrying value of the long-lived asset and amortized over the useful life of the asset. Subsequent to the initial measurement, the Company accretes the liability in relation to the asset retirement obligations over time and the accretion expense is recorded as a cost of revenue. The Company's asset retirement obligations are primarily related to its IBX data centers, of which the majority are leased under long-term arrangements, and, in certain cases, are required to be returned to the landlords in their original condition. The majority of the Company's IBX data center leases have been subject to significant development by the Company in order to convert them from, in most cases, vacant buildings or warehouses into IBX data centers. The majority of the Company's IBX data centers' initial lease terms expire at various dates ranging from 2017 to 2065 and most of them enable the Company to extend the lease terms.

Goodwill and Other Intangible Assets

The Company has three reportable segments comprised of the 1) Americas, 2) EMEA and 3) Asia-Pacific geographic regions, which the Company also determined are its reporting units. As of December 31, 2015, the Company had goodwill attributable to its Americas, EMEA and Asia-Pacific reporting units. In 2014, the Company changed its annual goodwill impairment testing date from November 30th to October 31st of each year, commencing on October 31, 2014, to better align its annual goodwill impairment test with the timing of the Company's budgeting and forecasting process.

The Company has the option to assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If, after assessing the qualitative factors, the Company determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then performing the two-step impairment test is unnecessary. However, if the Company concludes otherwise, then it is required to perform the first step of the two-step goodwill impairment test. The first step, identifying a potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of the reporting unit exceeds its fair value, the second step would need to be conducted; otherwise, no further steps are necessary as no potential impairment exists. The second step, measuring the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Any excess of the reporting unit goodwill carrying value over the respective implied fair value is recognized as an impairment loss.

The Company assessed qualitative and quantitative factors during the fourth quarter of 2015 to determine whether it was more likely than not that the fair value of its Americas reporting unit, EMEA reporting unit and Asia-Pacific reporting unit was less than its carrying value. Qualitative factors considered in the assessment include industry and market conditions, overall financial performance, and other relevant events and factors affecting the reporting unit. Additionally, as part of this analysis, the Company may perform a quantitative analysis to support the qualitative factors by evaluating sensitivities to assumptions and inputs used in measuring a reporting unit's fair value. Prior to 2015, the Company performed the first step of the two-step goodwill impairment test for its Americas, EMEA and Asia-Pacific reporting units during the quarter ended December 31, 2014 and 2013. In order to determine the fair value of each reporting unit, the Company utilizes the discounted cash flow and market methods. The Company had used both methods in its goodwill impairment tests as it believes both methods, in conjunction with each other, provide a reasonable estimate of the determination of fair value of each reporting unit – the discounted cash flow method being specific to anticipated future results of the reporting unit and the market method, which is based on the Company's market sector including its competitors. The assumptions supporting the discounted cash flow method was determined using the Company's best estimates as of the date of the impairment review. As of October 31, 2015, the Company concluded that it was more likely than not that goodwill attributed to the Company's Americas, EMEA and Asia-Pacific reporting units was not impaired as the fair value of each

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reporting unit exceeded the carrying value of its respective reporting unit, including goodwill. In addition, the Company concluded that no events occurred or circumstances changed subsequent to October 31, 2015 through December 31, 2015 that would more likely than not reduce the fair value of the Americas, EMEA and Asia-Pacific reporting units below its carrying value. The Company has performed various sensitivity analyses on certain of the assumptions used in the discounted cash flow method, such as forecasted revenues and discount rate, and notes that no reasonably possible changes would reduce the fair value of the reporting unit to such a level that would cause an impairment charge.

Impairment assessments inherently involve judgment as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. Future events and changing market conditions may impact the Company's assumptions as to prices, costs, growth rates or other factors that may result in changes in the Company's estimates of future cash flows. Although the Company believes the assumptions it used in testing for impairment are reasonable, significant changes in any one of the Company's assumptions could produce a significantly different result. Indicators of potential impairment that might lead the Company to perform interim goodwill impairment assessments include significant and unforeseen customer losses, a significant adverse change in legal factors or in the business climate, a significant adverse action or assessment by a regulator, a significant stock price decline or unanticipated competition.

For further information on goodwill and other intangible assets, see Note 5 below.

Debt Issuance Costs

Loan fees and costs are capitalized and are amortized over the life of the related loans based on the effective interest method. Such amortization is included as a component of interest expense.

The Company adopted Accounting Standards Update 2015-03, Interest - Imputation of Interest ("ASU 2015-03"), and Accounting Standards Update 2015-15, Interest - Imputation of Interest Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements ("ASU 2015-15"), during the year ended December 31, 2015. In accordance with ASU 2015-03, loan fees and costs associated with outstanding debt have been classified as a reduction of debt in the accompanying consolidated balance sheets. In accordance with ASU 2015-15, loan fees and costs associated with the line-of-credit arrangements have been classified as other assets in the accompanying consolidated balance sheets. As a result of the adoption of ASU 2015-03, the Company reclassified debt issuance costs of \$35,455,000 at December 31, 2014 from other assets to debt. As of December 31, 2015, debt issuance costs of \$47,028,000 were classified as a reduction of debt.

Derivatives and Hedging Activities

The Company recognizes all derivatives on the consolidated balance sheet at fair value. The accounting for changes in the value of a derivative depends on whether the contract is for trading purposes or has been designated and qualifies for hedge accounting. In order to qualify for hedge accounting, a derivative must be considered highly effective at reducing the risk associated with the exposure being hedged. In order for a derivative to be designated as a hedge, there must be documentation of the risk management objective and strategy, including identification of the hedging instrument, the hedged item and the risk exposure, and how effectiveness is to be assessed prospectively and retrospectively. Foreign currency gains or losses associated with derivatives that do not qualify for hedge accounting are recorded within other income (expense), net in the Company's consolidated statements of operations, with the exception of foreign currency embedded derivatives contained in certain of the Company's customer contracts (see "Revenue Recognition" below), which are recorded within revenues in the Company's consolidated statements of operations.

To assess effectiveness of derivatives that qualify for hedge accounting, the Company uses a regression analysis. The extent to which a hedging instrument has been and is expected to continue to be effective at achieving offsetting changes in cash flows is assessed and documented at least quarterly. Any ineffectiveness is reported in current-period earnings. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued. For qualifying cash flow hedges, the effective portion of the change in the fair value of the derivative is recorded in other comprehensive income (loss) and recognized in the consolidated statements of operations when the hedged cash flows affect earnings. The ineffective portion of cash flow hedges is immediately recognized in earnings. If the hedge relationship is terminated, then the change in fair value of the derivative recorded in other comprehensive income (loss) is recognized in earnings when the cash flows that were hedged occur, consistent with the original hedge strategy. For hedge relationships discontinued because the forecasted transaction is not expected to occur according to the original strategy, any related derivative amounts recorded in other comprehensive income (loss) are immediately recognized in earnings. The Company does not use derivatives for speculative or trading purposes.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

For further information on derivatives and hedging activities, see Note 6 below.

Fair Value of Financial Instruments

The carrying value of the Company's cash and cash equivalents, short-term and long-term investments represent their fair value, while the Company's accounts receivable, accounts payable and accrued expenses and accrued property, plant and equipment approximate their fair value due primarily to the short-term maturity of the related instruments. The fair value of the Company's debt, which is traded in the public debt market, is based on quoted market prices. The fair value of the Company's debt, which is not publicly traded, is estimated by considering the Company's credit rating, current rates available to the Company for debt of the same remaining maturities and terms of the debt.

Fair Value Measurements

The Company measures and reports certain financial assets and liabilities at fair value on a recurring basis, including its investments in money market funds and available-for-sale debt investments in other public companies, governmental units and other agencies, publicly traded equity securities and derivatives.

The Company also follows the accounting standard for the measurement of fair value for non-financial assets and liabilities on a nonrecurring basis. These include:

- Non-financial assets and non-financial liabilities initially measured at fair value in a business combination or other new basis event, but not measured at fair value in subsequent reporting periods;
- Reporting units and non-financial assets and non-financial liabilities measured at fair value for goodwill impairment tests;
- Indefinite-lived intangible assets measured at fair value for impairment assessments;
- Non-financial long-lived assets or asset groups measured at fair value for impairment assessments or disposal;
- Asset retirement obligations initially measured at fair value but not subsequently measured at fair value;
- and
- Non-financial liabilities associated with exit or disposal activities initially measured at fair value but not subsequently measured at fair value.

For further information on fair value measurements, see Note 7 below.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable such as a significant decrease in market price of a long-lived asset, a significant adverse change in legal factors or business climate that could affect the value of a long-lived asset or a continuous deterioration of the Company's financial condition. Recoverability of assets to be held and used is assessed by comparing the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated discounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Company did not record any impairment charges related to its long-lived assets during the years ended December 31, 2015, 2014 and 2013.

Revenue Recognition

Equinix derives more than 90% of its revenues from recurring revenue streams, consisting primarily of (1) colocation, which includes the licensing of cabinet space and power; (2) interconnection offerings, such as cross connects and Equinix Exchange ports; (3) managed infrastructure services and (4) other revenues consisting of rental income from tenants or subtenants. The remainder of the Company's revenues are from non-recurring revenue streams, such as installation revenues, professional services, contract settlements and equipment sales. Revenues from recurring revenue streams are generally billed monthly and recognized ratably over the term of the contract, generally one to three years for IBX data center colocation customers. Non-recurring installation fees, although generally paid in a lump sum upon installation, are deferred and recognized ratably over the period the customer is expected to benefit from the installation. Professional service fees are recognized in the period in which the services were provided and represent the culmination of a separate earnings process as long as they meet the criteria for separate recognition under the accounting standard related to revenue arrangements with multiple deliverables. Revenue from bandwidth and equipment sales is

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

recognized on a gross basis in accordance with the accounting standard related to reporting revenue gross as a principal versus net as an agent, primarily because the Company acts as the principal in the transaction, takes title to products and services and bears inventory and credit risk. To the extent the Company does not meet the criteria for recognizing bandwidth and equipment services as gross revenue, the Company records the revenue on a net basis. Revenue from contract settlements, when a customer wishes to terminate their contract early, is generally recognized on a cash basis, when no remaining performance obligations exist, to the extent that the revenue has not previously been recognized.

The Company guarantees certain service levels, such as uptime, as outlined in individual customer contracts. To the extent that these service levels are not achieved, the Company reduces revenue for any credits given to the customer as a result. The Company generally has the ability to determine such service level credits prior to the associated revenue being recognized, and historically, these credits have generally not been significant. There were no significant service level credits issued during the years ended December 31, 2015, 2014 and 2013.

Revenue is recognized only when the service has been provided and when there is persuasive evidence of an arrangement, the fee is fixed or determinable and collection of the receivable is reasonably assured. It is the Company's customary business practice to obtain a signed master sales agreement and sales order prior to recognizing revenue in an arrangement. Taxes collected from customers and remitted to governmental authorities are reported on a net basis and are excluded from revenue.

As a result of certain customer agreements being priced in currencies different from the functional currencies of the parties involved, under applicable accounting rules, the Company is deemed to have foreign currency forward contracts embedded in these contracts. The Company refers to these as foreign currency embedded derivatives (see Note 6). These instruments are separated from their host contracts and held on the Company's consolidated balance sheet at their fair value. The majority of these foreign currency embedded derivatives arise in certain of the Company's subsidiaries where the local currency is the subsidiary's functional currency and the customer contract is denominated in the U.S. dollar. Changes in their fair values are recognized within revenues in the Company's consolidated statements of operations.

The Company assesses collectability based on a number of factors, including past transaction history with the customer and the credit-worthiness of the customer. The Company generally does not request collateral from its customers although in certain cases the Company obtains a security interest in a customer's equipment placed in its IBX data centers or obtains a deposit. If the Company determines that collection of a fee is not reasonably assured, the fee is deferred and revenue is recognized at the time collection becomes reasonably assured, which is generally upon receipt of cash. In addition, the Company also maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments for which the Company had expected to collect the revenues. If the financial condition of the Company's customers were to deteriorate or if they became insolvent, resulting in an impairment of their ability to make payments, greater allowances for doubtful accounts may be required. Management specifically analyzes accounts receivable and current economic news and trends, historical bad debts, customer concentrations, customer credit-worthiness and changes in customer payment terms when evaluating revenue recognition and the adequacy of the Company's reserves. Any amounts that were previously recognized as revenue and subsequently determined to be uncollectible are charged to bad debt expense included in general and administrative expense in the consolidated statements of operations. A specific bad debt reserve of up to the full amount of a particular invoice value is provided for certain problematic customer balances. An additional reserve is established for all other accounts based on the age of the invoices and an analysis of historical credits issued. Delinquent account balances are written-off after management has determined that the likelihood of collection is not probable.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year 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 deferred tax assets to the amounts that are expected more likely than not to be realized in the future. A tax benefit from an uncertain income tax position may be recognized in the financial statements only if it is more likely than not that the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents.

The Company began operating as a REIT for federal income tax purposes effective January 1, 2015. In May 2015, the Company received a favorable private letter ruling ("PLR") from the U.S. Internal Revenue Service ("IRS"). As a result, the Company may

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

deduct the distributions made to its shareholders from taxable income generated by the Company's Qualified REIT Subsidiaries ("QRSs"). The Company's dividends paid deduction generally eliminates the U.S. taxable income of the Company's QRSs, resulting in no U.S. income tax due. However, the Taxable REIT Subsidiaries ("TRSs") will continue to be subject to income taxes on any taxable income generated by them. In addition, the foreign operations of the Company will continue to be subject to local income taxes regardless of whether the foreign operations are operated as a QRS or TRS.

The Company recognizes interest and penalties related to unrecognized tax benefits within income tax benefit (expense) in the consolidated statements of operations.

Stock-Based Compensation

Stock-based compensation cost is measured at the grant date for all stock-based awards made to employees and directors based on the fair value of the award and is recognized as expense over the requisite service period, which is generally the vesting period.

The Company grants restricted stock units to its employees and these equity awards generally have only a service condition. The Company grants restricted stock units to its executives and these awards generally have a service and performance condition or a service and market condition. To date, any performance conditions contained in an equity award are tied to the financial performance of the Company or a specific region of the Company. The Company assesses the probability of meeting these performance conditions on a quarterly basis. The majority of the Company's equity awards vest over four years, although certain of the equity awards for executives vest over a range of two to four years. The valuation of restricted stock units with only a service condition or a service and performance condition requires no significant assumptions as the fair value for these types of equity awards is based solely on the fair value of the Company's stock price on the date of grant. The Company uses a Monte Carlo simulation option-pricing model to determine the fair value of restricted stock units with a service and market condition.

The Company uses the Black-Scholes option-pricing model to determine the fair value of its employee stock purchase plan. The determination of the fair value of shares purchased under the employee stock purchase plan is affected by assumptions regarding a number of complex and subjective variables including the Company's expected stock price volatility over the term of the awards and actual and projected employee stock purchase behaviors. The Company estimated the expected volatility by using the average historical volatility of its common stock that it believed was best representative of future volatility. The risk-free interest rate used was based on U.S. Treasury zero-coupon issues with remaining terms similar to the expected term of the equity awards. The expected dividend rate used in 2015 was based on average dividend yields and the expected dividend rate used prior to 2015 was zero as the Company did not anticipate paying dividends. The expected term used was equal to the term of each purchase window.

The accounting standard for stock-based compensation does not allow the recognition of unrealized tax benefits associated with the tax deductions in excess of the compensation recorded (excess tax benefit) until the excess tax benefit is realized (i.e., reduces taxes payable). The Company recognizes the benefit from stock-based compensation in equity when the excess tax benefit is realized by following the "with-and-without" approach.

For further information on stock-based compensation, see Note 12 below.

Foreign Currency Translation

The financial position of foreign subsidiaries is translated using the exchange rates in effect at the end of the period, while income and expense items are translated at average rates of exchange during the period. Gains or losses from translation of foreign operations where the local currency is the functional currency are included as other comprehensive income (loss). The net gains and losses resulting from foreign currency transactions are recorded in net income (loss) in the period incurred and reported within other income and expense. Certain inter-company balances are designated as long-term. Accordingly, exchange gains and losses associated with these long-term inter-company balances are recorded as a component of other comprehensive income (loss), along with translation adjustments. How the U.S. dollar performs against certain of the currencies of the foreign countries in which the Company operates can have a significant impact to the Company. Strengthening and weakening of the U.S. dollar against these currencies has significantly impacted the Company's consolidated balance sheets (as evidenced in the Company's foreign currency translation loss), as well as its consolidated statements of operations as amounts denominated in foreign currencies can increase or decrease the Company's revenues and expenses. To the extent that the U.S. dollar strengthens or weakens further, this will continue to impact the Company's consolidated balance sheets and consolidated statements of operations including the amount of revenue that the Company reports in future periods.

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Earnings Per Share

The Company computes basic and diluted EPS for net income (loss) attributable to the Company. Basic EPS is computed using net income (loss) attributable to the Company and the weighted-average number of common shares outstanding. Diluted EPS is computed using net income attributable to the Company, adjusted for interest expense as a result of the assumed conversion of the Company's 3.00% Convertible Subordinated Notes and 4.75% Convertible Subordinated Notes, if dilutive, and the weighted-average number of common shares outstanding plus any dilutive potential common shares outstanding. Dilutive potential common shares include the assumed exercise, vesting and issuance activity of employee equity awards using the treasury stock method, as well as shares issuable upon the assumed conversion of the 3.00% Convertible Subordinated Notes and 4.75% Convertible Subordinated Notes.

Redeemable Non-Controlling Interests

Non-controlling interests in subsidiaries that are redeemable for cash or other assets outside of the Company's control are classified as mezzanine equity, outside of equity and liabilities, and are adjusted to fair value on each balance sheet date. The resulting changes in fair value of the estimated redemption amount, increases or decreases, are recorded with corresponding adjustments against retained earnings or, in the absence of retained earnings, additional paid-in-capital

For further information on redeemable non-controlling interests, see Note 10 below.

Treasury Stock

The Company accounts for treasury stock under the cost method. When treasury stock is re-issued at a higher price than its cost, the difference is recorded as a component of additional paid-in capital to the extent that there are gains to offset the losses. If there are no treasury stock gains in additional paid-in capital, the losses are recorded as a component of accumulated deficit.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842) ("ASU 2016-02"). Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (1) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (2) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and Topic 606, Revenue from Contracts with Customers. The new lease guidance simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. ASU 2016-02 is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted. While the Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements, the Company believes this standard will have a significant impact on its consolidated financial statements due, in part, to the substantial amount of operating leases it has.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments- Overall (Subtopic 825-10) ("ASU 2016-01"), which requires all equity investments to be measured at fair value with changes in the fair value recognized through net income other than those accounted for under equity method of accounting or those that result in consolidation of the investees). The ASU also requires that an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. In addition the ASU eliminates the requirement to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities and the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet for public business entities. ASU 2016-01 is effective for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

In November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes ("ASU 2015-17"), to simplify the presentation of deferred income taxes by eliminating the requirement to separate deferred tax assets and liabilities into current and noncurrent amounts. ASU 2015-17 requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent and is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Earlier application is permitted as of the beginning of an interim or annual reporting period. The Company adopted ASU 2015-17 as of December 31, 2015 and applied the guidance prospectively.

In September 2015, the FASB issued ASU 2015-16, Business Combinations ("ASU 2015-16"), to simplify accounting for adjustments made to provisional amounts recognized in a business combination by eliminating the requirement to retrospectively account for those adjustments. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years with early adoption permitted. The amendments in this ASU require that the acquirer record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization or other income effects as a result of changes to provisional amounts, calculated as if the accounting had been completed at the acquisition date. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07, Fair Value Measurement ("ASU 2015-07"), which permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using the net asset value per share of the investment. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years with early adoption permitted. A reporting entity should apply the amendment retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. The Company does not believe the adoption of ASU 2015-07 will have a significant impact on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest – Imputation of Interest ("ASU 2015-03"), to simplify the presentation of debt issuance costs. The ASU requires debt issuance costs to be presented in the balance sheet as a direct deduction from the carrying amount of the debt liability, consistent with debt discounts or premiums. The recognition and measurement guidance for debt issuance costs is not affected by this ASU. This ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016, with early adoption permitted. In August 2015, the FASB issued ASU 2015-15, Interest – Imputation of Interest Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements ("ASU 2015-15"), which amends ASU 2015-03 and provides guidance for the presentation of debt issuance costs associated with line-of-credit arrangements. ASU 2015-15 provides that debt issuance costs associated with line-of-credit arrangements may be presented in the balance sheet as assets. The Company adopted ASU 2015-03 and ASU 2015-15 in the three months ended September 30, 2015. As a result of the adoption of ASU 2015-03, the Company reclassified debt issuance costs of \$35,455,000 at December 31, 2014 from other assets to debt. As of December 31, 2015, debt issuance costs of \$47,028,000 were classified as a reduction of debt.

In February 2015, the FASB issued ASU 2015-02, Consolidations ("ASU 2015-02"). This ASU requires companies to adopt a new consolidation model, specifically: (1) the ASU modifies the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities; (2) the ASU eliminates the presumption that a general partner should consolidate limited partnership; (3) the ASU affects the consolidation analysis of reporting entities that involved with VIEs and (4) the ASU provides a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. This ASU is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted. The Company does not believe the adoption of ASU 2015-02 will have a significant impact on its consolidated financial statements.

In January 2015, the FASB issued ASU 2015-01, Income Statement – Extraordinary and Unusual Items ("ASU 2015-01"), to simplify the income statement presentation requirements by eliminating the concept of extraordinary items. ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The Company does not believe the adoption of ASU 2015-01 will have a significant impact on its consolidated financial statements.

In August 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"), to provide guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 is effective for annual periods ending after December 15, 2016, and interim periods within

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

annual periods beginning after December 15, 2016, with early adoption permitted. The Company does not believe the adoption of ASU 2014-15 will have a significant impact on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”). This ASU requires companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which companies expect to be entitled in exchange for those goods or services. This ASU will replace most existing revenue recognition guidance in GAAP when it becomes effective. This ASU was originally effective for fiscal years and interim periods beginning after December 15, 2016. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (“ASU 2015-14”), which amends ASU 2014-09 and defers its effective date to fiscal years and interim reporting periods beginning after December 15, 2017. ASU 2015-14 permits earlier application only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The Company is currently evaluating the impact that the adoption of these standards will have on its consolidated financial statements.

2. Acquisitions

Bit-isle Acquisition

On November 2, 2015, the Company, acting through its Japanese subsidiary, completed a cash tender offer for approximately 97% of the equity instruments, including stock options, of Tokyo-based Bit-isle. The Company acquired the remaining outstanding equity instruments of Bit-isle in December 2015. The offer price was JPY 922 per share, in an all cash transaction totaling ¥33,196,000,000 or approximately \$275,367,000.

On September 30, 2015, the Company, acting through its Japanese subsidiaries as borrowers, entered into a term loan agreement (the “Bridge Term Loan Agreement”) with the Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”). Pursuant to the Bridge Term Loan Agreement, BTMU has committed to provide a senior bridge loan facility (the “Bridge Term Loan”) in the amount of up to ¥47,500,000,000, or approximately \$395,339,000 at the exchange rate in effect on December 31, 2015. Proceeds from the Bridge Term Loan are to be used exclusively for the acquisition of Bit-isle, the repayment of Bit-isle’s existing debt and transaction costs incurred in connection with the closing of the Bridge Term Loan and the acquisition of Bit-isle. For further information on the Bridge Term Loan, see Note 9 below.

The Company included Bit-isle’s results of operations from November 2, 2015 and the estimated fair value of assets acquired and liabilities assumed in its consolidated balance sheets beginning November 2, 2015. The Company incurred acquisition costs of approximately \$8,645,000 for the year ended December 31, 2015 related to the Bit-isle Acquisition.

The Company has initially designated all the legal entities acquired in the Bit-isle Acquisition as taxable REIT subsidiaries (“TRSs”).

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Purchase Price Allocation

Under the acquisition method of accounting, the total purchase price was allocated to Bit-isle's net tangible and intangible assets based upon their fair value as of the Bit-isle acquisition date. Based upon the purchase price and the valuation of Bit-isle, the purchase price allocation was as follows (in thousands):

Cash and cash equivalent	\$ 33,198
Accounts receivable	7,359
Other current assets	51,038
Long-term investments	3,806
Property, plant and equipment	308,985
Goodwill	95,444
Intangible assets	111,374
Other assets	22,981
Total assets acquired	634,185
Accounts payable and accrued expenses	(15,028)
Accrued property, plant and equipment	(465)
Capital lease and other financing obligations	(108,833)
Mortgage and loans payable	(190,227)
Other current liabilities	(8,689)
Deferred tax liabilities	(32,192)
Other liabilities	(3,384)
Net assets acquired	\$ 275,367

The following table presents certain information on the acquired identifiable intangible assets (dollars in thousands):

Intangible assets	Fair value	Estimated useful lives (years)	Weighted-average estimated useful lives (years)
Customer relationships	\$ 105,434	13	13.0
Trade name	3,455	2	2.0
Favorable solar contracts	2,410	18	18.0
Other intangible assets	75	0.25	0.25

The fair value of customer relationships was estimated by applying an income approach. The fair value was determined by calculating the present value of estimated future operating cash flows generated from existing customers less costs to realize the revenue. The Company applied a weighted-average discount rate of approximately 11.0%, which reflected the nature of the assets as it relates to the estimated future operating cash flows. Other significant assumptions used to estimate the fair value of the customer relationships include projected revenue growth, customer attrition rates, sales and marketing expenses and operating margins. The fair value of the Bit-isle trade name was estimated using the relief of royalty approach. The Company applied a relief of royalty rate of 2.0% and a weighted-average discount rate of approximately 12.0%. The other acquired identifiable intangible assets were estimated by applying an income or cost approach as appropriate. The fair value measurements were based on significant inputs that are not observable in the market and thus represent Level 3 measurements as defined in the accounting standard for fair value measurements.

The Company determined the fair value of the loans payable assumed in the Bit-isle Acquisition by estimating Bit-isle's debt rating and reviewed market data with a similar debt rating and other characteristics of the debt, including the maturity date and security type. During the year ended December 31, 2015, the Company prepaid and terminated the majority of these loans payable. In conjunction with the repayment of the loans payable, the company incurred an insignificant amount of pre-payment penalties and interest rate swap termination costs, which were recorded as interest expense in the consolidated statement of operations.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired. The goodwill is not expected to be deductible for local tax purposes. Goodwill will not be amortized and will be tested for impairment at least annually. Goodwill recorded as a result of the Bit-isle acquisition is attributable to the Company's Asia-Pacific reportable segment (see Note 16) and reporting unit (see Note 5). For the quarter and year ended December 31, 2015, Bit-isle recognized revenues of \$21,588,000 and had a net loss of \$3,233,000, which were included in the Company's consolidated statements of operations.

Unaudited Pro Forma Combined Consolidated Financial Information

The following unaudited pro forma combined consolidated financial information has been prepared by the Company using the acquisition method of accounting to give effect to the Bit-isle Acquisition as though the acquisition occurred on January 1, 2014. The unaudited pro forma combined consolidated financial information reflect certain adjustments, such as additional depreciation, amortization and interest expense on assets and liabilities acquired.

The unaudited pro forma combined consolidated financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations that would have actually been reported had the acquisitions occurred on the above dates, nor is it necessarily indicative of the future results of operations of the combined company.

The following table sets forth the unaudited pro forma consolidated combined results of operations for the years ended December 31 (in thousands):

	<u>2015</u>	<u>2014</u>
Revenues	\$ 2,847,411	\$ 2,614,127
Net income	195,501	(251,067)

Nimbo Acquisition

On January 14, 2015, the Company acquired all of the issued and outstanding share capital of Nimbo Technologies Inc. ("Nimbo"), a company which specializes in migrating business applications to the cloud with extensive experience moving legacy applications into a hybrid cloud architecture, and connecting legacy data centers to the cloud, for a cash payment of \$10,000,000 and a contingent earn-out arrangement to be paid over two years (the "Nimbo Acquisition"). Nimbo continues to operate under the Nimbo name. The Nimbo Acquisition was accounted for using the acquisition method. As a result of the Nimbo Acquisition, the Company recorded goodwill of \$17,192,000, which represents the excess of the total purchase price over the fair value of the assets acquired and liabilities assumed. The Company recorded the contingent earn-out arrangement at its estimated fair value. The results of operations for Nimbo are not significant to the Company; therefore, the Company does not present its purchase price allocation or pro forma combined results of operations. In addition, any prospective changes in the Company's earn-out estimates are not expected to have a material effect on the Company's consolidated statement of operations.

Offer for TelecityGroup

On May 29, 2015, the Company announced a cash and share offer for the entire issued and to be issued share capital of Telecity Group plc ("TelecityGroup"). TelecityGroup operates data center facilities in strategic internet hub cities across Europe. The acquisition of TelecityGroup enhances the Company's existing data center portfolio by adding seven new markets in Europe including Bulgaria, Finland, Ireland, Italy, Poland, Sweden and Turkey. The transaction closed in January 2016. See Note 18 for additional information.

As the offer to TelecityGroup included an element of cash, the Company was required to include a confirmation that the Company had sufficient cash available to fulfill the offer, according to the UK Takeover Code. As a result, the Company placed £322,851,000 or approximately \$475,689,000 into a restricted cash account, which was included in the current portion of restricted cash in the consolidated balance sheet as of December 31, 2015.

In connection with TelecityGroup acquisition, the Company entered into a bridge credit agreement with J.P. Morgan Chase Bank, N.A. ("JPMCB") as the initial lender and as administrative agent for the lenders (the "Lenders") for a principal amount of £875,000,000 or approximately \$1,289,000,000 at the exchange rate in effect on December 31, 2015 (the "Bridge Loan"). The Bridge Loan had an initial maturity of 12 months from the date of the first drawdown and, at the initial maturity date (if not repaid prior to that time), would have been converted into seven-year extended term loan. Commitment fees associated with the Bridge

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Loan were approximately £4,375,000 or \$6,446,000 at the exchange rate in effect on December 31, 2015. As of December 31, 2015, the Company had accrued the commitment fees associated with the Bridge Loan and the fees were included in interest expense in the consolidated statement of operations. The Bridge Loan was unsecured and was guaranteed by certain of the Company's domestic subsidiaries. As of December 31, 2015, the Company had not made any advances on the Bridge Loan. The Bridge Loan was terminated on January 8, 2016.

The Company will initially designate all the legal entities acquired as taxable REIT subsidiaries ("TRSs").

Frankfurt Kleyer 90 Carrier Hotel Acquisition

On October 1, 2013, the Company completed the purchase of a property located in Frankfurt, Germany for cash consideration of approximately \$50,092,000 (the "Frankfurt Kleyer 90 Carrier Hotel Acquisition"). A portion of the building was leased to the Company and was being used by the Company as its Frankfurt 5 IBX data center. The remainder of the building was leased by other parties, who became the Company's tenants upon closing. The Frankfurt Kleyer 90 Carrier Hotel constitutes a business under the accounting standard for business combinations and as a result, the Frankfurt Kleyer 90 Carrier Hotel Acquisition was accounted for as a business acquisition using the acquisition method of accounting.

The Company included Frankfurt Kleyer 90 Carrier Hotel's results of operations from October 1, 2013 and the estimated fair value of assets acquired and liabilities assumed in its consolidated balance sheets beginning October 1, 2013. The Company incurred acquisition costs of approximately \$4,794,000 for the year ended December 31, 2013 related to the Frankfurt Kleyer 90 Carrier Hotel Acquisition.

Purchase Price Allocation

Under the acquisition method of accounting, the total purchase price was allocated to Frankfurt Kleyer 90 Carrier Hotel's net tangible and intangible assets based upon their fair value as of the Frankfurt Kleyer 90 Carrier Hotel acquisition date. Based upon the purchase price and the valuation of Frankfurt Kleyer 90 Carrier Hotel, the purchase price allocation was as follows (in thousands):

Property, plant and equipment	\$ 85,969
Intangible assets	10,011
Total assets acquired	95,980
Mortgage payable	(42,906)
Intangible - unfavorable leases	(2,982)
Net assets acquired	\$ 50,092

The following table presents certain information on the acquired identifiable intangible assets (dollars in thousands):

Intangible assets	Fair value	Estimated useful lives (years)	Weighted-average estimated useful lives (years)
Customer contracts	\$ 9,363	0.3 - 8	4.9
Unfavorable leases	(2,982)	1 - 6	4.8
Favorable leases	648	1 - 8	7.5

The fair value of customer contracts was estimated by applying an income approach. The fair value was determined by calculating the present value of estimated future operating cash flows generated by existing customer relationships less costs to realize the revenue. The Company applied a discount rate of approximately 9.0%, which reflects the nature of the assets as it relates to the estimated future operating cash flows. Other significant assumptions used to estimate the fair value of the customer contracts include projected revenue growth, customer attrition rates, sales and marketing expenses and operating margins. The fair value of leases was estimated using the market approach. The fair value measurements were based on significant inputs that are not observable in the market and thus represent Level 3 measurements as defined in the accounting standard for fair value measurements.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company determined the fair value of the mortgage payable assumed in the Frankfurt Kleyer 90 Hotel Acquisition by estimating Frankfurt Kleyer 90 Hotel's debt rating and reviewing market data with a similar debt rating and other characteristics of the debt, including the maturity date and security type.

For the year ended December 31, 2013, revenues and net income recorded from Frankfurt Kleyer 90 Hotel were not material and were included in the Company's consolidated statements of operations.

ALOG Acquisition

On April 25, 2011 (the "ALOG Acquisition Date"), the Company and RW Brasil Fundo de Investimento em Participações, a subsidiary of Riverwood Capital L.P. ("Riverwood"), completed the acquisition of approximately 90% of the outstanding capital stock of ALOG Data Centers do Brasil S.A. ("ALOG"). As a result, the Company acquired an approximate 53% controlling equity interest in ALOG (the "ALOG Acquisition").

In July 2014, the Company and Riverwood entered into a purchase and sale agreement in which the Company acquired Riverwood's interest in ALOG and the approximate 10% of ALOG owned by ALOG management, which resulted in the Company owning 100% of ALOG. The net purchase price of \$225,629,000 consisted of: (i) \$216,484,000 of cash paid to Riverwood and ALOG management to acquire their interests in ALOG, (ii) \$8,459,000 of cash paid for the common shares of ALOG related to vested and outstanding stock options to purchase common shares of ALOG that were held by ALOG employees and (iii) \$686,000 for the assumption of Riverwood's portion of the contingent consideration in connection with the acquisition of ALOG in 2011. The cash portion of the purchase price was paid on the closing date in July 2014. The net increase in the redemption value of the redeemable non-controlling interests of \$90,966,000 and transaction costs of \$1,333,000 were recorded in additional paid-in capital during the year ended December 31, 2014.

3. Earnings Per Share

The following table sets forth the computation of basic and diluted EPS for the years ended December 31 (in thousands, except per share amounts):

	2015	2014	2013
Net income (loss)	\$ 187,774	\$ (260,726)	\$ 96,123
Net (income) loss attributable to redeemable non-controlling interests	—	1,179	(1,438)
Net income (loss) attributable to Equinix, basic and diluted	<u>\$ 187,774</u>	<u>\$ (259,547)</u>	<u>\$ 94,685</u>
Weighted-average shares used to calculate basic EPS	<u>57,790</u>	<u>52,359</u>	<u>49,438</u>
Effect of dilutive securities:			
Employee equity awards	693	—	678
Total dilutive potential shares	<u>693</u>	<u>—</u>	<u>678</u>
Weighted-average shares used to calculate diluted EPS	<u>58,483</u>	<u>52,359</u>	<u>50,116</u>
EPS attributable to Equinix:			
Basic EPS	<u>\$ 3.25</u>	<u>\$ (4.96)</u>	<u>\$ 1.92</u>
Diluted EPS	<u>\$ 3.21</u>	<u>\$ (4.96)</u>	<u>\$ 1.89</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table sets forth potential shares of common stock that are not included in the diluted EPS calculation above because to do so would be anti-dilutive for the years ended December 31 (in thousands):

	2015	2014	2013
Shares related to the potential conversion of 3.00% convertible subordinated notes	—	861	3,613
Shares related to the potential conversion of 4.75% convertible subordinated notes	1,977	2,824	4,432
Common stock related to employee equity awards	88	1,820	254
	<u>2,065</u>	<u>5,505</u>	<u>8,299</u>

4. Assets Held for Sale

In order to obtain the approval of the European Commission for the acquisition of TelecityGroup, the Company and TelecityGroup have agreed to divest certain data centers, including the Company's London 2 data center in London, UK ("LD2"). There is no definitive agreement to date with any buyer or buyers and any such agreement will be subject to the approval of the European Commission. The assets and liabilities of this data center, which are included within the EMEA operating segment, were classified as held for sale in the fourth quarter of 2015 and, therefore, the corresponding depreciation and amortization expense was ceased at that time. This anticipated divestiture is not presented as discontinued operations in our consolidated statements of operations, because it does not represent a strategic shift in our business, as the Company will continue operating similar businesses after the acquisition. During the fourth quarter of 2015, the Company entered into an agreement to sell a parcel of land in San Jose, California, whose sale was completed in February 2016. The consolidated financial statements reflect the LD2 data center assets and liabilities and San Jose land parcel as held for sale in the accompanying consolidated balance sheet as of December 31, 2015. During the years ended December 31, 2015 and 2014, the Company recognized revenue of \$17,579,000 and \$21,772,000, respectively, and net income of \$7,166,000 and \$9,218,000, respectively from LD2.

When an asset is classified as held for sale, the asset's book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. As of December 31, 2015, the Company determined that assets held for sale had not been impaired.

The following table summarizes the assets and liabilities of the LD2 data center and San Jose land parcel classified as held for sale in the consolidated balance sheet as of December 31, 2015 (in thousands):

Accounts Receivable	\$	2,222
Other current assets		408
Property, plant and equipment		23,533
Goodwill		5,000
Intangible assets		784
Other assets		1,310
Total assets held for sale	<u>\$</u>	<u>33,257</u>
Accounts payable and accrued expenses	\$	(654)
Accrued property, plant and equipment		(816)
Other current liabilities		(435)
Other liabilities		(1,630)
Total liabilities held for sale	<u>\$</u>	<u>(3,535)</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

5. Balance Sheet Components

Cash, Cash Equivalents and Short-Term and Long-Term Investments

Cash, cash equivalents and short-term and long-term investments consisted of the following as of December 31 (in thousands):

	2015	2014
Cash and cash equivalents:		
Cash ⁽¹⁾	\$ 1,139,554	\$ 207,953
Cash equivalents:		
Money market funds	1,089,284	402,964
Total cash and cash equivalents	2,228,838	610,917
Marketable securities:		
U.S. government securities	—	336,440
U.S. government agency securities	—	192,955
Certificates of deposit	14,106	439
Publicly traded equity securities	3,353	—
Total marketable securities	17,459	529,834
Total cash, cash equivalents and short-term and long-term investments	\$ 2,246,297	\$ 1,140,751

(1) Excludes restricted cash.

As of December 31, 2015 and 2014, cash and cash equivalents included investments which were readily convertible to cash and had original maturity dates of 90 days or less. The maturities of debt instruments classified as short-term investments were one year or less as of December 31, 2015 and 2014. The maturities of debt instruments classified as long-term investments were greater than one year and less than three years as of December 31, 2015 and 2014. Through the acquisition of Bit-istle, the Company acquired certain publicly-traded equity securities which were included in long-term investment in the consolidated balance sheet as of December 31, 2015.

The following table summarizes the cost and estimated fair value of marketable debt securities based on stated effective maturities as of December 31 (in thousands):

	2015		2014	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due within one year	\$ 12,875	\$ 12,875	\$ 529,567	\$ 529,395
Due after one year through three years	1,231	1,231	439	439
Total	\$ 14,106	\$ 14,106	\$ 530,006	\$ 529,834

As of December 31, 2015, the Company's net unrealized gains (losses) on its available-for-sale securities were comprised of the following (in thousands):

	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Fair Value
Certificates of deposit	\$ 14,106	\$ —	\$ —	\$ 14,106
Publicly traded equity securities	3,561	—	(208)	3,353
Total	\$ 17,667	\$ —	\$ (208)	\$ 17,459

None of the securities held at December 31, 2015 were other-than-temporarily impaired.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

While certain marketable securities carry unrealized losses, the Company expects that it will receive both principal and interest according to the stated terms of each of the securities and that the increase or decline in market value is primarily due to changes in the interest rate environment from the time the securities were purchased as compared to interest rates at December 31, 2015.

As of December 31, 2014, the Company's net unrealized gains (losses) on its available-for-sale securities were comprised of the following (in thousands):

	Amortized Cost	Gross unrealized gains	Gross unrealized losses	Fair Value
U.S. government securities	\$ 336,561	\$ 45	\$ (166)	\$ 336,440
U.S. government agency securities	193,006	30	(81)	192,955
Certificates of deposit	439	—	—	439
Total	<u>\$ 530,006</u>	<u>\$ 75</u>	<u>\$ (247)</u>	<u>\$ 529,834</u>

None of the securities held at December 31, 2014 were other-than-temporarily impaired.

Accounts Receivable

Accounts receivable, net, consisted of the following as of December 31 (in thousands):

	2015	2014
Accounts receivable	\$ 302,316	\$ 272,036
Allowance for doubtful accounts	(10,352)	(9,466)
	<u>\$ 291,964</u>	<u>\$ 262,570</u>

Trade accounts receivable are recorded at the invoiced amount and generally do not bear interest.

The following table summarizes the activity of the Company's allowance for doubtful accounts (in thousands):

Balance as of December 31, 2012	\$ 3,716
Provision for allowance for doubtful accounts	5,819
Net write-offs	(2,833)
Impact of foreign currency exchange	(62)
Balance as of December 31, 2013	6,640
Provision for allowance for doubtful accounts	7,093
Net write-offs	(3,825)
Impact of foreign currency exchange	(442)
Balance as of December 31, 2014	9,466
Provision for allowance for doubtful accounts	5,037
Net write-offs	(3,438)
Impact of foreign currency exchange	(713)
Balance as of December 31, 2015	<u>\$ 10,352</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other Current Assets

Other current assets consisted of the following as of December 31 (in thousands):

	2015	2014
Prepaid expenses	\$ 48,322	\$ 29,501
Taxes receivable	33,979	17,071
Deferred tax assets, net	—	6,579
Other receivables	1,925	2,324
Derivative instruments	60,165	17,732
Other current assets	68,538	11,797
	<u>\$ 212,929</u>	<u>\$ 85,004</u>

Property, Plant and Equipment

Property, plant and equipment consisted of the following as of December 31 (in thousands):

	2015	2014
Core systems	\$ 3,820,772	\$ 3,252,569
Buildings	2,383,387	2,074,382
Leasehold improvements	1,204,900	1,053,451
Construction in progress	351,697	460,259
Personal Property	450,914	387,909
Land	183,946	160,035
	<u>8,395,616</u>	<u>7,388,605</u>
Less accumulated depreciation	<u>(2,789,180)</u>	<u>(2,390,335)</u>
	<u>\$ 5,606,436</u>	<u>\$ 4,998,270</u>

Core systems, buildings, leasehold improvements, personal property and construction in progress recorded under capital leases aggregated \$725,337,000 and \$585,288,000 as of December 31, 2015 and 2014, respectively. Amortization of the assets recorded under capital leases is included in depreciation expense and accumulated depreciation on such assets totaled \$117,338,000 and \$83,291,000 as of December 31, 2015 and 2014, respectively.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Goodwill and Other Intangibles

Goodwill and other intangible assets, net, consisted of the following as of December 31 (in thousands):

	2015	2014
Goodwill:		
Americas	\$ 460,203	\$ 463,902
EMEA	374,070	404,093
Asia-Pacific	228,927	134,134
	<u>\$ 1,063,200</u>	<u>\$ 1,002,129</u>
Intangible assets:		
Intangible assets - customer contracts	\$ 311,581	\$ 220,674
Intangible assets - favorable leases	22,783	24,300
Intangible assets - licenses	9,697	9,697
Intangible assets - others	13,491	8,132
	<u>357,552</u>	<u>262,803</u>
Accumulated amortization - customer contracts	(117,167)	(102,074)
Accumulated amortization - favorable leases	(8,909)	(7,656)
Accumulated amortization - licenses	(1,942)	(1,294)
Accumulated amortization - others	(4,969)	(4,252)
	<u>(132,987)</u>	<u>(115,276)</u>
	<u>\$ 224,565</u>	<u>\$ 147,527</u>

Changes in the carrying amount of goodwill by geographic regions are as follows (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of December 31, 2013	\$ 471,845	\$ 435,041	\$ 135,267	\$ 1,042,153
Impact of foreign currency exchange	(7,943)	(30,948)	(1,133)	(40,024)
Balance as of December 31, 2014	463,902	404,093	134,134	1,002,129
Purchase accounting adjustments	17,192	—	95,437	112,629
Asset held for sale adjustments	—	(5,000)	—	(5,000)
Impact of foreign currency exchange	(20,891)	(25,023)	(644)	(46,558)
Balance as of December 31, 2015	<u>\$ 460,203</u>	<u>\$ 374,070</u>	<u>\$ 228,927</u>	<u>\$ 1,063,200</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Changes in the net book value of intangible assets by geographic regions are as follows (in thousands):

	Americas	EMEA	Asia-Pacific	Total
Balance as of December 31, 2012	\$ 89,467	\$ 84,186	\$ 27,909	\$ 201,562
Frankfurt Kleyer 90 Carrier Hotel acquisition (see Note 2)	—	10,010	—	10,010
New York IBX Center purchase	1,100	—	—	1,100
Adjustments	—	(2,070)	—	(2,070)
Amortization of intangibles	(12,604)	(11,613)	(2,810)	(27,027)
Impact of foreign currency exchange	(1,739)	2,196	150	607
Balance as of December 31, 2013	76,224	82,709	25,249	184,182
Amortization of intangibles	(12,257)	(12,795)	(2,704)	(27,756)
Impact of foreign currency exchange	(1,013)	(7,729)	(157)	(8,899)
Balance as of December 31, 2014	62,954	62,185	22,388	147,527
Nimbo acquisition	1,089	—	—	1,089
Bit-Isle acquisition	—	—	111,374	111,374
Asset held for sale adjustments	—	(784)	—	(784)
Write-off of intangible asset	—	(357)	—	(357)
Amortization of intangibles	(11,432)	(11,675)	(4,339)	(27,446)
Impact of foreign currency exchange	(1,968)	(5,014)	144	(6,838)
Balance as of December 31, 2015	\$ 50,643	\$ 44,355	\$ 129,567	\$ 224,565

The Company's goodwill and intangible assets in EMEA, denominated in the United Arab Emirates dirham, British pounds and Euros, goodwill and intangible assets in Asia-Pacific, denominated in Singapore dollars, Hong Kong dollars, Japanese yen and Chinese yuan and certain goodwill and intangibles in Americas, denominated in Canadian dollars and Brazilian reals, are subject to foreign currency fluctuations. The Company's foreign currency translation gains and losses, including goodwill and intangibles, are a component of other comprehensive income and loss.

Estimated future amortization expense related to these intangibles is as follows (in thousands):

Year ending:	
2016	\$ 35,298
2017	33,644
2018	29,690
2019	24,978
2020	19,217
Thereafter	81,738
Total	\$ 224,565

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other Assets

Other assets consisted of the following as of December 31 (in thousands):

	2015	2014
Deferred tax assets, net	\$ 61,152	\$ 45,134
Prepaid expenses, non-current	54,372	37,006
Debt issuance costs, net	19,709	9,022
Deposits	33,132	26,068
Derivative instruments	8,735	5,007
Other assets, non-current	11,358	6,373
	<u>\$ 188,458</u>	<u>\$ 128,610</u>

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of December 31 (in thousands):

	2015	2014
Accounts payable	\$ 49,892	\$ 30,221
Accrued compensation and benefits	131,204	115,184
Accrued interest	67,077	29,116
Accrued taxes ⁽¹⁾	37,004	41,295
Accrued utilities and security	31,789	31,531
Accrued professional fees	18,380	8,148
Accrued repairs and maintenance	3,618	4,086
Accrued other	61,984	26,215
	<u>\$ 400,948</u>	<u>\$ 285,796</u>

(1) Includes income taxes payable of \$14,527,000 and \$21,941,000, respectively, as of December 31, 2015 and 2014.

Other Current Liabilities

Other current liabilities consisted of the following as of December 31 (in thousands):

	2015	2014
Deferred tax liabilities, net	\$ —	\$ 83,264
Deferred installation revenue	56,055	48,707
Customer deposits	23,676	13,492
Derivative instruments	79,256	810
Deferred recurring revenue	12,515	6,879
Deferred rent	3,572	2,675
Dividends payable	13,674	4,559
Asset retirement obligations	—	945
Other current liabilities	3,538	1,333
	<u>\$ 192,286</u>	<u>\$ 162,664</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Other Liabilities

Other liabilities consisted of the following as of December 31 (in thousands):

	2015	2014
Asset retirement obligations, non-current	\$ 78,482	\$ 63,913
Deferred tax liabilities, net	100,624	69,212
Deferred installation revenue, non-current	86,660	76,744
Deferred rent, non-current	68,787	52,968
Accrued taxes, non-current	26,763	24,726
Dividends payable, non-current	13,394	4,972
Customer deposits, non-current	4,701	4,618
Deferred recurring revenue, non-current	3,645	445
Derivative instruments	669	—
Other liabilities	6,688	7,366
	<u>\$ 390,413</u>	<u>\$ 304,964</u>

The following table summarizes the activity of the Company's asset retirement obligation liability (in thousands):

Asset retirement obligations as of December 31, 2012	\$ 63,150
Additions	8,713
Adjustments ⁽¹⁾	(14,874)
Accretion expense	2,932
Impact of foreign currency exchange	(373)
Asset retirement obligations as of December 31, 2013	59,548
Additions	5,774
Adjustments ⁽¹⁾	(871)
Accretion expense	2,438
Impact of foreign currency exchange	(2,031)
Asset retirement obligations as of December 31, 2014	64,858
Additions	17,337
Adjustments ⁽¹⁾	(4,676)
Accretion expense	3,349
Impact of foreign currency exchange	(2,386)
Asset retirement obligations as of December 31, 2015	<u>\$ 78,482</u>

(1) Reversal of asset retirement obligations associated with leases that were amended.

6. Derivatives and Hedging Instruments

Derivatives Designated as Hedging Instruments

Net Investment Hedges. The Company is exposed to the impact of foreign exchange rate fluctuations in the investments in its wholly-owned foreign subsidiaries that are denominated in currencies other than the U.S. dollar. In order to mitigate the volatility in foreign exchange rates, the Company entered into a foreign currency term loan in April 2015, as discussed in Note 9, and designated 100% of the term loan to hedge its net investment in its wholly-owned foreign subsidiaries that are denominated in the same currencies as the term loan. All changes in the fair value of the hedging instrument designated as a net investment hedge, except the ineffective portion, are recorded as a component of other comprehensive income (loss) in the consolidated balance sheet. Effective December 15, 2015, the Company terminated hedging its net investment in subsidiaries that are denominated in

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Swiss Francs. As of December 31, 2015, the Company recorded foreign exchange gain of \$4,484,000 in other comprehensive income for the year ended December 31, 2015. The Company recorded no ineffectiveness from its net investment hedges for the year ended December 31, 2015.

Cash Flow Hedges. During the fourth quarter of 2013, the Company initiated a program to hedge its exposure to foreign currency exchange rate fluctuations for forecasted revenues and expenses in its EMEA region in order to help manage the Company's exposure to foreign currency exchange rate fluctuations between the U.S. Dollar and the British Pound, Euro and Swiss Franc. The foreign currency forward and option contracts that the Company uses to hedge this exposure are designated as cash flow hedges under the accounting standard for derivatives and hedging.

Effective January 1, 2015, the Company entered into intercompany hedging instruments ("intercompany derivatives") with a wholly-owned subsidiary of the Company and simultaneously entered into derivative contracts with unrelated parties to hedge certain forecasted revenues and expenses denominated in currencies other than the U.S. dollar.

The following disclosure is prepared on a consolidated basis. Assets and liabilities resulting from intercompany derivatives have been eliminated in consolidation.

As of December 31, 2015, the Company's cash flow hedge instruments had maturity dates ranging from January 2016 to December 2017 as follows (in thousands):

	Notional Amount	Fair Value ⁽¹⁾	Accumulated other comprehensive income (loss) ⁽²⁾⁽³⁾
Derivative assets	\$ 367,330	\$ 16,027	\$ 34,578
Derivative liabilities	47,447	(813)	(19,709)
	<u>\$ 414,777</u>	<u>\$ 15,214</u>	<u>\$ 14,869</u>

- (1) All derivative assets related to cash flow hedges are included in the consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.
- (2) Included in the consolidated balance sheets within accumulated other comprehensive income (loss).
- (3) The Company recorded a net gain of \$12,940 within accumulated other comprehensive income (loss) relating to cash flow hedges that will be reclassified to revenue and expenses as they mature over the next 12 months.

As of December 31, 2014, the Company's cash flow hedge instruments had maturity dates ranging from January 2015 to January 2016 as follows (in thousands):

	Notional Amount	Fair Value ⁽¹⁾	Accumulated other comprehensive income (loss) ⁽²⁾
Derivative assets	\$ 281,055	\$ 8,404	\$ 8,480
Derivative liabilities	—	—	—
	<u>\$ 281,055</u>	<u>\$ 8,404</u>	<u>\$ 8,480</u>

- (1) All derivative assets related to cash flow hedges are included in the consolidated balance sheets within other current assets.
- (2) Included in the consolidated balance sheets within accumulated other comprehensive income (loss).

During the years ended December 31, 2015 and 2014, the ineffective and excluded portions of cash flow hedges recognized in other income (expense) were not significant. During the year ended December 31, 2015, the amount of net gains reclassified from accumulated other comprehensive income (loss) to revenue were \$27,973,000 and the amount of net losses reclassified from accumulated other comprehensive income (loss) to operating expenses were \$6,256,000. During the year ended December 31, 2014, the amount of net gains reclassified from accumulated other comprehensive income (loss) to revenue were \$4,332,000 and the amount of net losses reclassified from accumulated other comprehensive income (loss) to operating expenses were not significant. During the year ended December 31, 2013, the amount of gains (losses) reclassified from accumulated other comprehensive income (loss) to revenue and operating expenses were not significant.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Derivatives Not Designated as Hedging Instruments

Embedded Derivatives. The Company is deemed to have foreign currency forward contracts embedded in certain of the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved. These embedded derivatives are separated from their host contracts and carried on the Company's balance sheet at their fair value. The majority of these embedded derivatives arise as a result of the Company's foreign subsidiaries pricing their customer contracts in the U.S. dollar. Gains and losses on these embedded derivatives are included within revenues in the Company's consolidated statements of operations. During the year ended December 31, 2015, the gain or loss associated with these embedded derivatives was insignificant. During the years ended December 31, 2014 and 2013, the Company recognized a net gain of \$3,807,000 and \$4,836,000 associated with these embedded derivatives, respectively.

Economic Hedges of Embedded Derivatives. The Company uses foreign currency forward contracts to help manage the foreign exchange risk associated with the Company's customer agreements that are priced in currencies different from the functional or local currencies of the parties involved ("economic hedges of embedded derivatives"). Foreign currency forward contracts represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. Gains and losses on these contracts are included in revenues along with gains and losses of the related embedded derivatives. The Company entered into various economic hedges of embedded derivatives during the years ended December 31, 2015, 2014 and 2013 and recognized a net loss of \$2,287,000, \$2,602,000 and \$4,497,000, respectively.

Foreign Currency Forward and Option Contracts. The Company also uses foreign currency forward and option contracts to manage the foreign exchange risk associated with certain foreign currency-denominated assets and liabilities. As a result of foreign currency fluctuations, the U.S. dollar equivalent values of its foreign currency-denominated assets and liabilities change. Gains and losses on these contracts are included in other income (expense), net, along with the foreign currency gains and losses of the related foreign currency-denominated assets and liabilities associated with these foreign currency forward contracts. The Company entered into various foreign currency forward and option contracts during the years ended December 31, 2015, 2014 and 2013. The Company recognized a net loss of \$24,319,000 during the year ended December 31, 2015 and a net gain of \$12,657,000 during the year ended December 31, 2014. Gains (losses) from these foreign currency forward contracts were not significant during the year ended December 31, 2013.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Offsetting Derivative Assets and Liabilities

The following table presents the fair value of derivative instruments recognized in the Company's consolidated balance sheets as of December 31, 2015 (in thousands):

	Gross Amounts	Gross amounts offset in the balance sheet	Net balance sheet amounts ⁽¹⁾	Gross amounts not offset in the balance sheet ⁽²⁾	Net
Assets:					
<i>Designated as hedging instruments:</i>					
Foreign currency forward and option contracts	\$ 16,027	\$ —	\$ 16,027	\$ (813)	\$ 15,214
<i>Not designated as hedging instruments:</i>					
Embedded derivatives	8,926	—	8,926	—	8,926
Economic hedges of embedded derivatives	744	—	744	—	744
Foreign currency forward contracts	43,203	—	43,203	(34,577)	8,626
	52,873	—	52,873	(34,577)	18,296
Additional netting benefit	—	—	—	(9,512)	(9,512)
	<u>\$ 68,900</u>	<u>\$ —</u>	<u>\$ 68,900</u>	<u>\$ (44,902)</u>	<u>\$ 23,998</u>
Liabilities:					
<i>Designated as hedging instruments:</i>					
Foreign currency forward and option contracts	\$ 813	\$ —	\$ 813	\$ (813)	\$ —
<i>Not designated as hedging instruments:</i>					
Embedded derivatives	1,772	—	1,772	—	1,772
Economic hedges of embedded derivatives	417	—	417	—	417
Foreign currency forward contracts	76,923	—	76,923	(34,577)	42,346
	79,112	—	79,112	(34,577)	44,535
Additional netting benefit	—	—	—	(9,512)	(9,512)
	<u>\$ 79,925</u>	<u>\$ —</u>	<u>\$ 79,925</u>	<u>\$ (44,902)</u>	<u>\$ 35,023</u>

(1) As presented in the Company's consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.

(2) The Company enters into master netting agreements with its counterparties for transactions other than embedded derivatives to mitigate credit risk exposure to any single counterparty. Master netting agreements allow for individual derivative contracts with a single counterparty to offset in the event of default.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following table presents the fair value of derivative instruments recognized in the Company's consolidated balance sheets as of December 31, 2014 (in thousands):

	Gross Amounts	Gross amounts offset in the balance sheet	Net amounts ⁽¹⁾	Gross amounts not offset in the balance sheet ⁽²⁾	Net
Assets:					
<i>Designated as hedging instruments:</i>					
Foreign currency forward contracts	\$ 8,404	\$ —	\$ 8,404	\$ —	\$ 8,404
<i>Not designated as hedging instruments:</i>					
Embedded derivatives	9,182	—	9,182	—	9,182
Foreign currency forward and option contracts	5,153	—	5,153	(138)	5,015
	14,335	—	14,335	(138)	14,197
Additional netting benefit	—	—	—	(508)	(508)
	<u>\$ 22,739</u>	<u>\$ —</u>	<u>\$ 22,739</u>	<u>\$ (646)</u>	<u>\$ 22,093</u>
Liabilities:					
<i>Designated as hedging instruments:</i>					
Foreign currency forward contracts	\$ —	\$ —	\$ —	\$ —	\$ —
<i>Not designated as hedging instruments:</i>					
Embedded derivatives	4	—	4	—	4
Economic hedges of embedded derivatives	390	—	390	—	390
Foreign currency forward and option contracts	416	—	416	(138)	278
	810	—	810	(138)	672
Additional netting benefit	—	—	—	(508)	(508)
	<u>\$ 810</u>	<u>\$ —</u>	<u>\$ 810</u>	<u>\$ (646)</u>	<u>\$ 164</u>

(1) As presented in the Company's consolidated balance sheets within other current assets, other assets, other current liabilities and other liabilities.

(2) The Company enters into master netting agreements with its counterparties for transactions other than embedded derivatives to mitigate credit risk exposure to any single counterparty. Master netting agreements allow for individual derivative contracts with a single counterparty to offset in the event of default.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

7. Fair Value Measurements

The Company's financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015 were as follows (in thousands):

	Fair value at December 31, 2015	Fair value measurement using	
		Level 1	Level 2
Assets:			
Cash	\$ 1,139,554	\$ 1,139,554	\$ —
Money market and deposit accounts	1,089,284	1,089,284	—
Publicly traded equity securities	3,353	3,353	—
Certificates of deposit	14,106	—	14,106
Derivative instruments ⁽¹⁾	68,900	—	68,900
	<u>\$ 2,315,197</u>	<u>\$ 2,232,191</u>	<u>\$ 83,006</u>
Liabilities:			
Derivative instruments ⁽¹⁾	<u>\$ 79,925</u>	<u>\$ —</u>	<u>\$ 79,925</u>

(1) Includes both foreign currency embedded derivatives and foreign currency forward and option contracts. Amounts are included within other current assets, other assets, other current liabilities and other liabilities in the Company's accompanying consolidated balance sheet.

The Company's financial assets and liabilities measured at fair value on a recurring basis at December 31, 2014 were as follows (in thousands):

	Fair value at December 31, 2014	Fair value measurement using	
		Level 1	Level 2
Assets:			
Cash	\$ 207,953	\$ 207,953	\$ —
Money market and deposit accounts	402,964	402,964	—
U.S. government securities	336,440	336,440	—
U.S. government agency securities	192,955	—	192,955
Certificates of deposit	439	—	439
Derivative instruments ⁽¹⁾	22,739	—	22,739
	<u>\$ 1,163,490</u>	<u>\$ 947,357</u>	<u>\$ 216,133</u>
Liabilities:			
Derivative instruments ⁽¹⁾	<u>\$ 810</u>	<u>\$ —</u>	<u>\$ 810</u>

(1) Includes embedded derivatives, foreign currency embedded derivatives and foreign currency forward contracts. Amounts are included within other current assets, other current liabilities and other liabilities in the Company's accompanying consolidated balance sheet.

The Company did not have any Level 3 financial assets or financial liabilities during the years ended December 31, 2015 and 2014.

Valuation Methods

Fair value estimates are made as of a specific point in time based on methods using the market approach valuation method which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities or other valuation techniques. These techniques involve uncertainties and are affected by the assumptions used and the judgments

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors.

Cash, Cash Equivalents and Investments. The fair value of the Company's investments in money market funds approximates their face value. Such instruments are included in cash equivalents. The Company's U.S. government securities, money market funds and publicly traded equity securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices for identical instruments in active markets. The fair value of the Company's other investments approximate their face value, including certificates of deposit and available-for-sale debt investments related to the Company's investments in the securities of other public companies, governmental units and other agencies. The fair value of these investments is priced based on the quoted market price for similar instruments or nonbinding market prices that are corroborated by observable market data. Such instruments are classified within Level 2 of the fair value hierarchy. The Company determines the fair values of its Level 2 investments by using inputs such as actual trade data, benchmark yields, broker/dealer quotes, and other similar data, which are obtained from quoted market prices, custody bank, third-party pricing vendors, or other sources. The Company uses such pricing data as the primary input to make its assessments and determinations as to the ultimate valuation of its investment portfolio and has not made, during the periods presented, any material adjustments to such inputs. The Company is responsible for its consolidated financial statements and underlying estimates.

The Company uses the specific identification method in computing realized gains and losses. Realized gains and losses on the investments are included within other income (expense) in the Company's consolidated statements of operations. Short-term and long-term investments are classified as available-for-sale and are carried at fair value with unrealized gains and losses reported in stockholders' equity as a component of other comprehensive income or loss, net of any related tax effect. The Company reviews its investment portfolio quarterly to determine if any securities may be other-than-temporarily impaired due to increased credit risk, changes in industry or sector of a certain instrument or ratings downgrades over an extended period of time.

Derivative Assets and Liabilities. For derivatives, the Company uses forward contract and option models employing market observable inputs, such as spot currency rates and forward points with adjustments made to these values utilizing published credit default swap rates of its foreign exchange trading counterparties and other comparable companies. The Company has determined that the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, therefore the derivatives are categorized as Level 2.

During the years ended December 31, 2015 and 2014, the Company did not have any nonfinancial assets or liabilities measured at fair value on a recurring basis.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

8. Leases

Capital Lease and Other Financing Obligations

The Company's capital lease and other financing obligations expire at various dates ranging from 2015 to 2053. The weighted average effective interest rate of the Company's capital lease and other financing obligations was 8.17% as of December 31, 2015.

The Company's capital lease and other financing obligations are summarized as follows as of December 31, 2015 (dollars in thousands):

	Capital lease obligations	Other financing obligations	Total
2016	\$ 74,457	\$ 66,175	\$ 140,632
2017	73,537	66,116	139,653
2018	74,053	66,928	140,981
2019	74,857	63,990	138,847
2020	74,868	61,719	136,587
Thereafter	827,789	518,552	1,346,341
Total minimum lease payments	1,199,561	843,480	2,043,041
Plus amount representing residual property value	—	467,616	467,616
Less estimated building costs	—	(247)	(247)
Less amount representing interest	(557,433)	(625,717)	(1,183,150)
Present value of net minimum lease payments	642,128	685,132	1,327,260
Less current portion	(23,435)	(16,686)	(40,121)
	<u>\$ 618,693</u>	<u>\$ 668,446</u>	<u>\$ 1,287,139</u>

Atlanta 1 Capital Lease

In May 2015, the Company entered into a lease amendment to extend the lease term of the Company's Atlanta 1 IBX (the "AT1 Lease"). The lease was originally accounted for as an operating lease. Pursuant to the accounting standard for leases, the Company reassessed the lease classification of the AT1 Lease as a result of the lease amendment and determined that upon the amendment the lease should be accounted for as a capital lease. The Company recorded a capital lease asset and liability totaling approximately \$21,274,000 during the three months ended June 30, 2015. The lease term was extended to September 2035.

Atlanta 2 Capital Lease

In January 2015, the Company entered into a lease amendment to extend the lease term of the Company's Atlanta 2 IBX (the "AT2 Lease"). The lease was originally accounted for as an operating lease. Pursuant to the accounting standard for leases, the Company reassessed the lease classification of the AT2 Lease as a result of the lease amendment and determined that upon the amendment the lease should be accounted for as a capital lease. The Company recorded a capital lease asset totaling approximately \$25,960,000 and a capital lease liability totaling approximately \$26,230,000 during the three months ended March 31, 2015. The lease term, including a renewal option, was extended to December 2024.

Operating Leases

The Company also leases its IBX data centers and certain equipment under noncancelable operating lease agreements. The majority of the Company's operating leases for its land and IBX data centers expire at various dates through 2053 with renewal options available to the Company. The lease agreements typically provide for base rental rates that increase at defined intervals during the term of the lease. In addition, the Company has negotiated some rent expense abatement periods for certain leases to better match the phased build out of its IBX data 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 (see Note 5, "Other Current Liabilities" and "Other Liabilities").

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Minimum future operating lease payments as of December 31, 2015 are summarized as follows (in thousands):

Year ending:		
2016	\$	115,091
2017		113,624
2018		108,810
2019		100,462
2020		89,227
Thereafter		632,677
Total	\$	1,159,891

Total rent expense was approximately \$199,975,000, \$105,391,000 and \$112,704,000 for the years ended December 31, 2015, 2014 and 2013, respectively.

9. Debt Facilities

Mortgage and Loans Payable

The Company's mortgage and loans payable consisted of the following as of December 31 (in thousands):

	2015	2014
Term loan A	\$ 456,740	\$ 500,000
Bridge term loan	386,547	—
Revolving credit facility borrowings	325,622	—
Brazil financings	27,113	56,863
Mortgage payable and other loans payable	47,677	36,608
	1,243,699	593,471
Less the amount representing debt discount and debt issuance cost	(2,681)	(3,477)
Add the amount representing mortgage premium	1,987	2,281
	1,243,005	592,275
Less current portion	(770,236)	(59,466)
	<u>\$ 472,769</u>	<u>\$ 532,809</u>

Senior Credit Facility

On December 17, 2014, the Company entered into a credit agreement with a group of lenders for a \$1,500,000,000 credit facility ("Senior Credit Facility"), comprised of a \$1,000,000,000 multicurrency revolving credit facility ("Revolving Credit Facility") and a \$500,000,000 multicurrency term loan facility ("Term Loan A Facility"). The Senior Credit Facility contains two financial covenants with which the Company must comply on a quarterly basis, including a maximum consolidated net lease adjusted leverage ratio and a minimum consolidated fixed charge coverage ratio. The Senior Credit Facility is guaranteed by certain of the Company's domestic subsidiaries and is secured by its domestic accounts receivable as well as pledges of the equity interest of certain of the Company's direct and indirect subsidiaries. The Revolving Credit Facility and the Term Loan A Facility both have a five-year term, maturing on December 17, 2019, subject to the satisfaction of certain conditions with respect to the Company's outstanding convertible subordinated notes. The Company may use the remaining Senior Credit Facility for working capital, capital expenditures and other corporate purposes.

The Term Loan A Facility bears interest at a rate based on LIBOR or, at the Company's option, the base rate, which is defined as the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Bank of America prime rate and (c) one-month LIBOR plus, in either case, a margin that varies as a function of the Company's consolidated net lease adjusted leverage ratio that ranges between

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

1.25% and 1.75% per annum if the Company elects to use the LIBOR index and in the range of 0.25% to 0.75% per annum if the Company elects to use the base rate index. In December 2014, the Company utilized \$110,740,000 of the Term Loan A Facility to repay the remaining principal of the U.S. term loan as well as fees and interest.

The Revolving Credit Facility allows the Company to borrow, repay and reborrow over the term. The Revolving Credit Facility provides a sublimit for the issuance of letters of credit of up to \$150,000,000 at any one time. Borrowings under the Revolving Credit Facility bear interest at a rate based on LIBOR or, at the Company's option, the base rate, as defined above, plus, in either case, a margin that varies as a function of its consolidated net lease adjusted leverage ratio that ranges between 1.00% and 1.40% per annum if the Company elects to use the LIBOR index and in the range of 0.25% to 0.75% per annum if the Company elects to use the base rate index. The Company is required to pay a quarterly letter of credit fee on the face amount of each letter of credit, which fee is based on the same margin that applies from time to time to LIBOR-indexed borrowings under the revolving credit line. The Company is also required to pay a quarterly facility fee ranging from 0.25% to 0.35% per annum of the revolving credit facility, regardless of the amount utilized, which fee also varies as a function of our consolidated net lease adjusted leverage ratio. In December 2014, the outstanding letters of credit issued under the U.S. revolving credit line (see below) were assumed under the Revolving Credit Facility and the U.S. revolving credit line was terminated.

As of December 31, 2014, the Company had \$500,000,000 outstanding under the Term Loan A Facility. Borrowings under the Term Loan A Facility were denominated in U.S. dollars as of December 31, 2014. The Company was required to repay the U.S. dollar denominated borrowings under the term loan facility in quarterly installments in the amount of \$10,000,000 per quarter, commencing on March 31, 2015, with a balloon payment of \$300,000,000 at the end of the term.

First Amendment

On April 30, 2015, the Company, as borrower, and certain subsidiaries as guarantors entered into the first amendment (the "First Amendment") to the Senior Credit Facility. The First Amendment provided for the conversion of the outstanding U.S. dollar-denominated borrowings under the Term Loan A Facility into an approximately equivalent amount denominated in four foreign currencies. In connection with the execution of the First Amendment, on April 30, 2015 the Company repaid the U.S. dollar-denominated \$490,000,000 remaining principal balance of the Term Loan A Facility and immediately reborrowed under the Term Loan A Facility in the aggregate principal amounts of CHF 47,780,000, €184,945,000, £92,586,000 and ¥11,924,000,000, or approximately \$490,000,000 in U.S. dollars at exchange rates in effect on April 30, 2015. The Company accounted for this transaction as a debt modification. Fees paid to third parties were expensed.

The Company is required to repay the foreign-currency denominated borrowings under the Term Loan A Facility in equal quarterly installments on the last business day of each March, June, September and December, commencing on June 30, 2015, equal to the amount of 2.00% of the result of the respective Term Loan A Facility on April 30, 2015 divided by 0.98. The remaining principal amount will be paid on the maturity date of the Term Loan A Facility.

Second Amendment

On December 8, 2015, the Company, as borrower, and certain subsidiaries as guarantors entered into the second amendment (the "Second Amendment") to the Senior Credit Facility. Pursuant to the Second Amendment, the Revolving Credit Facility was increased by \$500,000,000 to \$1,500,000,000 and the Company received commitments from the lenders for a \$250,000,000 seven years term loan (the "USD Term Loan B Commitment") and for a £300,000,000, or approximately \$442,020,000 in U.S. dollars at the exchange rate in effect on December 31, 2015, seven years term loan (the "Sterling Term Loan B Commitment"), and collectively, the "Term Loan B Commitments". The Company may borrow the full amount of the Term Loan B Commitments in a single borrowing on or before June 30, 2016.

An original issue discount applies to borrowings under the Term Loan B Commitments. The original issue discount for borrowings under the USD Term Loan B Commitment is 0.25% of the principal. The original issue discount for borrowings under the Sterling Term Loan B Commitment is 0.50% of the principal. Funding of the Term Loan B will be net of the applicable original issue discount.

Loans made under the Term Loan B Commitments (the "Term Loan B") must be repaid in equal quarterly installments of 0.25% of the original principal, with the remaining amount outstanding to be repaid in full on the seventh anniversary of the funding date of the Term Loan B. Once repaid, amounts borrowed under the Term Loan B Commitments may not be reborrowed.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Term Loan B made under the USD Term Loan B Commitment bear interest at a rate based on LIBOR or, at the Company's option, the base rate, which is defined as the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Bank of America prime rate and (c) one-month LIBOR, or 0.75% if LIBOR is less than 0.75%, plus a margin of 3.25%. Term Loan B made under the Sterling Term Loan B Commitment bear interest at a rate based on LIBOR, or 0.75% if LIBOR is less than 0.75%, plus a margin of 3.75%.

Outstanding Borrowings

As of December 31, 2015, the Company had CHF 44,855,000, €173,622,000, £86,918,000 and ¥11,437,306,000, or approximately \$456,740,000 in U.S dollars at exchange rates in effect as of December 31, 2015, outstanding under the Term Loan A Facility with a weighted average effective interest rate of 1.68% per annum. Debt issuance costs related to the Term Loan A, net of amortization, were \$1,031,000 as of December 31, 2015. As of December 31, 2015, the Company had no borrowings outstanding under the Term Loan B Commitments.

The Company commenced borrowing under the Revolving Credit Facility in late 2015. During 2015, the Company borrowed \$245,000,000, of which \$20,000,000 had been repaid as of December 31, 2015 and ¥12,094,000,000, or approximately \$100,622,000 in U.S dollars at the exchange rate in effect on December 31, 2015. As of December 31, 2015, a total of \$325,622,000 was outstanding under the Revolving Credit Facility with interest rates ranging from 1.25% to 1.60%. In addition, the Company had 30 irrevocable letters of credit totaling \$55,331,000 issued and outstanding under the Revolving Credit Facility as of December 31, 2015. As a result, the amount available to the Company to borrow under the Revolving Credit Facility was \$1,119,047,000 as of December 31, 2015.

As of December 31, 2015, the Company was in compliance with all covenants of the Senior Credit Facility.

Bridge Term Loan

In connection with its acquisition of Bit-isle, on September 30, 2015, the Company, acting through its Japanese subsidiaries as borrowers, entered into a term loan agreement (the "Bridge Term Loan Agreement") with the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"). Pursuant to the Bridge Term Loan Agreement, BTMU has committed to provide a senior bridge loan facility (the "Bridge Term Loan") in the amount of up to ¥47,500,000,000, or approximately \$395,200,000 in U.S dollars at the exchange rate in effect on December 31, 2015. Proceeds from the Bridge Term Loan were used exclusively for the acquisition of Bit-isle, the repayment of Bit-isle's existing debt and transaction costs incurred in connection with the closing of the Bridge Term Loan and the acquisition of Bit-isle.

In October 2015, the Company completed its first draw down under the Bridge Term Loan of ¥27,260,000,000 or approximately \$226,803,000 at the exchange rate in effect on December 31, 2015. In December 2015, the Company completed an additional draw down of ¥19,200,000,000, or approximately \$159,744,000 at the exchange rate in effect on December 31, 2015. Total outstanding borrowings under the Bridge Term Loan were ¥46,460,000,000 or \$386,547,000 in U.S dollars at the exchange rate in effect as of December 31, 2015.

The Bridge Term Loan is due one year after borrowing the first tranche. Borrowings under the Bridge Term Loan bear interest at the Tokyo Interbank Offered Rate for Japanese Yen, plus a margin of 0.4% per annum for the first ten months following the first draw down. Thereafter, the margin increases to 1.75% per annum.

U.S. Financing

In June 2012, the Company entered into a credit agreement with a group of lenders for a \$750,000,000 credit facility (the "U.S. Financing"), comprised of a \$200,000,000 term loan facility (the "U.S. Term Loan") and a \$550,000,000 multicurrency revolving credit facility (the "U.S. Revolving Credit Line"). The U.S. Term Loan bore interest at a rate based on LIBOR or, at the option of the Company, the Base Rate (defined as the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Bank of America prime rate and (c) one-month LIBOR plus 1.00%) plus, in either case, a margin that varies as a function of the Company's senior leverage ratio in the range of 1.25%-2.00% per annum if the Company elects to use the LIBOR index and in the range of 0.25%-1.00% per annum if the Company elected to use the Base Rate index. In July 2012, the Company fully utilized the U.S. Term Loan and used the funds to prepay the outstanding balance of and terminate a multi-currency credit facility in the Company's Asia-Pacific region. Borrowings under the U.S. Revolving Credit Line bore interest at a rate based on LIBOR or, at the option of the Company, the Base Rate (defined above) plus, in either case, a margin that varies as a function of the Company's senior leverage ratio in the range of 0.95%-1.60% per annum if the Company elected to use the LIBOR index and in the range of 0.00%-0.60%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

per annum if the Company elected to use the Base Rate index. The Company was required to pay a quarterly letter of credit fee on the face amount of each letter of credit, which fee was based on the same margin that applies from time to time to LIBOR-indexed borrowings under the U.S. Revolving Credit Line. The Company was also required to pay a quarterly facility fee ranging from 0.30%-0.40% per annum of the U.S. Revolving Credit Line (regardless of the amount utilized), which fee also varied as a function of the Company's senior leverage ratio. In June 2012, the outstanding letters of credit issued under an existing revolving credit facility were replaced by the U.S. Revolving Credit Line and the existing revolving credit facility was terminated.

In December 2014, the Company paid down the remaining principal of U.S. Term Loan of \$110,000,000 and replaced the U.S. Revolving Credit Line with the revolving credit facility (see above). As a result, Company recorded a loss on debt extinguishment of \$2,534,000.

Brazil Financings

In November 2013, the Company completed a 60,318,000 Brazilian real borrowing agreement, or approximately \$25,536,000 (the "2013 Brazil Financing"). The 2013 Brazil Financing has a five-year term with semi-annual principal payments beginning in the third year of its term and semi-annual interest payments during the entire term. The 2013 Brazil Financing bears an interest rate of 2.25% above the local borrowing rate. The 2013 Brazil Financing contains financial covenants, which Brazil must comply with annually, consisting of a leverage ratio and a fixed charge coverage ratio. As of December 31, 2015, the Company was in compliance with all financial covenants under the 2013 Brazil Financing. The 2013 Brazil Financing is not guaranteed by the Company. The 2013 Brazil Financing is not secured by the Company's assets. The 2013 Brazil Financing has a final maturity date of November 2018. During the three months ended December 31, 2013, the Company fully utilized the 2013 Brazil Financing. As of December 31, 2015, the effective interest rate under the 2013 Brazil Financing was 16.39% per annum.

In June 2012, the Company completed a 100,000,000 Brazilian real borrowing agreement, or approximately \$48,807,000 (the "2012 Brazil Financing"). The 2012 Brazil Financing has a five-year term with semi-annual principal payments beginning in the third year of its term and quarterly interest payments during the entire term. The 2012 Brazil Financing bears an interest rate of 2.75% above the local borrowing rate. The 2012 Brazil Financing contains financial covenants, which the Company must comply with annually, consisting of a leverage ratio and a fixed charge coverage ratio. As of December 31, 2015, the Company was in compliance with all financial covenants under the 2012 Brazil Financing. The 2012 Brazil Financing is not guaranteed by the Company. The 2012 Brazil Financing is not secured by the Company's assets. The 2012 Brazil Financing has a final maturity date of June 2017. During the three months ended September 30, 2012, the Company fully utilized the 2012 Brazil Financing and used a portion of the funds to prepay and terminate Brazil loans payable outstanding. As of December 31, 2015, the effective interest rate under the 2012 Brazil Financing was 16.89% per annum.

Mortgage Payable

In October 2013, as a result of the Frankfurt Kleyer 90 Carrier Hotel Acquisition, the Company assumed a mortgage payable of \$42,906,000 (see Note 2) with an effective interest rate of 4.25%. The mortgage payable has monthly principal and interest payments and has an expiration date of August 2022.

Convertible Debt

The Company's convertible debt consisted of the following as of December 31 (in thousands):

	2015	2014
4.75% Convertible Subordinated Notes	\$ 150,082	\$ 157,885
Less amount representing debt discount and debt issuance cost	(3,961)	(12,656)
	<u>\$ 146,121</u>	<u>\$ 145,229</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

3.00% Convertible Subordinated Notes

In September 2007, the Company issued \$395,986,000 aggregate principal amount of 3.00% Convertible Subordinated Notes due October 15, 2014 (the “3.00% Convertible Subordinated Notes”). Interest is payable semi-annually on April 15 and October 15 of each year and commenced April 15, 2008.

In June 2014, the Company entered into an agreement with a note holder to exchange an aggregate of \$217,199,000 of the principal amount of the 3.00% Convertible Subordinated Notes for 1,948,578 shares of the Company’s common stock and \$5,387,000 in cash, comprised of accrued interest and a premium. As a result, the Company recognized a loss on debt extinguishment of \$4,210,000 during the three months ended June 30, 2014 in its consolidated statement of operations. In the Company’s consolidated statement of cash flows for the year ended December 31, 2014, the premium paid was included within net cash provided by financing activities and the accrued interest paid was included within net cash provided by operating activities.

In October 2014, upon maturity the Company settled with the remaining holders of 3.00% Convertible Subordinated Notes. The conversion rate was adjusted to 8.9264 per \$1,000 principal amount of 3.00% convertible notes. Approximately \$178,741,000 in aggregate principal amount of the 3.00% Convertible Subordinated Notes was converted into 1,595,496 shares of common stock. The remaining 3.00% Convertible Subordinated Notes, plus accrued interest, were settled in cash.

4.75% Convertible Subordinated Notes

In June 2009, the Company issued \$373,750,000 aggregate principal amount of 4.75% Convertible Subordinated Notes due June 15, 2016 (the “4.75% Convertible Subordinated Notes”). Interest is payable semi-annually on June 15 and December 15 of each year and commenced on December 15, 2009.

The 4.75% Convertible Subordinated Notes are governed by an Indenture dated as of June 12, 2009, between the Company, as issuer, and U.S. Bank National Association, as trustee (the “4.75% Convertible Subordinated Notes Indenture”). The 4.75% Convertible Subordinated Notes Indenture does not contain any financial covenants or any restrictions on the payment of dividends, the incurrence of senior debt or other indebtedness, or the issuance or repurchase of securities by the Company. The 4.75% Convertible Subordinated Notes are unsecured and rank junior in right of payment to the Company’s existing or future senior debt and equal in right of payment to the Company’s existing and future subordinated debt.

Upon conversion, holders will receive, at the Company’s election, cash, shares of the Company’s common stock or a combination of cash and shares of the Company’s common stock. However, the Company may at any time irrevocably elect for the remaining term of the 4.75% Convertible Subordinated Notes to satisfy its obligation in cash up to 100% of the principal amount of the 4.75% Convertible Subordinated Notes, with any remaining amount to be satisfied, at the Company’s election, in shares of its common stock or a combination of cash and shares of its common stock.

The initial conversion rate was 11.8599 shares of common stock per \$1,000 principal amount of the 4.75% Convertible Subordinated Notes, subject to adjustment. This represented an initial conversion price of approximately \$84.32 per share of common stock. In November 2014, the Company adjusted the conversion rate of the 4.75% Convertible Subordinated Notes from 11.8599 shares of its common stock per \$1,000 principal amount of the notes to 12.2736 shares per \$1,000 principal amount of the notes, which was effective as of October 24, 2014. The adjustment was the result of the declaration of the 2014 Special Distribution. This represented an adjusted conversion price of approximately \$81.48 per share of common stock as of December 31, 2014.

During 2015, the Company adjusted the conversion rate as a result of the declaration of each quarterly dividend and the 2015 Special Distribution. As of December 31, 2015, the conversion rate of the 4.75% Convertible Subordinated Notes was 13.0655 shares of the Company’s common stock per \$1,000 principal amount of the notes. This represented an adjusted conversion price of \$76.54 per share of common stock as of December 31, 2015. Holders of the 4.75% Convertible Subordinated Notes may convert their notes at any time prior to the close of business on the business day immediately preceding the maturity date under the following circumstances:

- during any fiscal quarter (and only during that fiscal quarter) ending after December 31, 2009, if the sale price of the Company’s common stock, for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous fiscal quarter, is greater than 130% of the adjusted conversion price per share of common stock on such last trading day, which was approximately \$104.14 per share after the adjustment from the 2015 special distribution and quarterly dividend (the “Stock Price Condition Conversion Clause”);

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- subject to certain exceptions, during the five business day period following any 10 consecutive trading day period in which the trading price of the 4.75% Convertible Subordinated Notes for each day of such period was less than 98% of the product of the sale price of the Company's common stock and the conversion rate (the "4.75% Convertible Subordinated Notes Parity Provision Clause");
- upon the occurrence of specified corporate transactions described in the 4.75% Convertible Subordinated Notes Indenture, such as a consolidation, merger or binding share exchange in which the Company's common stock would be converted into cash or property other than securities (the "Corporate Action Provision Clause"); or
- at any time on or after March 15, 2016.

Upon conversion, if the Company elected to pay a sufficiently large portion of the conversion obligation in cash, additional consideration beyond the gross proceeds received would be required.

Holders of the 4.75% Convertible Subordinated Notes were eligible to convert their notes during the year ended December 31, 2015 and are eligible to convert their notes during the three months ending March 31, 2016, since the Stock Price Condition Conversion Clause was met during the applicable periods. As of December 31, 2015, had the holders of the remaining outstanding 4.75% Convertible Subordinated Notes converted their notes, the 4.75% Convertible Subordinated Notes would have been convertible into a maximum of 1,960,896 shares of the Company's common stock.

The conversion rates may be adjusted upon the occurrence of certain events, including for any cash dividend, but they will not be adjusted for accrued and unpaid interest. Holders of the 4.75% Convertible Subordinated Notes will not receive any cash payment representing accrued and unpaid interest upon conversion of a note. Accrued but unpaid interest will be deemed to be paid in full upon conversion rather than canceled, extinguished or forfeited.

The Company does not have the right to redeem the 4.75% Convertible Subordinated Notes at its option. Holders of the 4.75% Convertible Subordinated Notes have the right to require the Company to purchase with cash all or a portion of the 4.75% Convertible Subordinated Notes upon the occurrence of a fundamental change, such as a change of control at a purchase price equal to 100% of the principal amount of the 4.75% Convertible Subordinated Notes plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase. Following certain corporate transactions that constitute a change of control, the Company will increase the conversion rate for a holder who elects to convert the 4.75% Convertible Subordinated Notes in connection with such change of control in certain circumstances.

Under an accounting standard for convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement), the Company separated the 4.75% Convertible Subordinated Notes into a liability component and an equity component. The carrying amount of the liability component was calculated by measuring the fair value of a similar liability (including any embedded features other than the conversion option) that does not have an associated equity component. The carrying amount of the equity component representing the embedded conversion option was determined by deducting the fair value of the liability component from the initial proceeds ascribed to the 4.75% Convertible Subordinated Notes as a whole. The excess of the principal amount of the liability component over its carrying amount is amortized to interest expense over the expected life of a similar liability that does not have an associated equity component using the effective interest method. The equity component is not remeasured as long as it continues to meet the conditions for equity classification as prescribed in the accounting standard for derivative financial instruments indexed to, and potentially settled in, an entity's own common stock and the accounting standard for determining whether an instrument (or embedded feature) is indexed to an entity's own stock.

In May and June 2014, certain holders of the 4.75% Convertible Subordinated Notes elected to convert a total of \$215,830,000 of the principal amount of the notes for 2,411,851 shares of the Company's common stock and \$51,671,000 in cash, comprised of accrued interest, premium and cash paid in lieu of issuing shares for certain note holders' principal amount. As a result, the Company recognized a loss on debt extinguishment of \$46,973,000 for the year ended December 31, 2014 in its consolidated statement of operations. The loss on debt extinguishment included the premium paid and the excess of the fair value of liability component of the 4.75% Convertible Subordinated Notes over its carrying amount, including debt discount and unamortized debt issuance costs, in accordance with the accounting standard for convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement). In the Company's consolidated statement of cash flows for the year ended December 31, 2014, the premium and cash paid in lieu of issuing shares to settle a portion of the principal amount were included within net cash provided by financing activities and the accrued interest paid was included within net cash provided by operating activities.

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In December 2015, certain holders of the 4.75% Convertible Subordinated Notes elected to convert a total of \$7,803,000 of the principal amount of the notes at a conversion rate of 13.0655 shares of the Company's common stock per \$1,000 principal amount of the notes. The Company issued a total 101,947 shares of its common stock and paid approximately \$1,000 in cash for residual shares in connection with the conversions. The Company recorded a \$289,000 loss on debt extinguishment as a result of the conversions.

Issuance and transaction costs incurred at the time of the issuance of the 4.75% Convertible Subordinated Notes with third parties are allocated to the liability and equity components and accounted for as debt issuance costs and equity issuance costs, respectively. The 4.75% Convertible Subordinated Notes consisted of the following as of December 31 (in thousands):

	2015	2014
Equity component ⁽¹⁾	\$ 42,091	\$ 44,278
Liability component:		
Principal	\$ 150,082	\$ 157,885
Less debt discount and debt issuance costs, net ⁽²⁾	(3,961)	(12,656)
Net carrying amount	\$ 146,121	\$ 145,229

(1) Included in the consolidated balance sheets within additional paid-in capital.

(2) Included in the consolidated balance sheets within convertible debt and is amortized over the remaining life of the 4.75% Convertible Subordinated Notes.

As of December 31, 2015, the remaining life of the 4.75% Convertible Subordinated Notes was 0.46 years.

The following table sets forth total interest expense recognized related to the 4.75% Convertible Subordinated Notes for the years ended December 31 (in thousands):

	2015	2014
Contractual interest expense	\$ 7,501	\$ 10,976
Amortization of debt issuance costs	428	629
Amortization of debt discount	8,060	10,448
	\$ 15,989	\$ 22,053
Effective interest rate of the liability component	10.65%	10.88%

To minimize the impact of potential dilution upon conversion of the 4.75% Convertible Subordinated Notes, the Company entered into capped call transactions ("the Capped Call") separate from the issuance of the 4.75% Convertible Subordinated Notes and paid a premium of \$49,664,000 for the Capped Call in 2009. The Capped Call covers a total of approximately 4,432,638 shares of the Company's common stock, subject to adjustment. Under the Capped Call, the Company effectively raised the conversion price of the 4.75% Convertible Subordinated Notes from \$84.32 to \$114.82. In May and June 2014, the Company amended the Capped Call to provide that early exchanges of the 4.75% Convertible Subordinated Notes would not result in the termination of a relative amount of the Capped Call if the Company did not exercise the Capped Call at the time the 4.75% Convertible Subordinated Notes were exchanged. Instead, the Capped Call will remain outstanding in its entirety. The amendment to the Capped Call had no impact to the Company's consolidated financial statements for the years ended December 31, 2015 and 2014, pursuant to the accounting standard for derivative financial instruments indexed to, and potentially settled in, an entity's own common stock and the accounting standard for determining whether an instrument (or embedded feature) is indexed to an entity's own stock.

Pursuant to the declaration of the special distribution in October 2014, the Company further amended the Capped Call agreement to adjust the effective conversion price of the 4.75% Convertible Subordinated Notes from \$81.48 to \$110.85 per share of common stock as of December 31, 2014. Pursuant to the declaration of each quarterly dividend during 2015 and the declaration of the special distribution in September 2015, the Company further amended the Capped Call agreement to adjust the effective conversion price of the 4.75% Convertible Subordinated Notes from \$76.54 to \$104.14 per share of common stock as of December 31, 2015. Depending upon the Company's stock price at the time the 4.75% Convertible Subordinated Notes are redeemed, the Capped Call will return up to 1,294,192 shares of the Company's common stock to the Company; however, the Company will receive no benefit

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from the Capped Call if the Company's stock price is \$76.54 or lower at the time of conversion and will receive less shares than the 1,294,192 share maximum as described above for share prices in excess of \$104.14 at the time of conversion than it would have received at a share price of \$104.14 (the Company's benefit from the Capped Call is capped at \$104.14 and the benefit received begins to decrease above this price).

Senior Notes

The Company's senior notes consisted of the following as of December 31 (in thousands):

	2015	2014
5.375% Senior Notes due 2023	\$ 1,000,000	\$ 1,000,000
5.375% Senior Notes due 2022	750,000	750,000
4.875% Senior Notes due 2020	500,000	500,000
5.75% Senior Notes due 2025	500,000	500,000
5.875% Senior Notes due 2026	1,100,000	—
	<u>3,850,000</u>	<u>2,750,000</u>
Less amount representing debt issuance cost	(45,366)	(32,954)
	<u>\$ 3,804,634</u>	<u>\$ 2,717,046</u>

2022 Senior Notes and 2025 Senior Notes

In November 2014, the Company issued \$750,000,000 million aggregate principal amount of 5.375% senior notes due January 1, 2022, and \$500,000,000 million aggregate principal amount of 5.750% senior notes due January 1, 2025, which are referred to as the "2022 Senior Notes" and "2025 Senior Notes", respectively, and collectively, as the "2022 and 2025 Senior Notes". Interest on each series of the notes is payable semi-annually in arrears on January 1 and July 1 of each year commencing on July 1, 2015.

The 2022 and 2025 Senior Notes are unsecured and rank equal in right of payment to the Company's existing or future senior indebtedness and senior in right of payment to the Company's existing and future subordinated indebtedness. The 2022 and 2025 Senior Notes are effectively subordinated to all of the existing and future secured debt, including debt outstanding under any bank facility or secured by any mortgage, to the extent of the assets securing such debt. They are also structurally subordinated to any existing and future indebtedness and other liabilities (including trade payables) of any of the Company's subsidiaries.

The 2022 and 2025 Senior Notes are governed by an indenture between the Company and U.S. Bank National Association, as trustee. The indenture contains covenants that limit the Company's ability and the ability of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments;
- and
- merge or consolidate with any other person.

Subject to compliance with the limitations described above, the Company may issue an unlimited principal amount of additional notes at later dates under the same indenture as the 2022 and 2025 Senior Notes. Any additional notes the Company issues under the indenture will be identical in all respects to the 2022 and 2025 Senior Notes except that the additional notes will have different issuance dates and may have different issuance prices.

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The Company is not required to make any mandatory redemption with respect to the 2022 and 2025 Senior Notes, however under certain circumstances as specified in the restrictions described above, the Company may be required to offer to purchase the 2022 and 2025 Senior Notes.

At any time prior to January 1, 2018, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2022 Senior Notes (calculated giving effect to any issuance of additional notes of such series) outstanding under the 2022 Senior Notes indenture, at a redemption price equal to 105.375% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings, provided that (i) at least 65% of the aggregate principal amount of the 2022 Senior Notes issued under the 2022 indenture remains outstanding immediately after the occurrence of such redemption (excluding 2022 Senior Notes held by the Company and its subsidiaries) and (ii) the redemption must occur within 90 days of the date of the closing of such equity offerings.

On or after January 1, 2018, the Company may redeem all or a part of the 2022 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning January 1 of the years indicated below:

	Redemption Price of the 2022 Notes
2018	104.031 %
2019	102.688 %
2020	101.344 %
2021 and thereafter	100.000 %

In addition, at any time prior to January 1, 2018, the Company may redeem all or a part of the 2022 Senior Notes at a redemption price equal to 100% of the principal amount of 2022 Senior Notes redeemed plus the applicable premium (the "2022 Senior Notes Applicable Premium") as of, and accrued and unpaid interest, if any, to, but not including, the date of the redemption, subject to the rights of the holders of record of 2022 Senior Notes on the relevant record date to receive interest due on the relevant interest payment date. The 2022 Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 2022 Senior Notes;
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2022 Senior Notes at January 1, 2018 (such redemption price being set forth in the table as shown in the above table), plus (ii) all required interest payments due on the 2022 Senior Notes through January 1, 2018 (excluding accrued but unpaid interest, if any, to, but not including the, the redemption date,) computed using a discount rate equal to the treasury rate as of such redemption date plus 0.5 basis points; and
- the principal amount of the 2022 Senior Notes.

At any time prior to January 1, 2018, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2025 Senior Notes (calculated giving effect to any issuance of additional notes of such series) outstanding under the 2025 Senior Notes indenture, at a redemption price equal to 105.750% of the principal amount of the 2025 Senior Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (1) at least 65% of the aggregate principal amount of the 2025 Senior Notes issued under the 2025 Senior Notes indenture remains outstanding immediately after the occurrence of such redemption (excluding 2025 Senior Notes held by the Company and its subsidiaries); and (2) the redemption must occur within 90 days of the date of the closing of such equity offering.

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On or after January 1, 2020, the Company may redeem all or a part of the 2025 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning January 1 of the years indicated below:

	Redemption Price of the 2025 Notes
2020	102.875 %
2021	101.917 %
2022	100.958 %
2023 and thereafter	100.000 %

In addition, at any time prior to January 1, 2020, the Company may also redeem all or a part of the 2025 Senior Notes at a redemption price equal to 100% of the principal amount of 2025 Senior Notes redeemed plus the applicable premium (the "2025 Senior Notes Applicable Premium") as of, and accrued and unpaid interest, if any, to, but not including, the redemption date, subject to the rights of holders of record of 2025 Senior Notes on the relevant record date to receive interest due on the relevant interest payment date. The 2025 Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 2025 Senior Notes;
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2025 Senior Notes at January 1, 2020 (such redemption price being set forth in the table as shown in the above table), plus (ii) all required interest payments due on the 2025 Senior Notes through January 1, 2020 (excluding accrued but unpaid interest, if any, to, but not including the, the redemption date,) computed using a discount rate equal to the treasury rate as of such redemption date plus 0.5 basis points; and
- the principal amount of the 2025 Senior Notes.

As of December 31, 2015, debt issuance costs related to the 2022 and 2025 Senior Notes, net of amortization, were \$14,622,000.

2026 Senior Notes

In December 2015, the Company issued \$1,100,000,000 million aggregate principal amount of 5.875% of additional senior notes due January 15, 2026, which are referred to as the "2026 Senior Notes". Interest on the notes is payable semi-annually in arrears on January 15 and July 15 of each year, commencing on July 15, 2016.

The 2026 Senior Notes are unsecured and rank equal in right of payment to the Company's existing or future senior indebtedness and senior in right of payment to the Company's existing and future subordinated indebtedness. The senior notes are effectively subordinated to all of the existing and future secured debt, including debt outstanding under any bank facility or secured by any mortgage, to the extent of the assets securing such debt. They are also structurally subordinated to any existing and future indebtedness and other liabilities (including trade payables) of any of the Company's subsidiaries.

The 2026 Senior Notes are governed by a supplemental indenture to the indenture between the Company and U.S. Bank National Association, as trustee, that governs the Company's 2022 and 2025 Senior Notes. The supplemental indenture contains covenants that limit the Company's ability and the ability of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments;
- and

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- merge or consolidate with any other person.

The 2026 Senior Notes provided for a special mandatory redemption if the TelecityGroup acquisition was not completed on or prior to November 29, 2016, or if, prior to such date, the TelecityGroup offer had lapsed or been withdrawn for the purposes of the UK City Code on Takeovers and Mergers. In either case, the Company would have been required to redeem all of the 2026 Senior Notes at a redemption price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the redemption date. The acquisition of TelecityGroup closed on January 15, 2016. As a result, the Company is no longer subject to a mandatory redemption of the 2026 Senior Notes.

The 2026 Senior Notes also provide for optional redemption. At any time prior to January 15, 2019, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2026 Senior Notes (calculated giving effect to any issuance of additional notes of such series) outstanding under the 2026 Senior Notes indenture, at a redemption price equal to 105.875% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings, provided that (i) at least 65% of the aggregate principal amount of the 2026 Senior Notes (calculated giving effect to any issuance of additional notes) issued under the 2026 indenture remains outstanding immediately after the occurrence of such redemption and (ii) the redemption must occur within 90 days of the date of the closing of such equity offerings.

On or after January 15, 2021, the Company may redeem all or a part of the 2026 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning January 15 of the years indicated below:

	Redemption Price of the 2026 Notes
2021	102.938 %
2022	101.958 %
2023	100.979 %
2024 and thereafter	100.000 %

In addition, at any time prior to January 15, 2021, the Company may redeem all or a part of the 2026 Senior Notes at a redemption price equal to 100% of the principal amount of 2026 Senior Notes redeemed plus the applicable premium (the “2026 Senior Notes Applicable Premium”) as of, and accrued and unpaid interest, if any, to, but not including, the date of the redemption, subject to the rights of the holders of record of 2026 Senior Notes on the relevant record date to receive interest due on the relevant interest payment date. The 2026 Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 2022 Senior Notes;
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2022 Senior Notes at January 15, 2021 (such redemption price being set forth in the table as shown in the above table), plus (ii) all required interest payments due on the 2026 Senior Notes through January 15, 2021 (excluding accrued but unpaid interest, if any, to, but not including the, the redemption date,) computed using a discount rate equal to the treasury rate as of such redemption date plus 0.5 basis points; over (b) the principal amount of the 2026 Senior Notes, if greater.

As of December 31, 2015, debt issuance costs related to the 2026 Senior Notes, net of amortization, were \$16,904,000.

2020 Senior Notes and 2023 Senior Notes

In March 2013, the Company issued \$1,500,000,000 aggregate principal amount of senior notes, which consist of \$500,000,000 aggregate principal amount of 4.875% senior notes due April 1, 2020 (the “2020 Senior Notes”) and \$1,000,000,000 aggregate principal amount of 5.375% senior notes due April 1, 2023 (the “2023 Senior Notes”). Interest on both the 2020 Senior Notes and the 2023 Senior Notes is payable semi-annually on April 1 and October 1 of each year and commenced on October 1, 2013.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The 2020 Senior Notes and the 2023 Senior Notes are governed by separate indentures dated March 5, 2013, between the Company, as issuer, and U.S. Bank National Association, as trustee (the “Senior Notes Indentures”). The Senior Notes Indentures contain covenants that limit the Company’s ability and the ability of its subsidiaries to, among other things:

- incur additional debt;
- pay dividends or make other restricted payments;
- purchase, redeem or retire capital stock or subordinated debt;
- make asset sales;
- enter into transactions with affiliates;
- incur liens;
- enter into sale-leaseback transactions;
- provide subsidiary guarantees;
- make investments; and
- merge or consolidate with any other person.

Each of these restrictions has a number of important qualifications and exceptions. The 2020 Senior Notes and the 2023 Senior Notes are unsecured and rank equal in right of payment with the Company’s existing or future senior unsecured debt and senior in right of payment with the Company’s existing and future subordinated debt. The 2020 Senior Notes and the 2023 Senior Notes are junior to the Company’s secured indebtedness and guaranteed indebtedness of its subsidiaries.

At any time prior to April 1, 2016, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2020 Senior Notes outstanding at a redemption price equal to 104.875% of the principal amount of the 2020 Senior Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 2020 Senior Notes issued under the 2020 Senior Notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 2020 Senior Notes held by the Company and its subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after April 1, 2017, the Company may redeem all or a part of the 2020 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

	Redemption Price of the 2020 Senior Notes
2017	102.438 %
2018	101.219 %
2019 and thereafter	100.000 %

At any time prior to April 1, 2017, the Company may also redeem all or a part of the 2020 Senior Notes at a redemption price equal to 100% of the principal amount of the 2020 Senior Notes redeemed plus an applicable premium (the “2020 Senior Notes Applicable Premium”), and accrued and unpaid interest, if any, to, but not including, the date of redemption (the “2020 Senior Notes Redemption Date”). The 2020 Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 2020 Senior Notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2020 Senior Notes at April 1, 2017 as shown in the above table, plus (ii) all required interest payments due on the 2020 Senior Notes through April 1, 2017 (excluding accrued but unpaid interest, if any, to, but not including the 2020 Senior Notes Redemption Date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 2020 Senior Notes Redemption Date to April 1, 2017, plus 0.50%; over (b) the principal amount of the 2020 Senior Notes.

At any time prior to April 1, 2016, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of the 2023 Senior Notes outstanding at a redemption price equal to 105.375% of the principal amount of the

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2023 Senior Notes to be redeemed, plus accrued and unpaid interest to, but not including, the redemption date, with the net cash proceeds of one or more equity offerings; provided that (i) at least 65% of the aggregate principal amount of the 2023 Senior Notes issued under the 2023 Senior Notes indenture remains outstanding immediately after the occurrence of such redemption (excluding the 2023 Senior Notes held by the Company and its subsidiaries); and (ii) the redemption must occur within 90 days of the date of the closing of such equity offering.

On or after April 1, 2018, the Company may redeem all or a part of the 2023 Senior Notes, on any one or more occasions, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on April 1 of the years indicated below:

	Redemption Price of the 2023 Senior Notes
2018	102.688 %
2019	101.792 %
2020 and thereafter	100.896 %
2021 and thereafter	100.000 %

At any time prior to April 1, 2018, the Company may also redeem all or a part of the 2023 Senior Notes at a redemption price equal to 100% of the principal amount of the 2023 Senior Notes redeemed plus an applicable premium (the "2023 Senior Notes Applicable Premium"), and accrued and unpaid interest, if any, to, but not including, the date of redemption (the "2023 Senior Notes Redemption Date"). The 2023 Senior Notes Applicable Premium means the greater of:

- 1.0% of the principal amount of the 2023 Senior Notes; and
- the excess of: (a) the present value at such redemption date of (i) the redemption price of the 2023 Senior Notes at April 1, 2018 as shown in the above table, plus (ii) all required interest payments due on the 2023 Senior Notes through April 1, 2018 (excluding accrued but unpaid interest, if any, to, but not including the 2023 Senior Notes Redemption Date), computed using a discount rate equal to the yield to maturity of the U.S. Treasury securities with a constant maturity most nearly equal to the period from the 2023 Senior Notes Redemption Date to April 1, 2018, plus 0.50%; over (b) the principal amount of the 2023 Senior Notes.

Debt issuance costs related to the 2020 Senior Notes and 2023 Senior Notes, net of amortization, were \$13,865,000 as of December 31, 2015.

7.00% Senior Notes

In July 2011, the Company issued \$750,000,000 aggregate principal amount of 7.00% Senior Notes due July 15, 2021 (the "7.00% Senior Notes"). Interest was payable semi-annually in arrears on January 15 and July 15 of each year and commenced on January 15, 2012. The indenture governing the 7.00% senior notes permitted the Company to redeem the 7.00% senior notes at the redemption prices set forth in the 7.00% senior notes indenture plus accrued and unpaid interest to, but not including the redemption price.

In December 2014, the Company redeemed the 7.00% Senior Notes and paid \$866,861,000 in cash including the principal amount of \$750,000,000 plus a premium of \$93,965,000 and accrued and unpaid interest of \$22,896,000. During the three months of December 31, 2014, the Company recognized a loss on debt extinguishment of \$103,273,000, including the unamortized debt issuance costs and the redemption premium.

Loss on Debt Extinguishment

During the year ended December 31, 2015, the Company recorded \$289,000 of loss on debt extinguishment as a result of the conversions of the 4.75% Convertible Subordinated Notes.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

During the year ended December 31, 2014, the Company recorded \$156,990,000 of loss on debt extinguishment comprised of (i) \$103,273,000 of loss on debt extinguishment from the redemption of the 7.00% Senior Notes, which included the \$93,965,000 redemption premium that was paid in cash and \$9,307,000 related to the write-off of unamortized debt issuance costs, (ii) \$51,183,000 related to the exchanges of the 3.00% Convertible Subordinated Notes and 4.75% Convertible Subordinated Notes and (iii) \$2,534,000 as a result of the prepayment and termination of the U.S. Term Loan and the U.S. Revolving Credit Line.

During the year ended December 31, 2013, the Company recorded \$108,501,000 of loss on debt extinguishment comprised of (i) \$93,602,000 loss on debt extinguishment from the redemption of the 8.125% Senior Notes, which included the \$80,925,000 applicable premium that was paid in cash, \$8,927,000 related to the write-off of unamortized debt issuance costs and \$3,750,000 of other transaction-related fees, (ii) \$13,189,000 from the new leases for the London 4 and 5 IBX data centers that replaced the existing leases and (iii) \$1,710,000 from an amendment of the New York 5 and 6 IBX data center lease.

Maturities of Debt Facilities

The following table sets forth maturities of the Company's debt, including loans payable, convertible debt and senior notes, gross of debt issuance costs and discounts, as of December 31, 2015 (in thousands):

Year ending:	
2016	\$ 920,125
2017	51,048
2018	47,615
2019	339,329
2020	503,224
Thereafter	3,384,427
	<u>\$ 5,245,768</u>

Fair Value of Debt Facilities

The following table sets forth the estimated fair values of the Company's mortgage, loans payable, convertible debt, senior notes and revolving credit line, including current maturities, as of December 31 (in thousands):

	2015	2014
Mortgage and loans payable	\$ 916,602	\$ 553,045
Convertible debt	151,997	162,159
Senior notes	3,954,000	2,790,023
Revolving credit line	325,617	—

The fair value of the mortgage, loans payable and convertible debt, which were not publicly traded, was estimated by considering the Company's credit rating, current rates available to the Company for debt of the same remaining maturities and terms of the debt (level 2). The fair value of the senior notes, which were traded in the public debt market, was based on quoted market prices (level 1).

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Interest Charges

The following table sets forth total interest costs incurred and total interest costs capitalized for the years ended December 31 (in thousands):

	2015	2014	2013
Interest expense	\$ 299,055	\$ 270,553	\$ 248,792
Interest capitalized	10,943	19,004	10,608
Interest charges incurred	<u>\$ 309,998</u>	<u>\$ 289,557</u>	<u>\$ 259,400</u>

10. Redeemable Non-Controlling Interests

The following table provides a summary of the activities of the Company's redeemable non-controlling interests (in thousands):

Balance as of December 31, 2013	\$ 123,902
Net loss attributable to redeemable non-controlling interest	(1,179)
Other comprehensive income attributable to redeemable non-controlling interests	1,810
Increase in redemption value of non-controlling interests	90,913
Impact of foreign currency translation	1,724
Exercise of vested and outstanding ALOG stock options	8,459
Purchase price of redeemable non-controlling interests	(225,629)
Balances as of December 31, 2014	<u>\$ —</u>

11. Stockholders' Equity

The Company's authorized share capital is 300,000,000 shares of common stock and 100,000,000 shares of preferred stock, of which 25,000,000 is designated Series A, 25,000,000 is designated as Series A-1 and 50,000,000 is undesignated. As of December 31, 2015 and 2014, the Company had no preferred stock issued and outstanding.

Common Stock

In November 2015, the Company issued and sold 2,994,792 shares of its common stock in a public offering pursuant to a registration statement and a related prospectus and prospectus supplement, in each case filed with the Securities and Exchange Commission. The shares issued and sold included the full exercise of the underwriters' option to purchase 390,625 additional shares. The Company received net proceeds of approximately \$829,496,000, after deducting underwriting discounts and commissions of \$32,344,000 and estimated offering expenses of \$660,000.

In December 2015, certain holders of the Company's 4.75% Convertible Subordinated Notes elected to convert a portion of the notes into 101,947 shares of the Company's common stock. See convertible debt in Note 9 for additional information.

As of December 31, 2015, the Company had reserved the following shares of authorized but unissued shares of common stock for future issuances:

Conversion of 4.75% Convertible Subordinated Notes	1,960,896
Common stock options and restricted stock units	5,848,288
Common stock employee purchase plans	3,577,911
	<u>11,387,095</u>

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Accumulated Other Comprehensive Loss

The components of the Company's accumulated other comprehensive loss consisted of the following as of December 31, 2015 (in thousands):

	Balance as of December 31, 2014	Net Change	Balance as of December 31, 2015
Foreign currency translation adjustment ("CTA") loss	\$ (336,946)	\$ (186,763)	\$ (523,709)
Unrealized gain (loss) on cash flow hedges ⁽¹⁾	6,603	4,550	11,153
Net investment hedge CTA gain ⁽¹⁾	—	4,484	4,484
Unrealized gain (loss) on available for sale securities ⁽²⁾	(99)	(40)	(139)
Net actuarial gain (loss) on defined benefit plans ⁽³⁾	(2,001)	1,153	(848)
	<u>\$ (332,443)</u>	<u>\$ (176,616)</u>	<u>\$ (509,059)</u>

- (1) Refer to Note 6 for a discussion of the amounts reclassified from accumulated other comprehensive loss to net income (loss).
- (2) The realized gains and losses reclassified from accumulated other comprehensive loss to net income (loss) were insignificant for the year ended December 31, 2015.
- (3) The Company has a defined benefit pension plan covering all employees in one country where such plans are mandated by law. The Company does not have any defined benefit plans in any other countries. The unamortized gain (loss) on defined benefit plans includes gains or losses resulting from a change in the value of either the projected benefit obligation or the plan assets resulting from a change in an actuarial assumption, net of amortization.

Changes in foreign currencies can have a significant impact to the Company's consolidated balance sheets (as evidenced above in the Company's foreign currency translation gain or loss), as well as its consolidated results of operations, as amounts in foreign currencies are generally translating into more U.S. dollars when the U.S. dollar weakens or less U.S. dollars when the U.S. dollar strengthens. At December 31, 2015, the U.S. dollar was generally stronger relative to certain of the currencies of the foreign countries in which the Company operates. This overall strength of the U.S. dollar had an overall negative impact on the Company's consolidated financial position because the foreign denominations translated into less U.S. dollars as evidenced by an increase in foreign currency translation loss for the year ended December 31, 2015 compared to the year ended December 31, 2014 as reflected in the above table. In future periods, the volatility of the U.S. dollar as compared to the other currencies in which the Company does business could have a significant impact on its consolidated financial position and results of operations including the amount of revenue that the Company reports in future periods.

Share Repurchase Program

2013 Share Repurchase Program

In December 2013, the Company's Board of Directors (the "Board") approved a share repurchase program (the "2013 Share Repurchase Program") to repurchase up to \$500,000,000 in value of the Company's common stock in the open market or private transactions through December 31, 2014. The 2013 Share Repurchase Program was designed to return value to the Company's shareholders and minimize dilution from stock issuances.

During the year ended December 31, 2014, the Company repurchased a total of 1,517,743 shares of its common stock in the open market at an average price of \$196.32 per share for total consideration of \$297,958,000 under the 2013 Share Repurchase Program. During the year ended December 31, 2013, the Company repurchased a total of 288,739 shares of its common stock in the open market at an average price of \$169.01 per share for total consideration of \$48,799,000 under the 2013 Share Repurchase Program. The 2013 Share Repurchase Program expired on December 31, 2014.

During the year ended December 31, 2015, the Company re-issued 7,348 shares of its treasury stock with a total value of \$1,807,000 related to the settlement of restricted stock units and 11,784 shares of its treasury stock with a total value of \$3,546,000 related to the exchange and conversion of the 4.75% Convertible Subordinated Notes (see Note 9). During the year ended December 31, 2014, the Company re-issued a total of 1,752,615 shares of its treasury stock with a total value of \$345,858,000 primarily related to the exchange and conversions of the 4.75% Convertible Subordinated Notes and the exchanges and settlement of the 3.00% Convertible Subordinated Notes (see Note 9).

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2011 Share Repurchase Program

In November 2011, the Board approved a share repurchase program (the “2011 Share Repurchase Program”) to repurchase up to \$250,000,000 in value of the Company’s common stock in the open market or private transactions through December 31, 2012. The 2011 Share Repurchase Program was designed to return value to the Company’s shareholders and minimize dilution from stock issuances.

During the years ended December 31, 2012 and 2011, the Company repurchased a total of 131,489 shares and 870,421 shares, respectively, of its common stock in the open market at an average price of \$101.64 and \$99.57 per share for total consideration of \$100,030,000 under the 2011 Share Repurchase Program. The 2011 Share Repurchase Program expired on December 31, 2012.

During the year ended December 31, 2014, the Company re-issued a total of 355,477 shares of its treasury stock with a total value of \$66,424,000, primarily related to the exchange and conversions of the 4.75% Convertible Subordinated Notes (see Note 9). During the year ended December 31, 2013, the Company re-issued a total of 8,266 shares of its treasury stock with a total value of \$811,000, primarily related to the settlement of restricted stock units. During the year ended December 31, 2012, the Company re-issued a total of 638,167 shares of its treasury stock with a total value of \$63,354,000, primarily related to the settlement of the 2.50% Convertible Subordinated Notes (see Note 9).

Special Distributions

In September 2015, the Company’s Board of Directors declared a special distribution of \$627,000,000, or approximately \$10.95 per share (the “2015 Special Distribution”), to its common stockholders. The 2015 Special Distribution represents an amount that includes the sum of: (1) foreign earnings and profits repatriated as dividend income in 2015; (2) taxable income in 2015 from depreciation recapture in respect of accounting method changes commenced in the Company’s pre-REIT period; and (3) certain other items of taxable income.

The 2015 Special Distribution was paid on November 10, 2015 to the Company’s common stockholders of record as of the close of business on October 8, 2015. Common stockholders had the option to elect to receive payment of the 2015 Special Distribution in the form of stock or cash. The number of shares distributed was determined based upon common stockholder elections and the average closing price of the Company’s common stock on the three trading days commencing on November 3, 2015 or \$297.03 per share. As such, the Company issued 1,688,411 shares of its common stock and paid \$125,486,000 in connection with the 2015 Special Distribution.

In October 2014, the Company’s Board of Directors declared a special distribution of \$416,000,000, or approximately \$7.57 per share (the “2014 Special Distribution”), to its common stockholders in connection with the Company’s planned conversion to a REIT. The 2014 Special Distribution was paid on November 25, 2014 to the Company’s common stockholders of record as of the close of business on October 27, 2014. Common stockholders had the option to elect to receive payment of the 2014 Special Distribution in the form of stock or cash, with the total cash payment to all stockholders limited to no more than 20% of the total distribution. The number of shares distributed was determined based upon common stockholder elections and the average closing price of the Company’s common stock on the three trading days commencing on November 18, 2014 or \$224.45 per share. As such, the Company issued 1,482,419 shares of its common stock and paid \$83,266,000 in connection with the 2014 Special Distribution.

Shares issued in connection with the 2015 Special Distribution and the 2014 Special Distribution impact weighted average shares outstanding from the date of issuance, thus impacting the Company’s earnings per share data prospectively from the distribution date.

Dividends

During the year ended December 31, 2015, the Company’s Board of Directors declared quarterly cash dividends of \$1.69 per share on October 28, July 29, May 7 and February 19, 2015, with record dates of December 9, August 26, May 27 and March 11, 2015, respectively, and payment dates of December 16, September 16, June 17 and March 25, 2015, respectively. The Company paid a total of \$393,584,000 in cash dividends during the year ended December 31, 2015.

In addition, as of December 31, 2015, for dividends and special distributions attributed to the RSU awards, the Company recorded a short term dividend payable of \$13,674,000 and a long term dividend payable of \$13,394,000 for the restricted stock units that have not yet vested (See Note 12).

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

12. Stock-Based Compensation

ALOG Equity Awards

In July 2011, ALOG, in which the Company had an indirect controlling interest (see Note 2), granted 885,840 stock options to purchase common shares of ALOG to certain of ALOG's employees with a weighted-average exercise price of approximately \$6.35 and a weighted-average fair value of approximately \$1.53 (the "2011 ALOG Stock Options"). The 2011 ALOG Stock Options were canceled in December 2012 and replaced with a new grant of stock options for 18,421,648 shares of which stock options for 4,711,808 shares were immediately vested (the "2012 ALOG Stock Options"). The 2012 ALOG Stock Options were accounted for as liability-classified awards under the accounting standard for share-based payments and were re-measured each reporting period prospectively until the underlying shares were settled. Under certain circumstances, the 2012 ALOG Stock Options were eligible for net cash settlement by the stock option holders.

In July 2014, the Company paid \$8,459,000 in cash to settle all vested and outstanding stock options to purchase common shares of ALOG that were held by ALOG employees.

Equinix Equity Awards

Equity Compensation Plans

In May 2000, the Company's stockholders approved the adoption of the 2000 Equity Incentive Plan as the successor plan to the 1998 Stock Plan. Beginning in August 2000, the Company no longer issued additional grants under the 1998 Stock Plan, and unexercised options under the 1998 Stock Plan that are canceled due to an optionee's termination may be reissued under the successor 2000 Equity Incentive Plan. Under the 2000 Equity Incentive Plan, nonstatutory stock options, restricted shares, restricted stock units, and stock appreciation rights may be granted to employees, outside directors and consultants at not less than 85% of the fair value on the date of grant, and incentive stock options may be granted to employees at not less than 100% of the fair value on the date of grant. Options granted prior to October 1, 2005 generally expire 10 years from the grant date, and equity awards granted to employees and consultants on or after October 1, 2005 will generally expire 7 years from the grant date, subject to continuous service of the optionee. Equity awards granted under the 2000 Equity Incentive Plan generally vest over 4 years. As of December 31, 2015, the Company had reserved a total of 16,636,172 shares for issuance under the 2000 Equity Incentive Plan of which 3,628,457 were still available for grant. The 2000 Equity Incentive Plan is administered by the Compensation Committee of the Board of Directors (the "Compensation Committee"), and the Compensation Committee may terminate or amend the plan, with approval of the stockholders as may be required by applicable law, at any time.

In May 2000, the Company's stockholders approved the adoption of the 2000 Director Option Plan, which was amended and restated effective January 1, 2003. Under the 2000 Director Option Plan, each non-employee board member who was not previously an employee of the Company will receive an automatic initial nonstatutory stock option grant, which vests in four annual installments. In addition, each non-employee board member will receive an annual non-statutory stock option grant on the date of the Company's regular Annual Meeting of Stockholders, provided the board member will continue to serve as a director thereafter. Such annual option grants shall vest in full on the earlier of a) the first anniversary of the grant, or b) the date of the regular Annual Meeting of Stockholders held in the year following the grant date. A new director who receives an initial option will not receive an annual option in the same calendar year. Options granted under the 2000 Director Option Plan will have an option price not less than 100% of the fair value on the date of grant and will have a 10-year contractual term, subject to continuous service of the board member. On December 18, 2008, the Company's Board of Directors passed resolutions eliminating all automatic stock option grant mechanisms under the 2000 Director Option Plan, and replaced them with an automatic restricted stock unit grant mechanism under the 2000 Equity Incentive Plan. As of December 31, 2015, the Company had reserved 594,403 shares for issuance under the 2000 Director Option Plan of which 505,646 were still available for grant. The 2000 Director Option Plan is administered by the Compensation Committee and the Compensation Committee may terminate or amend the plan, with approval of the stockholders as may be required by applicable law, at any time.

In September 2001, the Company adopted the 2001 Supplemental Stock Plan, under which non-statutory stock options and restricted shares/restricted stock units may be granted to consultants and employees who are not executive officers or board members, at not less than 85% of the fair value on the date of grant. Options granted prior to October 1, 2005 generally expire 10 years from the grant date, and options granted on or after October 1, 2005 will generally expire seven years from the grant date, subject to continuous service of the optionee. Current stock options granted under the 2001 Supplemental Stock Plan generally vest over four years. As of December 31, 2015, the Company had reserved a total of 1,494,275 shares for issuance under the 2001 Supplemental Stock Plan, of which 260,498 were still available for grant. The 2001 Supplemental Stock Plan is administered by

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

the Compensation Committee, and the plan will continue in effect indefinitely unless the Compensation Committee decides to terminate it earlier.

The 1998 Stock Plan, 2000 Equity Incentive Plan, 2000 Director Option Plan and 2001 Supplemental Stock Plan are collectively referred to as the “Equity Compensation Plans.”

Stock Options

Stock option activity under the Equity Compensation Plans is summarized as follows:

	Number of shares outstanding	Weighted average exercise price per share	Weighted average remaining contractual life (years)	Aggregate intrinsic value ⁽¹⁾ (dollars in thousands)
Stock options outstanding at December 31, 2012	296,529	\$ 68.68		
Stock options exercised	(147,819)	63.66		
Stock options canceled	(655)	3.06		
Stock options outstanding at December 31, 2013	148,055	73.99		
Stock options exercised	(71,780)	72.44		
Additional shares granted due to special distribution	1,659	—		
Stock options outstanding at December 31, 2014	77,934	73.84		
Stock options exercised	(41,889)	64.18		
Additional shares granted due to special distribution	1,454	—		
Stock options expired	(250)	41.12		
Stock options outstanding at December 31, 2015	<u>37,249</u>	82.06	1.72	\$ 8,208
Stock options vested and exercisable at December 31, 2015	<u>37,249</u>	82.06	1.72	8,208

(1) The aggregate intrinsic value is calculated as the difference between the market value of the stock as of December 31, 2015 and the exercise price of the option.

The following table summarizes information about outstanding stock options as of December 31, 2015:

<u>Range of exercise prices</u>	<u>Outstanding</u>			<u>Exercisable</u>	
	<u>Number of shares</u>	<u>Weighted average remaining contractual life (years)</u>	<u>Weighted-average exercise price</u>	<u>Number of shares</u>	<u>Weighted-average exercise price</u>
\$28.56 to \$54.22	1,631	2.88	\$ 35.83	1,631	\$ 35.83
\$80.84 to \$81.23	21,183	1.21	81.13	21,183	81.13
\$88.56 to \$89.23	14,435	2.35	88.63	14,435	88.63
	<u>37,249</u>	1.72	82.06	<u>37,249</u>	82.06

The Company provides the following additional disclosures for stock options as of December 31 (dollars in thousands):

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total fair value of stock options vested	\$ —	\$ 45	\$ 485
Total aggregate intrinsic value of stock options exercised ⁽¹⁾	7,198	9,227	19,385

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

(1) The intrinsic value is calculated as the difference between the market value of the stock on the date of exercise and the exercise price of the option.

Restricted Stock Units

Since 2008, the Company primarily grants restricted stock units to its employees, including executives and non-employee directors, in lieu of stock options. The Company generally grants restricted stock units that have a service condition only or have both a service and performance condition. Each restricted stock unit is not considered issued and outstanding and does not have voting rights until it is converted into one share of the Company's common stock upon vesting. Restricted stock unit activity is summarized as follows:

	Number of shares outstanding	Weighted-average grant date fair value per share	Weighted-average remaining contractual life (years)	Aggregate intrinsic value ⁽¹⁾ (dollars in thousands)
Restricted stock units outstanding, December 31, 2012	1,583,840	\$ 115.22		
Restricted stock units granted	775,029	204.20		
Restricted stock units released, vested	(738,767)	199.14		
Restricted stock units canceled	(110,720)	138.27		
Restricted shares outstanding, December 31, 2013	1,509,382	122.05		
Restricted stock units granted	803,692	190.90		
Additional shares granted due to special distribution	48,171	224.45		
Restricted stock units released, vested	(703,393)	201.85		
Restricted stock units canceled	(253,878)	179.71		
Restricted shares outstanding, December 31, 2014	1,403,974	114.56		
Restricted stock units granted	711,990	236.89		
Additional shares granted due to special distribution	51,432	297.03		
Restricted stock units released, vested	(623,554)	173.79		
Special distribution shares released	(19,966)	227.99		
Restricted stock units canceled	(103,922)	198.67		
Special distribution shares canceled	(3,516)	235.43		
Restricted shares outstanding, December 31, 2015	<u>1,416,438</u>	148.53	1.21	\$ 428,331

(1) The intrinsic value is calculated based on the market value of the stock as of December 31, 2015.

The total fair value of restricted stock units vested and released during the years ended December 31, 2015, 2014 and 2013 was \$157,605,000, \$141,980,000 and \$147,119,000.

Employee Stock Purchase Plan

In June 2004, the Company's stockholders approved the adoption of the 2004 Employee Stock Purchase Plan (the "2004 Purchase Plan") as a successor plan to a previous plan that ceased activity in 2005. A total of 500,000 shares have been reserved for issuance under the 2004 Purchase Plan, and the number of shares available for issuance under the 2004 Purchase Plan automatically increased on January 1 each year, beginning in 2005 and ending in 2014 by the lesser of 2% of the shares of common stock then outstanding or 500,000 shares. Effective November 25, 2014, 3,197 shares were added to the 2004 Purchase Plan, representing an anti-dilutive adjustment pursuant to the 2014 Special Distribution. Effective November 10, 2015, 9,020 shares were added to the 2004 Purchase Plan, representing an anti-dilutive adjustment pursuant to the 2015 Special Distribution. As of December 31, 2015, a total of 3,577,911 shares remained available for purchase under the 2004 Purchase Plan. The 2004 Purchase

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Plan permits eligible employees to purchase common stock on favorable terms via payroll deductions of up to 15% of the employee's cash compensation, subject to certain share and statutory dollar limits. Two overlapping offering periods commence during each calendar year, on each February 15 and August 15 or such other periods or dates as determined by the Compensation Committee from time to time, and the offering periods last up to 24 months with a purchase date every six months. The price of each share purchased is 85% of the lower of a) the fair value per share of common stock on the last trading day before the commencement of the applicable offering period or b) the fair value per share of common stock on the purchase date. The 2004 Purchase Plan is administered by the Compensation Committee of the Board of Directors, and such plan will terminate automatically in June 2024 unless a) the 2004 Purchase Plan is extended by the Board of Directors and b) the extension is approved within 12 months by the Company's stockholders.

The Company provides the following disclosures for the 2004 Purchase Plan as of December 31 (dollars, except shares):

	2015	2014	2013
Weighted-average purchase price per share	\$ 150.13	\$ 144.95	\$ 108.97
Weighted average grant-date fair value per share of shares purchased	57.63	53.37	41.30
Number of shares purchased	182,175	166,384	214,985

The Company uses the Black-Scholes option-pricing model to determine the fair value of shares purchased under the 2004 Purchase Plan with the following weighted average assumptions for the years ended December 31:

	2015	2014	2013
Dividend yield	2.65 - 2.81%	0%	0%
Expected volatility	31%	34%	41%
Risk-free interest rate	0.26%	0.19%	0.37%
Expected life (in years)	1.25	1.25	1.25

Stock-Based Compensation Recognized in the Consolidated Statement of Operations

The Company generally recognizes stock-based compensation expense on a straight-line basis over the requisite service period of the awards. However, for awards with market conditions or performance conditions, stock-based compensation expense is recognized on a straight-line basis over the requisite service period for each vesting tranche of the award.

In October 2014, the Compensation Committee approved amendments to the terms of all outstanding restricted stock units ("RSUs") granted prior to January 1, 2014 to provide for dividend equivalent rights ("DERs") in the event of future dividends paid on the Company's common stock. The Compensation Committee also approved an adjustment to outstanding stock options, including those under the Company's Employee Stock Purchase Plan ("ESPP"), to ensure that the cash portion of the 2014 Special Distribution would not negatively impact the intrinsic value of the options. Pursuant to the accounting standard for stock compensation, these actions affecting the terms of the awards are considered modifications for accounting purposes that resulted in incremental stock-based compensation expenses and will be recognized over the requisite service period for each vesting tranche of the award. The total charges associated with this modification are insignificant to the financial statements.

As of December 31, 2015, the total stock-based compensation cost related to unvested equity awards not yet recognized, net of estimated forfeitures, totaled \$201,206,000 which is expected to be recognized over a weighted-average period of 2.08 years.

The following table presents, by operating expense, the Company's stock-based compensation expense recognized in the Company's consolidated statement of operations for the years ended December 31 (in thousands):

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	2015	2014	2013
Cost of revenues	\$ 9,878	\$ 8,511	\$ 7,855
Sales and marketing	36,847	30,084	26,538
General and administrative	86,908	79,395	68,547
	<u>\$ 133,633</u>	<u>\$ 117,990</u>	<u>\$ 102,940</u>

The Company's stock-based compensation recognized in the consolidated statement of operations was comprised of the following types of equity awards for the years ended December 31 (in thousands):

	2015	2014	2013
Stock options	\$ 1,679	\$ 4,917	\$ 3,456
Restricted shares and restricted stock units	124,512	104,235	88,411
Employee stock purchase plan	7,442	8,838	11,073
	<u>\$ 133,633</u>	<u>\$ 117,990</u>	<u>\$ 102,940</u>

Stock-based compensation for stock options for the year ended December 31, 2015 included \$1,191,000 in as a result of the Company's acquisition of Bit-istle in November 2015. During the years ended December 31, 2015, 2014 and 2013, the Company capitalized \$2,987,000, \$3,958,000 and \$3,305,000, respectively, of stock-based compensation expense as construction in progress in property, plant and equipment.

13. Income Taxes

In September 2012, the Company announced that its Board of Directors approved a plan for Equinix to pursue conversion to a REIT. On December 23, 2014, its Board of Directors formally approved its conversion to a REIT effective on January 1, 2015. The Company completed the implementation of the REIT conversion in 2014, and, as a result, the Company elected to be treated as a REIT for federal income tax purposes effective January 1, 2015.

In May 2015, the Company received a favorable PLR from the IRS in connection with the Company's conversion to a REIT for federal income tax purposes. As a result, the Company may deduct the distributions made to its shareholders from taxable income generated by the Company and its QRSs. The Company's dividends paid deduction generally eliminates the taxable income of the Company and its QRSs, resulting in no U.S. income tax due. However, the TRSs will continue to be subject to income taxes on any taxable income generated by them. In addition, the foreign operations of the Company will continue to be subject to local income taxes regardless of whether the foreign operations are operated as a QRS or a TRS.

Income (loss) before income taxes is attributable to the following geographic locations for the years ended December 31, (in thousands):

	2015	2014	2013
Domestic	\$ 123,153	\$ (46,876)	\$ (28,362)
Foreign	87,845	131,609	140,641
Income before income taxes and income (loss) attributable to redeemable non-controlling interests	<u>\$ 210,998</u>	<u>\$ 84,733</u>	<u>\$ 112,279</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The tax benefit (expenses) for income taxes consisted of the following components for the years ended December 31, (in thousands):

	2015	2014	2013
Current:			
Federal	\$ (85,352)	\$ (98,445)	\$ (100,035)
State and local	(3,984)	(16,243)	(15,260)
Foreign	(27,090)	(31,844)	(29,377)
Subtotal	<u>(116,426)</u>	<u>(146,532)</u>	<u>(144,672)</u>
Deferred:			
Federal	87,801	(177,877)	111,721
State and local	4,600	(21,539)	17,044
Foreign	801	489	(249)
Subtotal	<u>93,202</u>	<u>(198,927)</u>	<u>128,516</u>
Provision for income taxes	<u>\$ (23,224)</u>	<u>\$ (345,459)</u>	<u>\$ (16,156)</u>

State and foreign taxes not based on income are included in general and administrative expenses and the aggregate amounts were insignificant for the years ended December 31, 2015, 2014 and 2013.

The Company is entitled to a deduction for federal and state tax purposes with respect to employee equity award activity. The reduction in income tax payable related to windfall tax benefits for stock-based compensation awards has been reflected as an adjustment to additional paid-in capital. For the years ended December 31, 2015, 2014 and 2013, the benefits arising from employee equity award activity that resulted in an adjustment to additional paid-in capital were approximately \$30,000, \$18,561,000 and \$25,638,000, respectively. The amount of benefits for 2015 is significantly lower than the prior years due to the zero effective U.S. tax rate that applies to the REIT as the Company distributed 100% of its U.S. taxable income for 2015.

The fiscal 2015, 2014 and 2013 income tax expense differed from the amounts computed by applying the U.S. federal income tax rate of 35% to pre-tax income as a result of the following for the years ended December 31 (in thousands):

	2015	2014	2013
Federal tax at statutory rate	\$ (73,849)	\$ (29,657)	\$ (39,298)
State and local taxes	945	1,370	7,435
Deferred tax assets generated in current year not benefited	(4,916)	(3,311)	(4,777)
Foreign income tax rate differential	30,387	20,002	21,392
Non-deductible expenses	(14,252)	(1,274)	(2,525)
Stock-based compensation expense	(3,922)	(4,496)	(3,273)
Change in valuation allowance	710	1,655	1,362
Foreign financing benefits	2,592	2,981	4,303
Uncertain tax positions reserve	(3,191)	(463)	2,952
Statutory rate change due to REIT conversion	45,823	(324,142)	—
Other, net	(3,551)	(8,124)	(3,727)
Total income tax expense	<u>\$ (23,224)</u>	<u>\$ (345,459)</u>	<u>\$ (16,156)</u>

The Company had not previously provided for deferred taxes on the excess of the financial reporting over the tax basis in its investments in foreign subsidiaries that are essentially permanent in duration because the Company intended to reinvest the earnings outside the U.S. for an indefinite period of time. As a result of the Company's conversion to a REIT effective January 1, 2015, it is no longer the Company's intent to indefinitely reinvest undistributed foreign earnings from its operations in Europe and Canada. However, no deferred tax liability has been recognized to account for this change because the expected recovery of the basis difference will not result in taxes in the post-REIT conversion periods. As it continues to qualify as a REIT, the Company will not incur U.S. tax liability on the future repatriation of the foreign earnings and profits of the above noted jurisdictions due to the zero

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tax rate that will apply provided the Company distributes 100% of its taxable income. The Company will continue to reinvest its undistributed foreign earnings in jurisdictions other than Europe indefinitely. The foreign withholding taxes are expected to be immaterial if these undistributed foreign earnings are distributed.

The types of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are set out below as of December 31 (in thousands):

	2015	2014
Deferred tax assets:		
Reserves and accruals	\$ 13,013	\$ 11,952
Stock-based compensation expense	1,459	1,185
Unrealized currency gains/losses	10,656	—
Others, net	18	—
Operating loss carryforwards	34,457	27,687
Gross deferred tax assets	59,603	40,824
Valuation allowance	(29,894)	(27,181)
Total deferred tax assets, net	29,709	13,643
Deferred tax liabilities:		
Property, plant and equipment	(3,365)	(78,261)
Unrealized currency gains/losses	—	(502)
Fixed assets fair value step-up	(5,683)	(7,210)
Intangible assets	(60,133)	(28,433)
Total deferred tax liabilities	(69,181)	(114,406)
Net deferred tax liabilities	\$ (39,472)	\$ (100,763)

The tax basis of REIT assets, excluding investments in TRSs, is greater than the amounts reported for such assets in the accompanying consolidated balance sheet by approximately \$984,400,000 at December 31, 2015.

The Company's accounting for deferred taxes involves weighing positive and negative evidence concerning the realizability of the Company's deferred tax assets in each tax jurisdiction. After considering such evidence as the nature, frequency and severity of current and cumulative financial reporting losses, and the sources of future taxable income and tax planning strategies, management concluded that valuation allowances were required in certain foreign jurisdictions. A valuation allowance continues to be provided for the deferred tax assets, net of deferred tax liabilities, associated with the Company's operations in certain jurisdictions located in the Company's EMEA and Asia-Pacific regions, as well as two entities in Brazil. The operations in these jurisdictions have a history of significant losses as of December 31, 2015. As such, management does not believe these operations have established a sustained history of profitability and that a valuation allowance is, therefore, necessary.

Changes in the valuation allowance for deferred tax assets for the years ended December 31, 2015, 2014 and 2013 are as follows (in thousands):

	2015	2014	2013
Beginning balance	\$ 27,181	\$ 31,058	\$ 44,868
Recognized into income	(710)	(1,655)	(1,362)
Current Increase (Decrease)	4,513	721	(10,156)
NOL and tax credit expiration	—	238	11
Translation adjustment	(1,090)	(3,181)	(2,303)
Ending balance	\$ 29,894	\$ 27,181	\$ 31,058

Federal and state tax laws, including California tax laws, impose substantial restrictions on the utilization of net operating loss and credit carryforwards in the event of an "ownership change" for tax purposes, as defined in Section 382 of the Internal

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Revenue Code. In 2003, the Company conducted an analysis to determine whether an ownership change had occurred due to significant stock transactions in each of the reporting years disclosed at that time. The analysis indicated that an ownership change occurred during fiscal year 2002, which resulted in an annual limitation of approximately \$819,000 for net operating loss carryforwards generated prior to 2003. Therefore, the Company substantially reduced its federal and state net operating loss carryforwards for the periods prior to 2003 to approximately \$16,400,000. In addition, an ownership change under Section 382 of the Internal Revenue Code was triggered in September 2007 by the issuance of 4,211,939 shares of the Company's common stock. However, the annual limitation associated with this ownership change is not meaningful due to the substantial market capitalization of the Company at the time of the ownership change. The Company determined that no Section 382 ownership change occurred during the year ended December 31, 2015. In addition, the net operating loss acquired in the Switch and Data acquisition in 2010 is subject to the Section 382 limitation; however, the Company has determined that none of the acquired net operating losses will expire unused as a result of the limitation.

The Company utilized all of its net operating loss carryforwards that were not subject to the limitation under Section 382 as discussed above for federal income tax purposes during the year ended December 31, 2013. The Company's U.S. operations generated significant taxable income (versus book income) for the years ended December 31, 2015 and 2014 primarily due to the change in the tax method for depreciation of the Company's property, plant and equipment. As the result of announcing its plan to pursue a REIT conversion, the Company changed its methods of depreciating and amortizing various data center assets to methods that are more consistent with the characterization of such assets as real property for REIT purposes. The change in the depreciation method resulted in the recapture of depreciation expense deducted in prior years and a much smaller amount of depreciation expense for the years ended December 31, 2015 and 2014.

The Company's net operating loss carryforwards for federal, state and foreign tax purposes which expire, if not utilized, at various intervals from 2015, are outlined below (in thousands):

Expiration Date	Federal ⁽¹⁾	State ⁽¹⁾	Foreign	Total
2016	\$ —	\$ 12,793	\$ 1,464	\$ 14,257
2017 to 2019	—	190	32,464	32,654
2020 to 2022	213,390	—	11,798	225,188
2023 to 2025	26,838	4,005	9,611	40,454
2026 to 2028	12,186	—	—	12,186
2029 to 2031	—	3,330	—	3,330
Thereafter	—	—	152,073	152,073
	<u>\$ 252,414</u>	<u>\$ 20,318</u>	<u>\$ 207,410</u>	<u>\$ 480,142</u>

(1) The total amount of net operating loss carryforwards that will not be available to offset the Company's future taxable income after dividend paid deduction due to Section 382 limitations was \$258,339, comprising \$241,766 of federal and \$16,573 of state.

Approximately \$4,443,000 of the total net operating loss carryforwards is attributable to excess tax deductions related to employee stock awards, the benefit from which will be credited to additional paid-in capital when subsequently utilized in future years.

The beginning and ending balances of the Company's unrecognized tax benefits are reconciled below for the years ended December 31 (in thousands):

	2015	2014	2013
Beginning balance	\$ 36,138	\$ 36,552	\$ 25,050
Gross increases related to prior year tax positions	—	1,200	14,596
Gross decreases related to prior year tax positions	(8,645)	(984)	(3,028)
Gross increases related to current year tax positions	4,802	1,538	1,498
Decreases resulting from expiration of statute of limitation	(1,450)	(1,112)	(1,564)
Decreases resulting from settlements	—	(1,056)	—
Ending balance	<u>\$ 30,845</u>	<u>\$ 36,138</u>	<u>\$ 36,552</u>

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The Company recognizes interest and penalties related to unrecognized tax benefits within income tax benefit (expense) in the consolidated statement of operations. During the years ended December 31, 2015, 2014 and 2013, the accrued interest and penalties related to the unrecognized tax benefits were decreased by \$1,701,000, \$3,126,000 and \$1,612,000, respectively, primarily resulting from the settlement of tax audits and the lapse of statutes of limitations in its foreign operations. The Company has accrued \$3,736,000 and \$5,437,000 for interest and penalties accrued at December 31, 2015 and 2014, respectively.

The unrecognized tax benefits of \$30,845,000 as of December 31, 2015, if subsequently recognized, will affect the Company's effective tax rate favorably at the time when such a benefit is recognized.

Due to various tax years open for examination, it is reasonably possible that the balance of unrecognized tax benefits could significantly increase or decrease over the next 12 months as the Company may be subject to either examination by tax authorities or a lapse in statute of limitations. The Company is currently unable to estimate the range of possible adjustments to the balance of unrecognized tax benefits.

The Company's income tax returns for all tax years remain open to examination by federal and state taxing authorities due to the Company's net operating loss carryforwards. In addition, the Company's tax years of 2005 through 2014 remain open and subject to examination by local tax authorities in certain foreign jurisdictions in which the Company has major operations.

14. Commitments and Contingencies

Purchase Commitments

Primarily as a result of the Company's various IBX expansion projects, as of December 31, 2015, the Company was contractually committed for \$256,757,000 of unaccrued capital expenditures, primarily for IBX equipment not yet delivered and labor not yet provided, in connection with the work necessary to open these IBX data centers and make them available to customers for installation. In addition, the Company had numerous other, non-capital purchase commitments in place as of December 31, 2015, such as commitments to purchase power in select locations, primarily in select locations through 2016 and thereafter, and other open purchase orders for goods or services to be delivered or provided during 2016 and thereafter. Such other miscellaneous purchase commitments totaled \$352,202,000 as of December 31, 2015.

Contingent Liabilities

The Company estimates exposure on certain liabilities, such as income and property taxes, based on the best information available at the time of determination. With respect to real and personal property taxes, the Company records what it can reasonably estimate based on prior payment history, current landlord estimates or estimates based on current or changing fixed asset values in each specific municipality, as applicable. However, there are circumstances beyond the Company's control whereby the underlying value of the property or basis for which the tax is calculated on the property may change, such as a landlord selling the underlying property of one of the Company's IBX data center leases or a municipality changing the assessment value in a jurisdiction and, as a result, the Company's property tax obligations may vary from period to period. Based upon the most current facts and circumstances, the Company makes the necessary property tax accruals for each of its reporting periods. However, revisions in the Company's estimates of the potential or actual liability could materially impact the financial position, results of operations or cash flows of the Company.

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. In the opinion of management, there are no pending claims for which the outcome is expected to result in a material adverse effect in the financial position, results of operations or cash flows of the Company.

Employment Agreements

The Company has entered into a severance agreement with each of its executive officers that provides for a severance payment equal to the executive officer's annual base salary and maximum bonus in the event his or her employment is terminated for any reason other than cause or he or she voluntarily resigns under certain circumstances as described in the agreement. In addition, under the agreement, the executive officer is entitled to the payment of his or her monthly health care premiums under the Consolidated Omnibus Budget Reconciliation Act for up to 12 months. For certain executive officers, these benefits are only triggered after a change-in-control of the Company.

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Guarantor Arrangements

As permitted under Delaware law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Company's request in such capacity. The term of the indemnification period is for the officer's or director's lifetime. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that limits the Company's exposure and enables the Company to recover a portion of any future amounts paid. As a result of the Company's insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2015.

The Company enters into standard indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified party for losses suffered or incurred by the indemnified party, generally the Company's business partners or customers, in connection with any U.S. patent, or any copyright or other intellectual property infringement claim by any third party with respect to the Company's offerings. The term of these indemnification agreements is generally perpetual any time after execution of the agreement. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2015.

The Company enters into arrangements with its business partners, whereby the business partner agrees to provide services as a subcontractor for the Company's implementations. Accordingly, the Company enters into standard indemnification agreements with its customers, whereby the Company indemnifies them for other acts, such as personal property damage, of its subcontractors. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has general and umbrella insurance policies that enable the Company to recover a portion of any amounts paid. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2015.

The Company has service level commitment obligations to certain of its customers. As a result, service interruptions or significant equipment damage in the Company's IBX data centers, whether or not within the Company's control, could result in service level commitments to these customers. The Company's liability insurance may not be adequate to cover those expenses. In addition, any loss of services, equipment damage or inability to meet the Company's service level commitment obligations could reduce the confidence of the Company's customers and could consequently impair the Company's ability to obtain and retain customers, which would adversely affect both the Company's ability to generate revenues and the Company's operating results. The Company generally has the ability to determine such service level credits prior to the associated revenue being recognized. The Company has no significant liabilities in connection with service level credits as of December 31, 2015.

15. Related Party Transactions

The Company has several significant stockholders and other related parties that are also customers and/or vendors. The Company's activity of related party transactions was as follows (in thousands):

	Years ended December 31,		
	2015	2014	2013
Revenues	\$ 10,745	\$ 8,392	\$ 20,140
Costs and services	10,808	8,351	4,819
	As of December 31,		
	2015	2014	
Accounts receivable	\$ 797	\$ 1,022	
Accounts payable	254	—	

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

16. Segment Information

While the Company has a single line of business, which is the design, build-out and operation of IBX data centers, it has determined that it has three reportable segments comprised of its Americas, EMEA and Asia-Pacific geographic regions. The Company's chief operating decision-maker evaluates performance, makes operating decisions and allocates resources based on the Company's revenue and adjusted EBITDA performance both on a consolidated basis and based on these three reportable segments. The Company defines adjusted EBITDA as income or loss from operations plus depreciation, amortization, accretion, stock-based compensation expense, restructuring charges, impairment charges and acquisition costs as presented below for the years ended December 31 (in thousands):

	2015	2014	2013
Adjusted EBITDA:			
Americas	\$ 698,604	\$ 635,007	\$ 608,718
EMEA	318,561	269,222	216,186
Asia-Pacific	254,462	209,662	175,994
Total adjusted EBITDA	1,271,627	1,113,891	1,000,898
Depreciation, amortization and accretion expense	(528,929)	(484,129)	(431,008)
Stock-based compensation expense	(133,633)	(117,990)	(102,940)
Restructuring charges	—	—	4,837
Acquisitions costs	(41,723)	(2,506)	(10,855)
Income from operations	\$ 567,342	\$ 509,266	\$ 460,932

The Company provides the following segment disclosures related to its continuing operations as follows for the years ended December 31 (in thousands):

	2015	2014	2013
Total revenues:			
Americas ⁽¹⁾	\$ 1,512,535	\$ 1,376,103	\$ 1,264,774
EMEA	698,807	637,265	525,018 ⁽²⁾
Asia-Pacific	514,525	430,408	362,974
	2,725,867	\$ 2,443,776	\$ 2,152,766

Total depreciation and amortization:			
Americas	\$ 278,216	\$ 261,018	\$ 254,365
EMEA	117,655	114,511	90,891 ⁽²⁾
Asia-Pacific	129,709	106,162	87,475
	\$ 525,580	\$ 481,691	\$ 432,731

Capital expenditures:			
Americas	\$ 401,685	\$ 333,315	\$ 261,936
EMEA	202,322	151,634	170,365
Asia-Pacific	264,113	175,254	140,105
	\$ 868,120	\$ 660,203	\$ 572,406

(1) Includes revenues of \$1,404,648, \$1,257,661 and \$1,157,790, respectively, attributed to the U.S. for the years ended December 31, 2015, 2014 and 2013.

(2) Includes the operations of Frankfurt Kleyer 90 Carrier Hotel from October 1, 2013 to December 31, 2013.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The Company's long-lived assets are located in the following geographic areas as of December 31 (in thousands):

	2015	2014
Americas ⁽¹⁾	\$ 3,025,450	\$ 2,874,562
EMEA	1,157,304	1,135,319
Asia-Pacific	1,423,682	988,389
	<u>\$ 5,606,436</u>	<u>\$ 4,998,270</u>

(1) Includes \$2,781,924 and \$2,609,268, respectively, of long-lived assets attributed to the U.S. as of December 31, 2015 and 2014.

Revenue information by category is as follows for the years ended December 31 (in thousands):

	2015	2014	2013
Colocation	\$ 2,024,963	\$ 1,829,812	\$ 1,628,179
Interconnection	435,809	372,350	319,863
Managed infrastructure	97,688	105,292	97,400
Rental	10,681	10,336	4,520
Recurring revenues	2,569,141	2,317,790	2,049,962
Non-recurring revenues	156,726	125,986	102,804
	<u>\$ 2,725,867</u>	<u>2,443,776</u>	<u>2,152,766</u>

17. Restructuring Charges

During the years ended December 31, 2015 and 2014, the Company did not record any restructuring charges.

2004 Restructuring Charge

In December 2004, in light of the availability of fully built-out data centers in select markets at costs significantly below those costs the Company would incur in building out new space, the Company made the decision to exit leases for excess space adjacent to one of the Company's New York metro area IBXs, as well as space on the floor above its original Los Angeles IBX. As a result of the Company's decision to exit these spaces, the Company recorded restructuring charges totaling \$17,685,000, which represents the present value of the Company's estimated future cash payments, net of estimated sublease income and expense, through the remainder of these lease terms, as well as the write-off of all remaining property, plant and equipment attributed to the partial build out of the excess space on the floor above its Los Angeles IBX.

In May 2013, the Company entered into a binding commitment to purchase the New York 2 IBX data center for leased space in respect of which the Company had previously recorded a restructuring reserve. As a result, the Company recorded a reversal to its outstanding accrued restructuring charge during the year ended December 31, 2013.

A summary of the movement in the 2004 accrued restructuring charges during the year ended December 31, 2013 is outlined as follows (in thousands):

Accrued restructuring charge as of December 31, 2012	\$ 5,679
Accretion expense	137
Restructuring charge adjustments	(4,837)
Cash payments	(979)
Accrued restructuring charge as of December 31, 2013	<u>\$ —</u>

18. Subsequent Events

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

TelecityGroup Acquisition

On January 15, 2016, the Company completed the previously announced acquisition of the entire issued share capital of Telecity Group plc (“TelecityGroup”) (the “Transaction”). As a result of the Transaction, TelecityGroup has become a wholly-owned subsidiary of Equinix. Under the transaction, the Company acquired all outstanding common shares of TelecityGroup for 572.5 pence in cash and 0.0336 new shares of the Company’s common stock for each TelecityGroup’s share for a total purchase price of approximately \$1,683,000,000 in cash and 6,853,500 shares of Equinix common stock valued at approximately \$2,078,000,000 based on the Company’s share price on January 15, 2016. This amount excludes any value attributed to the Telecity employee equity awards assumed. TelecityGroup’s operating results will be reported in the EMEA region following the date of acquisition. The purchase price allocation for the acquisition is not yet complete. As a result, the fair value of assets acquired and liabilities assumed are still being appraised by a third-party and have not yet been finalized.

Dividends

On February 18, 2016, the Company’s Board of Directors declared a quarterly cash dividend of \$1.75 per share, which is payable on March 23, 2016 to the Company’s common stockholders of record as of the close of business on March 9, 2016.

Debt

In January 2016, the Company terminated its bridge credit agreement for a principal amount of £875,000,000 or approximately \$1,289,000,000 related to the TelecityGroup acquisition. In January 2016, the Company borrowed \$250,000,000 from its USD Term Loan B Commitment and £300,000,000, or approximately \$442,020,000 at the exchange rate in effect on December 31, 2015 from its Sterling Term Loan B Commitment to fund the TelecityGroup acquisition.

Real estate

In February 2016, the Company sold a parcel of land in San Jose, California, with a sales price of approximately \$23,557,000.

19. Quarterly Financial Information (Unaudited)

The Company believes that period-to-period comparisons of its financial results should not be relied upon as an indication of future performance. The Company’s revenues and results of operations have been subject to significant fluctuations, particularly on a quarterly basis, and the Company’s revenues and results of operations could fluctuate significantly quarter-to-quarter and year-to-year. Significant quarterly fluctuations in revenues will cause fluctuations in the Company’s cash flows and the cash and cash equivalents and accounts receivable accounts on the Company’s consolidated balance sheet. Causes of such fluctuations may include the volume and timing of new orders and renewals, the timing of the opening of new IBX data centers, the sales cycle for the Company’s offerings, the introduction of new offerings, changes in prices and pricing models, trends in the Internet infrastructure industry, general economic conditions, extraordinary events such as acquisitions or litigation and the occurrence of unexpected events.

The unaudited quarterly financial information presented below has been prepared by the Company and reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management are necessary to present fairly the financial position and results of operations for the interim periods presented.

EQUINIX, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

The following tables present selected quarterly information (in thousands, except per share data):

	2015			
	Quarter Ended			
	March 31	June 30	September 30	December 31
Revenues	\$ 643,174	\$ 665,582	\$ 686,649	\$ 730,462
Gross profit	344,861	349,825	361,181	378,494
Net income (loss) attributable to Equinix	76,452	59,459	41,132	10,731
Comprehensive income (loss) attributable to Equinix	(59,141)	104,323	(23,707)	(10,317)
EPS attributable to Equinix				
Basic EPS	1.35	1.04	0.72	0.18
Diluted EPS	1.34	1.03	0.71	0.18

	2014			
	Quarter Ended			
	March 31	June 30	September 30	December 31
Revenues	\$ 580,053	\$ 605,161	\$ 620,441	\$ 638,121
Gross profit	292,528	312,302	316,389	324,672
Net income (loss) attributable to Equinix	41,387	11,328	42,841	(355,103)
Comprehensive income (loss) attributable to Equinix	55,329	33,640	(97,814)	(450,067)
EPS attributable to Equinix				
Basic EPS	0.83	0.22	0.81	(6.42)
Diluted EPS	0.81	0.22	0.79	(6.42)

EQUINIX INC.

SCHEDULE III- SCHEDULE OF REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2015

(Dollars in thousands)

	Initial Costs to Company ⁽¹⁾			Costs Capitalized Subsequent to Acquisition or Lease		Total Costs		Accumulated Depreciation	Date of Construction	Date of Acquisition or Lease ⁽³⁾
	Encumbrances	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾			
Americas:										
AT1 ATLANTA	—	—	—	—	95,053	—	95,053	(26,396)	N/A	2010
AT2 ATLANTA	—	—	—	—	41,648	—	41,648	(13,454)	N/A	2010
AT3 ATLANTA	—	—	—	—	3,538	—	3,538	(875)	N/A	2010
BO1 BOSTON (METRO)	—	—	—	—	11,261	—	11,261	(5,264)	N/A	2010
CH1 CHICAGO (METRO)	—	—	—	—	153,239	—	153,239	(94,134)	2001	1999
CH2 CHICAGO (METRO)	—	—	—	—	96,664	—	96,664	(43,580)	2005	2005
CH3 CHICAGO (METRO)	—	9,759	—	352	222,935	10,111	222,935	(78,240)	2007	2006
CH4 CHICAGO (METRO)	—	—	—	—	21,025	—	21,025	(6,520)	2010	2009
DA1 DALLAS	—	—	—	—	72,470	—	72,470	(44,727)	2000	2000
DA2 DALLAS	—	—	—	—	77,185	—	77,185	(13,327)	2011	2010
DA3 DALLAS	—	—	—	—	84,048	—	84,048	(21,349)	N/A	2010
DA4 DALLAS	—	—	—	—	16,674	—	16,674	(6,672)	N/A	2010
DA6 DALLAS	—	—	20,522	—	78,386	—	98,908	(6,942)	2013	2012
DA7 DALLAS	—	—	—	—	24,525	—	24,525	(177)	2015	2015
DC1 WASHINGTON, DC (METRO)	—	—	—	—	1,520	—	1,520	(197)	2007	1999
DC2 WASHINGTON, DC (METRO)	—	—	—	5,047	150,144	5,047	150,144	(123,646)	1999	1999
DC3 WASHINGTON, DC (METRO)	—	—	37,451	—	51,589	—	89,040	(42,295)	2004	2004
DC4 WASHINGTON, DC (METRO)	—	1,906	7,272	—	70,087	1,906	77,359	(42,918)	2007	2005
DC5 WASHINGTON, DC (METRO)	—	1,429	4,983	—	86,875	1,429	91,858	(47,548)	2008	2005
DC6 WASHINGTON, DC (METRO)	—	1,429	5,082	—	85,311	1,429	90,393	(30,425)	2010	2005
DC7 WASHINGTON, DC (METRO)	—	—	—	—	15,348	—	15,348	(9,135)	N/A	2010
DC8 WASHINGTON, DC (METRO)	—	—	—	—	4,684	—	4,684	(4,532)	N/A	2010
DC10 WASHINGTON, DC (METRO)	—	—	44,601	—	67,402	—	112,003	(20,225)	2012	2011
DC11 WASHINGTON, DC (METRO)	—	1,429	5,082	—	114,865	1,429	119,947	(13,880)	2013	2005
DE1 DENVER (METRO)	—	—	—	—	8,322	—	8,322	(4,966)	N/A	2010

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	Initial Costs to Company ⁽¹⁾			Costs Capitalized Subsequent to Acquisition or Lease		Total Costs		Accumulated Depreciation	Date of Construction	Date of Acquisition or Lease ⁽³⁾
	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements			
			⁽²⁾		⁽²⁾		⁽²⁾			
LA1 LOS ANGELES	—	—	—	—	107,511	—	107,511	(55,793)	2000	1999
LA2 LOS ANGELES	—	—	—	—	11,367	—	11,367	(9,566)	2001	2000
LA3 EL SEGUNDO	—	—	34,727	3,959	18,950	3,959	53,677	(39,778)	2005	2005
LA4 EL SEGUNDO	—	19,333	137,630	—	27,997	19,333	165,627	(51,666)	2009	2009
MI2 MIAMI (METRO)	—	—	—	—	21,510	—	21,510	(9,439)	N/A	2010
MI3 MIAMI (METRO)	—	—	—	—	28,869	—	28,869	(5,750)	2012	2012
NY1 NEWARK	—	—	—	—	79,447	—	79,447	(39,430)	1999	1999
NY2 NEW YORK CITY (METRO)	—	—	—	17,859	187,115	17,859	187,115	(115,457)	2002	2000
NY4 NEW YORK CITY (METRO)	—	—	—	—	322,863	—	322,863	(140,124)	2007	2006
NY5 NEW YORK CITY (METRO)	—	—	—	—	182,025	—	182,025	(30,405)	2012	2010
NY6 NEW YORK CITY (METRO)	—	—	—	—	72,901	—	72,901	(2,517)	2015	2010
NY7 NEW YORK CITY (METRO)	—	—	24,660	—	137,080	—	161,740	(75,835)	N/A	2010
NY8 NEW YORK CITY (METRO)	—	—	—	—	11,515	—	11,515	(4,979)	N/A	2010
NY9 NEW YORK CITY (METRO)	—	—	—	—	51,727	—	51,727	(22,897)	N/A	2010
PH1 PHILADELPHIA	—	—	—	—	47,463	—	47,463	(7,790)	N/A	2010
SE2 SEATTLE	—	—	—	—	27,359	—	27,359	(16,368)	N/A	2010
SE3 SEATTLE	—	—	1,760	—	93,457	—	95,217	(16,852)	2013	2011
SV1 SILICON VALLEY (METRO)	—	—	—	15,545	156,304	15,545	156,304	(100,156)	1999	1999
SV2 SILICON VALLEY (METRO)	—	—	—	—	145,920	—	145,920	(60,670)	2003	2003
SV3 SILICON VALLEY (METRO)	—	—	—	—	42,971	—	42,971	(36,280)	2004	1999
SV4 SILICON VALLEY (METRO)	—	—	—	—	24,231	—	24,231	(17,247)	2005	2005
SV5 SILICON VALLEY (METRO)	—	6,238	98,991	—	86,932	6,238	185,923	(32,645)	2010	2010
SV6 SILICON VALLEY (METRO)	—	—	15,585	—	21,380	—	36,965	(18,663)	N/A	2010
SV8 SILICON VALLEY (METRO)	—	—	—	—	44,240	—	44,240	(17,178)	N/A	2010
SV12 SILICON VALLEY (METRO)	—	20,535	—	—	1,892	20,535	1,892	—	2015	2015
TR1 TORONTO, CANADA	—	—	—	—	86,705	—	86,705	(15,450)	N/A	2010
TR2 TORONTO, CANADA	—	—	20,499	—	70,383	—	90,882	(3,007)	2015	2015
RJ1 RIO DE JANEIRO, BRAZIL	—	—	—	—	20,845	—	20,845	(12,042)	2011	2011
RJ2 RIO DE JANEIRO, BRAZIL	—	—	1,654	—	27,347	—	29,001	(4,268)	2013	2012
SP1 SÃO PAULO, BRAZIL	—	—	8,373	—	17,846	—	26,219	(12,865)	2011	2011
SP2 SÃO PAULO, BRAZIL	—	—	—	—	53,783	—	53,783	(17,990)	2011	2011

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	Initial Costs to Company ⁽¹⁾			Costs Capitalized Subsequent to Acquisition or Lease		Total Costs		Accumulated Depreciation	Date of Construction	Date of Acquisition or Lease ⁽³⁾
	Encumbrances	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾			
DC12 AND other future IBX ⁽⁴⁾	—	24,870	4,608	—	13,666	24,870	18,274	(1,897)	Various	Various
EMEA:										
AM1 AMSTERDAM, THE NETHERLANDS	—	—	—	—	45,887	—	45,887	(20,343)	2008	2008
AM2 AMSTERDAM, THE NETHERLANDS	—	—	—	—	54,298	—	54,298	(15,143)	2010	2008
AM3 AMSTERDAM, THE NETHERLANDS	—	—	27,977	—	90,043	—	118,020	(15,734)	2012	2011
DU1 DÜSSELDORF, GERMANY	—	—	—	—	21,062	—	21,062	(17,219)	2001	2000
DU2 DÜSSELDORF, GERMANY	—	—	—	—	204	—	204	(157)	2010	2010
DX1 DUBAI, UNITED ARAB EMIRATES	—	—	—	—	22,478	—	22,478	(3,897)	2012	2008
EN1 ENSCHEDE, THE NETHERLANDS	—	—	—	—	20,135	—	20,135	(12,188)	2008	2008
FR1 FRANKFURT (METRO), GERMANY	—	—	—	—	6,751	—	6,751	(6,401)	N/A	2007
FR2 FRANKFURT (METRO), GERMANY	—	—	—	11,547	183,112	11,547	183,112	(61,215)	N/A	2007
FR3 FRANKFURT (METRO), GERMANY	—	—	—	2,031	4,666	2,031	4,666	(1,000)	N/A	2007
FR4 FRANKFURT (METRO), GERMANY	—	11,953	9,609	—	19,431	11,953	29,040	(11,340)	2009	2009
FR5 FRANKFURT (METRO), GERMANY	32,255	—	—	3,836	106,889	3,836	106,889	(16,122)	2012	2012
GV1 GENEVA (METRO), SWITZERLAND	—	—	—	—	5,497	—	5,497	(4,206)	2004	2004
GV2 GENEVA (METRO), SWITZERLAND	—	—	—	—	20,757	—	20,757	(11,210)	2010	2009
LD1 LONDON (METRO), UNITED KINGDOM	—	—	—	—	2,736	—	2,736	(2,389)	2000	2000
LD3 LONDON (METRO), UNITED KINGDOM	—	—	—	—	17,350	—	17,350	(10,448)	2005	2000
LD4 LONDON (METRO), UNITED KINGDOM	—	—	27,575	—	64,854	—	92,429	(32,697)	2007	2007
LD5 LONDON (METRO), UNITED KINGDOM	—	—	19,639	—	185,242	—	204,881	(48,798)	2010	2010
LD6 LONDON (METRO), UNITED KINGDOM	—	—	—	—	91,946	—	91,946	(2,729)	2015	2013
ML1 MILAN (METRO), ITALY	—	—	—	—	832	—	832	(549)	2011	2011
MU1 MUNICH, GERMANY	—	—	—	—	11,334	—	11,334	(7,679)	N/A	2007
MU2 MUNICH, GERMANY	—	—	—	—	69	—	69	(44)	N/A	2006
MU3 MUNICH, GERMANY	—	—	—	—	4,493	—	4,493	(3,811)	2010	2010
PA1 PARIS (METRO), FRANCE	—	—	—	—	21,338	—	21,338	(16,664)	N/A	2007
PA2 PARIS (METRO), FRANCE	—	—	—	—	39,162	—	39,162	(22,006)	N/A	2007
PA3 PARIS (METRO), FRANCE	—	—	30,574	—	85,720	—	116,294	(42,232)	2010	2008
PA4 PARIS (METRO), FRANCE	—	1,756	9,811	—	123,424	1,756	133,235	(20,488)	2012	2011
ZH1 ZÜRICH (METRO), SWITZERLAND	—	—	—	—	5,573	—	5,573	(4,330)	N/A	2007

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	Initial Costs to Company ⁽¹⁾			Costs Capitalized Subsequent to Acquisition or Lease		Total Costs		Accumulated Depreciation	Date of Construction	Date of Acquisition or Lease ⁽³⁾
	Encumbrances	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾			
ZH2 ZURICH (METRO), SWITZERLAND	—	—	—	—	4,893	—	4,893	(2,490)	2003	2002
ZH4 ZURICH (METRO), SWITZERLAND	—	—	11,501	—	23,062	—	34,563	(13,034)	2010	2009
ZH5 ZURICH (METRO), SWITZERLAND	—	—	—	—	39,006	—	39,006	(8,011)	2013	2009
ZW1 ZWOLLE, THE NETHERLANDS	—	—	—	—	7,103	—	7,103	(3,633)	2008	2008
OTHERS	—	—	—	—	2,112	—	2,112	(1,776)	Various	Various
Asia-Pacific:										
HK1 HONG KONG, CHINA	—	—	—	—	97,905	—	97,905	(53,083)	N/A	2003
HK2 HONG KONG, CHINA	—	—	—	—	181,827	—	181,827	(34,847)	2011	2010
HK3 HONG KONG, CHINA	—	—	—	—	132,765	—	132,765	(33,892)	N/A	2012
HK4 HONG KONG, CHINA	—	—	—	—	6,698	—	6,698	(3,149)	N/A	2012
ME1 MELBOURNE, AUSTRALIA	—	15,502	—	—	61,216	15,502	61,216	(2,291)	2013	2013
OS1 OSAKA, JAPAN	—	—	14,459	—	21,861	—	36,320	(4,711)	2013	2013
OS2 OSAKA, JAPAN	—	—	100	—	—	—	100	(7)	N/A	2015
SG1 SINGAPORE	—	—	—	—	158,755	—	158,755	(83,970)	N/A	2003
SG2 SINGAPORE	—	—	—	—	251,089	—	251,089	(78,714)	2008	2008
SG3 SINGAPORE	—	—	35,614	—	90,929	—	126,543	(3,293)	2013	2013
SH2 SHANGHAI, CHINA	—	—	—	—	3,315	—	3,315	(743)	2012	2012
SH3 SHANGHAI, CHINA	—	—	7,557	—	5,440	—	12,997	(3,064)	2012	2012
SH4 SHANGHAI, CHINA	—	—	—	—	1,718	—	1,718	(1,164)	2012	2012
SH5 SHANGHAI, CHINA	—	—	12,068	—	19,571	—	31,639	(4,292)	2012	2012
SY1 SYDNEY, AUSTRALIA	—	—	—	—	23,894	—	23,894	(12,181)	N/A	2003
SY2 SYDNEY, AUSTRALIA	—	—	3,113	—	32,205	—	35,318	(16,660)	2008	2008
SY3 SYDNEY, AUSTRALIA	—	—	8,804	—	130,183	—	138,987	(34,199)	2010	2010
SY4 SYDNEY, AUSTRALIA	—	—	—	—	39,113	—	39,113	—	2015	2014
TY1 TOKYO, JAPAN	—	—	—	—	16,651	—	16,651	(8,795)	2000	2000
TY2 TOKYO, JAPAN	—	—	—	—	61,024	—	61,024	(47,119)	2007	2006
TY3 TOKYO, JAPAN	—	—	—	—	65,673	—	65,673	(18,224)	2010	2010
TY4 TOKYO, JAPAN	—	—	—	—	41,256	—	41,256	(6,375)	2012	2012
TY5 TOKYO, JAPAN	—	—	99	—	14,366	—	14,465	—	2014	2014
TY6 TOKYO, JAPAN	—	—	36,877	—	4,652	—	41,529	(853)	N/A	2015

	Initial Costs to Company ⁽¹⁾			Costs Capitalized Subsequent to Acquisition or Lease		Total Costs		Accumulated Depreciation	Date of Construction	Date of Acquisition or Lease ⁽³⁾
	Encumbrances	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾	Land	Buildings and Improvements ⁽²⁾			
TY7 TOKYO, JAPAN	—	—	12,806	—	1,321	—	14,127	(464)	N/A	2015
TY8 TOKYO, JAPAN	—	—	52,338	—	6,593	—	58,931	(1,672)	N/A	2015
TY9 TOKYO, JAPAN	—	—	103,718	—	893	—	104,611	(2,169)	N/A	2015
TY10 TOKYO, JAPAN	—	—	67,922	—	329	—	68,251	(791)	N/A	2015
OTHERS	—	7,631	—	—	21,203	7,631	21,203	(2,515)	Various	Various
TOTAL LOCATIONS	\$32,255	\$123,770	\$965,641	\$60,176	\$6,722,303	\$183,946	\$7,687,944	\$(2,595,648)		

(1) The initial cost was \$0 if the lease of the respective IBX was classified as an operating lease.

(2) Building and improvements include all fixed assets except for land.

(3) Date of lease or acquisition represents the date the Company leased the facility or acquired the facility through purchase or acquisition.

(4) Includes IBX DC12 and various other IBXs that are under initial development.

The aggregate gross cost of the Company's properties for federal income tax purpose approximated \$7,512,627,000 (unaudited) as of December 31, 2015.

The following table reconciles the historical cost of the Company's properties for financial reporting purposes for each of the years in the three-year period ended December 31, 2015.

Gross Fixed Assets:

	2015	2014	2013
Balance, beginning of period	\$ 7,006,695	\$ 6,308,992	\$ 5,220,450
Additions (acquisitions and improvements)	1,172,855	997,534	1,146,126
Disposals	(9,295)	(16,444)	(14,864)
Foreign currency transaction adjustments and others	(298,365)	(283,387)	(42,720)
Balance, end of year	<u>\$ 7,871,890</u>	<u>\$ 7,006,695</u>	<u>\$ 6,308,992</u>

Accumulated Depreciation:

	2015	2014	2013
Balance, beginning of period	\$ (2,242,345)	\$ (1,904,311)	\$ (1,538,329)
Additions (depreciation expense)	(440,002)	(418,407)	(377,577)
Disposals	7,396	16,038	12,804
Foreign currency transaction adjustments and others	79,303	64,335	(1,209)
Balance, end of year	<u>\$ (2,595,648)</u>	<u>\$ (2,242,345)</u>	<u>\$ (1,904,311)</u>

EXECUTION VERSION

THIS AMENDMENT AGREEMENT is made on 2015

BETWEEN:

- (1) **EQUINIX, INC.**, a company incorporated in the State of Delaware whose registered office is One Lagoon Drive, Redwood City, California 94065 ("**Equinix**"); and
- (2) **TELECITY GROUP PLC**, a public limited company incorporated in England and Wales with company number 05603875 and whose registered office is Masters House, 107 Hammersmith Road, London W14 0QH ("**Telecity**"),

each a "**Party**" and together the "**Parties**".

WHEREAS:

- (A) the Parties are party to a Co-operation Agreement dated 29 May 2015 in relation to Equinix's firm intention to make an offer for the entire issued and to be issued share capital of Telecity (the "**Co-operation Agreement**");
- (B) the Parties currently intend that that the Transaction will be effected by means of a scheme of arrangement under Part 26 of the 2006 Act;
- (C) the Parties currently intend the Effective Date of the Scheme to be as early as practicable in January 2016, notwithstanding that it is currently intended that the Conditions set out in paragraphs 1.1 and 1.2 of Appendix 2 to the Announcement will not be satisfied until early January 2016; and
- (D) the Parties therefore wish to amend the Co-operation Agreement as set out in Clause 2 of this Amendment Agreement.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Amendment Agreement (including the recitals), unless otherwise defined herein or the context otherwise requires, terms defined in this Amendment Agreement shall have the same meaning given to them in the Co-operation Agreement.
- 1.2 The principles of construction set out in the Co-operation Agreement shall have effect as if set out in this Agreement.
- 1.3 This Amendment Agreement is supplemental to and amends the Co-operation Agreement. References to the Co-operation Agreement, however expressed, will be read and construed as reference to the Co-operation Agreement as amended by this Amendment Agreement.

2. AMENDMENT TO THE CO-OPERATION AGREEMENT

With effect from the date of this Amendment Agreement, Clause 7.1 of the Co-operation Agreement shall be replaced in its entirety as follows:

"The Parties intend that the Effective Date will be: (i) as early as practicable within the first 30 days of the calendar quarter immediately following satisfaction or waiver of the Conditions set out in paragraphs 1.1 and 1.2 of Appendix 2 to the Announcement (the "**Trigger Conditions**") if the last of the Trigger Conditions is satisfied or waived after the first 15 days of a calendar quarter; or (ii) as early as practicable within the first 30 days of the calendar quarter in which the last of the Trigger Conditions is satisfied or waived if that final Trigger Condition is satisfied or waived on or within the first 15 days of a calendar quarter."

3. MISCELLANEOUS

Clauses 17 to 29 (inclusive) of the Co-operation Agreement shall be incorporated into this Amendment Agreement *mutatis mutandis* as if set out in full in this Amendment Agreement.

IN WITNESS of which this Amendment Agreement has been made on the date which appears at the head of this Amendment Agreement.

SIGNED by

Eric Schwartz.....)
for and on behalf)
of **EQUINIX, INC.**) /s/ Eric Schwartz.....

SIGNED by

Eric Hageman.....)
for and on behalf)
of **TELECITY GROUP PLC**) /s/ Eric Hageman

SECOND AMENDMENT TO CREDIT AGREEMENT

This **SECOND AMENDMENT TO CREDIT AGREEMENT**, dated as of December 8, 2015 (this "Amendment"), is entered into by and among **EQUINIX, INC.**, a Delaware corporation ("Equinix" or the "Borrower"), the Guarantors, each "Lender" (as such term is defined in the Credit Agreement referred to below prior to giving effect to Section 2 below) party hereto (collectively, the "Existing Lenders" and each individually, an "Existing Lender"), each of the Lenders signatory hereto as "New Lenders" (collectively, the "New Lenders" and each individually, a "New Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent. Capitalized terms not otherwise defined herein which are defined in the Credit Agreement shall have the same respective meanings herein as therein.

WHEREAS, the Borrower, the Guarantors, the Existing Lenders, the Administrative Agent, and certain other parties thereto, are parties to that certain Credit Agreement, dated as of December 17, 2014 (as amended by that certain First Amendment to Credit Agreement and First Amendment to Pledge and Security Agreement, dated as of April 30, 2015, the "Credit Agreement"), pursuant to which the Existing Lenders agreed to make Loans and participate in Letters of Credit issued by the L/C Issuer, all upon the terms and subject to the conditions set forth therein;

WHEREAS, the Borrower, the Existing Lenders, and the Administrative Agent wish to amend certain provisions of the Credit Agreement, as specifically set forth in this Amendment and on the terms and conditions set forth herein;

WHEREAS, each of the New Lenders desires to join the Credit Agreement as a "Term B Lender" and as a "Lender" thereunder; and

WHEREAS, the Borrower has requested an increase in the aggregate Revolving Commitments pursuant to Section 2.13 of the Credit Agreement, such increase to be effective on the date that is four (4) Business Days after the Second Amendment Effective Date.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

§ 1 **Amendments to the Credit Agreement**

1.01. Subject to Section 3 below, and in reliance on the representations and warranties of the Loan Parties set forth herein, pursuant to Section 10.01 of the Credit Agreement, the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text⁽¹⁾) as set forth in the Credit Agreement attached as Exhibit A hereto.

1.02. Solely as such Schedule 2.01 relates to (a) the Term A Loans and Term B Commitments, as of the Second Amendment Effective Date, such Schedule is hereby amended and restated in the form set forth in the corresponding Schedule attached as Exhibit B hereto and (b) the Revolving Commitments, as of the date that is four (4) Business Days after the Second Amendment Effective Date, such Schedule is hereby amended and restated in the form set forth in the corresponding Schedule attached as Exhibit B hereto.

1.03. Schedule 5.13 to the Credit Agreement (Subsidiaries; Other Equity Investments) is hereby amended and restated in its entirety in the form set forth on the corresponding Schedule attached as Exhibit C hereto.

1.04. Schedule 10.06(h) (Auction Procedures) is hereby added to the Credit Agreement in the form set forth in the corresponding Schedule attached as Exhibit D hereto.

1.05. Exhibit A to the Credit Agreement (Form of Loan Notice) is hereby amended and restated in its entirety in the form set forth in the corresponding Exhibit attached as Exhibit E hereto.

⁽¹⁾ Due to limitations in the Edgarization process of this exhibit, the double-underline text referenced in the document is not present. Instead, additions to the document are represented by blue text.

1.06. Exhibit C-5 (Form of Term B Note) is hereby added to the Credit Agreement in the form set forth in the corresponding Exhibit attached as Exhibit F hereto.

1.07. Exhibit D to the Credit Agreement (Form of Compliance Certificate) is hereby amended and restated in its entirety in the form set forth in the corresponding Exhibit attached as Exhibit G hereto.

1.08. Exhibit G-1 to the Credit Agreement (Assignment and Assumption) is hereby amended and restated in its entirety in the form set forth in the corresponding Exhibit attached as Exhibit H hereto.

§ 2 **Joinder of New Lender.** Each New Lender, by its signature below, confirms that it has agreed to become a “Term B Lender” and a “Lender” under, and each as defined in, the Credit Agreement with a Term B Commitment as set forth on Schedule 2.01 attached as Exhibit B hereto, effective on the date hereof upon the satisfaction of the conditions set forth in Section 3 hereof. Each New Lender (a) acknowledges that in connection with it becoming a Lender it has received a copy of the Credit Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements delivered by the Borrower pursuant to the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to become a Lender; and (b) agrees that, upon it becoming a Lender on the date hereof, it will, independently and without reliance upon the Administrative Agent, the L/C Issuer or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement. In addition, each New Lender represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Amendment and to consummate the transactions contemplated hereby and to become a Lender on the date hereof and (ii) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution and delivery of this Amendment or the performance of its obligations hereunder or as a Lender under the Credit Agreement as of the date hereof. Each New Lender agrees to execute and deliver such other instruments, and take such other actions, as the Administrative Agent or any Loan Party may reasonably request in connection with the transactions contemplated by this Amendment (including, without limitation, delivering to the Administrative Agent, on or prior to the date hereof, an Administrative Questionnaire). Each New Lender acknowledges and agrees that, on the date hereof, such New Lender shall become a Lender and, from and after such date the New Lender (x) will be bound by the terms of the Credit Agreement as fully and to the same extent as if such New Lender were an original Lender under the Credit Agreement and (y) will have all rights as a Term B Lender under the Loan Documents and will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Term B Lender.

§ 3 **Conditions to Effectiveness.** This Amendment shall become effective as of the date hereof (the “Second Amendment Effective Date”) upon the satisfaction of each of the following conditions, in each case in a manner satisfactory in form and substance to the Administrative Agent:

(a) This Amendment shall have been duly executed and delivered by the Borrower, the other Loan Parties, the Existing Lenders, the New Lenders and the Administrative Agent;

(b) The Administrative Agent shall have received (i) a Joinder Agreement, substantially in the form of Exhibit E to the Credit Agreement, executed by the Borrower, the Administrative Agent, and Equinix (US) Enterprises, Inc. (the “New Guarantor”), as Subsidiary Guarantor, together with all schedules thereto, (ii) certificates representing the Equity Interests of the New Guarantor pledged pursuant to the Pledge and Security Agreement accompanied by undated stock powers executed in blank and (iii) proper financing statements in form appropriate for filing under the Uniform Commercial Code of all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect the Liens against the New Guarantor created under the Pledge and Security Agreement;

(c) The Administrative Agent shall have received (i) lien search results, dated as of a recent date, together with copies of all effective Uniform Commercial Code financing statements that name any Loan Party (such term as used herein shall include, for the avoidance of doubt, the New Guarantor) as debtor, (ii) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect and (iii) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that the Borrower is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(d) The Administrative Agent shall have received a certificate from a Responsible Officer of each of the Loan Parties (i) attesting to the resolutions of such Person’s Board of Directors (or equivalent) and, if necessary, shareholders (or equivalent)

of such Person, authorizing its execution, delivery, and performance of this Amendment and any other Loan Documents referenced herein to which such Person is to become a party, (ii) authorizing specific officers of such Person to execute the same, (iii) attesting to the incumbency and signatures of such specific officers of such Person, and (iv) certifying as true, correct and complete, copies of such Person's Organization Documents, as amended, modified, or supplemented to the date hereof (or, alternatively, if certified Organization Documents had been previously delivered to the Administrative Agent, then a certification from such Person that there have been no changes or other modifications to such Organization Documents since the date previously delivered to the Administrative Agent);

(c) The Administrative Agent shall have received from the Borrower a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Section 4.02(a) of the Credit Agreement and Section 3(j) below have been satisfied; (B) that there has been no event or circumstance since December 31, 2014 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect and (C) that there is not any action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a Material Adverse Effect;

(f) The Administrative Agent shall have received a favorable opinion of Orrick, Herrington & Sutcliffe LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender and in form and substance satisfactory to the Administrative Agent;

(g) The Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent and the Left Lead Arranger (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to the date hereof, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings of this Amendment (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent);

(h) The Borrower shall have (i) paid any fees required to be paid to the Administrative Agent, any Joint Lead Arranger or the Lenders on or before the Second Amendment Effective Date, including, without limitation, any fees to Lenders as shall have been separately agreed upon in writing in the amounts so specified, or (ii) arranged for the payment of such fees with the Administrative Agent, each Joint Arranger and each Lender, as applicable, on terms satisfactory to the Administrative Agent, such Joint Lead Arranger and such Lender, as applicable;

(i) There shall not have occurred a Material Adverse Effect since December 31, 2014 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(j) No Default or Event of Default shall exist, or would result from the effectiveness of this Amendment on the Second Amendment Effective Date;

(k) The Borrower shall have used commercially reasonable efforts to obtain ratings of the Term B Facility from S&P and Moody's;

(l) The representations and warranties contained herein shall be true and correct in all material respects on the date hereof, except (i) for representations and warranties which are qualified by the inclusion of a materiality standard, which representations and warranties shall be true and correct in all respects, and (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date; and

(m) Delivery of such other items, documents, agreements and/or actions (including financial projections, audits, reports, other financial information and certifications) as the Administrative Agent may reasonably request in order to effectuate the transactions contemplated hereby.

§ 4 **Update to Schedule I to Pledge and Security Agreement.** Schedule I to the Pledge and Security Agreement (Pledged Equity of Pledged Domestic Subsidiaries) is hereby amended and restated in its entirety in the form set forth in the corresponding Schedule attached as Exhibit J hereto.

§ 5 **FATCA.** For purposes of determining withholding Taxes imposed under the Foreign Account Tax Compliance Act ("FATCA"), from and after the Second Amendment Effective Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) the Loans as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

§ 6 **Representations and Warranties; No Default.** Each of the Loan Parties hereby repeats, on and as of the date hereof, each of the representations and warranties made by it in the Credit Agreement and each other Loan Document (except to

the extent of changes resulting from transactions contemplated or permitted by this Amendment, the Credit Agreement and the other Loan Documents, and to the extent that such representations and warranties relate expressly to an earlier date), provided that all references therein to the Credit Agreement shall refer to the Credit Agreement as amended hereby. In addition, each of the Loan Parties hereby represents and warrants that the execution and delivery by such Person of this Amendment and the performance by such Person of all of its agreements and obligations under the Credit Agreement as amended hereby are within the corporate or other organizational authority of such Person and have been duly authorized by all necessary corporate or other organizational action on the part of such Person. The execution and delivery of this Amendment will result in valid and legally binding obligations of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity. Each of the Loan Parties hereby further represents and warrants that no Default or Event of Default has occurred and is continuing.

§ 7 **Ratification, etc.** Except as expressly amended or otherwise modified hereby, the Credit Agreement (including the Multiparty Guaranty) and all documents, instruments and agreements related thereto, including, but not limited to the other Loan Documents and the grant by each of the Grantors (as defined in the Pledge and Security Agreement) to the Administrative Agent, for the benefit of the Secured Parties, of a continuing security interest in any and all right, title and interest of each Grantor in and to all of the Collateral (as defined in the Pledge and Security Agreement), are hereby ratified and confirmed in all respects and shall continue in full force and effect. No amendment, consent or waiver herein granted or agreement herein made shall extend beyond the terms expressly set forth herein for such amendment, consent, waiver or agreement, as the case may be, nor shall anything contained herein be deemed to imply any willingness of the Administrative Agent or the Lenders to agree to, or otherwise prejudice any rights of the Administrative Agent or the Lenders with respect to, any similar amendments, consents, waivers or agreements that may be requested for any future period, and this Amendment shall not be construed as a waiver of any other provision of the Loan Documents or to permit the Borrower or any other Loan Party to take any other action which is prohibited by the terms of the Credit Agreement and the other Loan Documents. The Credit Agreement and this Amendment shall be read and construed as a single agreement. All references in the Credit Agreement or any related agreement or instrument to the Credit Agreement shall hereafter refer to the Credit Agreement as amended hereby. This Amendment shall constitute a Loan Document. Each Loan Party hereby ratifies and reaffirms the validity and enforceability of all of the Liens and security interests heretofore granted and pledged by such Loan Party pursuant to the Loan Documents to the Administrative Agent, on behalf and for the benefit of the Secured Parties, as collateral security for the Secured Obligations, and acknowledges that all of such Liens and security interests, and all Collateral heretofore granted, pledged or otherwise created as security for the Secured Obligations continue to be and remain collateral security for the Secured Obligations from and after the date hereof. Each of the Guarantors party to the Multiparty Guaranty hereby acknowledges and consents to this Amendment and agrees that the Multiparty Guaranty and all other Loan Documents to which each of the Guarantors are a party remain in full force and effect, and each of the Guarantors confirms and ratifies all of its Secured Obligations thereunder.

§ 8 **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging means shall be effective as delivery of an original executed counterpart of this Amendment.

§ 9 **Governing Law.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

BORROWER:

EQUINIX, INC.

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: CFO

GUARANTORS:

EQUINIX LLC

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: CFO

SWITCH & DATA LLC

By: Equinix LLC, its sole managing member

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: CFO

EQUINIX (US) ENTERPRISES, INC.

By: /s/ Keith D. Taylor
Name: Keith D. Taylor
Title: CFO

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Angela Larkin
Name: Angela Larkin
Title: Assistant Vice President

BANK OF AMERICA, N.A.,
as an Existing Lender and L/C Issuer

By: /s/ Bassam Wehbe
Name: Bassam Wehbe
Title: Senior Vice President

BANK OF AMERICA, N.A.,
as Term B Lender

By: /s/ Sanjay Rihwani
Name: Sanjay Rihwani
Title: Director

EXISTING LENDERS:

JPMORGAN CHASE BANK, N.A.,
as an Existing Lender

By: /s/ Bruce S. Borden

Name: Bruce S. Borden

Title: Executive Director

TORONTO DOMINION (TEXAS) LLC,
as an Existing Lender

By: /s/ Rayan Karim
Name: Rayan Karim
Title: Authorized Signatory

BARCLAYS BANK PLC, as an Existing Lender

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Vice President

CITIBANK, N.A., as an Existing Lender

By: /s/ Stuart Darby

Name: Stuart Darby

Title: Senior Vice President

ING BANK N.V., SINGAPORE BRANCH,
as an Existing Lender

By: /s/ Krishna Suryanarayanan
Name: Krishna Suryanarayanan
Title: Managing Director
Telecoms, Media & Technology, Asia

By: /s/ S.A. Mutsaers
Name: S.A. Mutsaers
Title: Director
Telecoms, Media & Technology, Asia

ROYAL BANK OF CANADA,
as an Existing Lender

By: /s/ Scott Johnson
Name: Scott Johnson
Title: Authorized Signatory

GOLDMAN SACHS BANK USA,
as an Existing Lender

By: /s/ Rebecca Kratz
Name: Rebecca Kratz
Title: Authorized Signatory

HSBC BANK U.S.A., NA, as an Existing Lender

By: /s/ Rumesha Ahmed

Name: Rumesha Ahmed
Title: Vice President

MUFG UNION BANK, N.A.,
as an Existing Lender

By: /s/ Matthew Antioco

Name: Matthew Antioco
Title: Vice President

U.S. BANK, NATIONAL ASSOCIATION,
as an Existing Lender

By: /s/ Lukas Coleman
Name: Lukas Coleman
Title: Vice President

Exhibit A

Composite Credit Agreement

(See Attached)

CREDIT AGREEMENT

Dated as of December 17, 2014

among

EQUINIX, INC.,
as Borrower,

The Guarantors Party Hereto,

BANK OF AMERICA, N.A.,

as Administrative Agent, Lender and L/C Issuer,

JPMORGAN CHASE BANK, N.A. and TD SECURITIES (USA) LLC,
as Co-Syndication Agents,

BARCLAYS BANK PLC, CITIBANK, N.A., ROYAL BANK OF CANADA, and
ING BANK N.V., SINGAPORE BRANCH,
as Co-Documentation Agents

and

The Other Lenders Party Hereto

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
J. P. MORGAN SECURITIES LLC, and TD SECURITIES (USA) LLC
as

Joint Lead Arrangers and Book Runners with respect to the Revolving Facility
and Term A Facility

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
J. P. MORGAN SECURITIES LLC
as

Joint Lead Arrangers and Joint Book Runners with respect to the Term B Facility

and

CITIGROUP GLOBAL MARKETS, INC., RBC CAPITAL MARKETS¹ and
TD SECURITIES (USA) LLC
as

as Joint Lead Arrangers with respect to the Term B Facility

¹ RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

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 - D Compliance Certificate
 - E Joinder Agreement
 - F Pledge and Security Agreement
 - G-1 Assignment and Assumption
 - G-2 Administrative Questionnaire
 - H Secured Party Designation Notice
-

CREDIT AGREEMENT

This CREDIT AGREEMENT (“Agreement”) is entered into as of December 17, 2014, among EQUINIX, INC., a Delaware corporation (“Equinix” or the “Borrower”), EQUINIX LLC, a Delaware limited liability company and direct wholly-owned Subsidiary of Equinix (“OpCo”), SWITCH & DATA LLC, a Delaware limited liability company and indirect wholly-owned Subsidiary of Equinix (“S&D”), EQUINIX (US) ENTERPRISES, INC., a Delaware corporation and indirect wholly-owned Subsidiary of Equinix (“Equinix US”), and any other Person that executes a Joinder Agreement following the ~~date hereof~~ Second Amendment Effective Date (as defined below) pursuant to Section 6.14 in order to become a Guarantor hereunder for purposes of Section 10.19 (together with OpCo, S&D and ~~S&D~~ Equinix US, collectively, the “Guarantors” and individually, a “Guarantor”), each lender from time to time party hereto (collectively, the “Lenders” and individually, a “Lender”), BANK OF AMERICA, N.A., as Administrative Agent, Lender and L/C Issuer, JPMORGAN CHASE BANK, N.A. and TD SECURITIES (USA) LLC, as Co-Syndication Agents, BARCLAYS BANK PLC, CITIBANK, N.A., ROYAL BANK OF CANADA and ING BANK N.V., SINGAPORE BRANCH, as Co-Documentation Agents, ~~and~~ MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, J. P. MORGAN SECURITIES LLC, and TD SECURITIES (USA) LLC, as Joint Lead Arrangers and Book Runners with respect to the Revolving Facility and Term A Facility, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and J.P. MORGAN SECURITIES LLC, as Joint Lead Arrangers and Joint Book Runners with respect to the Term B Facility, and CITIGROUP GLOBAL MARKETS, INC., RBC CAPITAL MARKETS and TD SECURITIES (USA) LLC, as Joint Lead Arrangers with respect to the Term B Facility, with reference to the following facts:

RECITALS

WHEREAS, on the Closing Date, certain Lenders provided the Borrower with a multi-currency revolving credit facility and a term A loan facility;

WHEREAS, pursuant to the First Amendment to Credit Agreement, dated as of April 30, 2015 among the Borrower, certain of the Guarantors, certain Lenders party thereto, the Administrative Agent and the L/C Issuer (the “First Amendment”), the term A loan facility was repaid in full and certain Lenders made certain additional term A loans to the Borrower as further described herein; and

WHEREAS, the Borrower has requested that the Lenders ~~provide a~~ amend the Credit Agreement to, among other things, (a) continue and increase the multi-currency revolving credit ~~and term loan facility~~ facility and a term A loans, (b) provide for term B loans in Dollars in an aggregate principal amount of \$250,000,000 and (c) provide for term B loans in Sterling in an aggregate principal amount of £300,000,000, and the Lenders are willing to do so on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and provisions contained herein, the parties hereto covenant and agree as follows:

**ARTICLE I.
DEFINITIONS AND ACCOUNTING TERMS**

1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“4.75% Convertible Subordinated Notes Due 2016” means those certain 4.75% convertible subordinated notes due June 2016, issued by Equinix in June 2009 in an initial aggregate principal amount of \$373,750,000, in favor of the holders thereof pursuant to an indenture dated as of June 12, 2009, between Equinix, as issuer, and U.S. Bank National Association, as trustee.

“4.875% Senior Notes Due 2020” means those certain 4.875% senior notes due April 2020, issued by Equinix in March 2013, in an initial aggregate principal amount of \$500,000,000, in favor of the holders thereof pursuant to an indenture dated as of March 5, 2013, between Equinix, as issuer, and U.S. Bank National Association, as trustee.

“5.375% Senior Notes Due 2022” means those certain 5.375% senior notes due January 2022, issued by Equinix in November 2014, in an initial aggregate principal amount of \$750,000,000, in favor of the holders thereof pursuant to an indenture dated as of November 20, 2014, between Equinix, as issuer, and U.S. Bank National Association, as trustee, as supplemented by a First Supplemental Indenture dated as of November 20, 2014.

“5.375% Senior Notes Due 2023” means those certain 5.375% senior notes due April 2023, issued by Equinix in March 2013, in an initial aggregate principal amount of \$1,000,000,000, in favor of the holders thereof pursuant to an indenture dated as of March 5, 2013, between Equinix, as issuer, and U.S. Bank National Association, as trustee.

“5.750% Senior Notes Due 2025” means those certain 5.750% senior notes due January 2025, issued by Equinix in November 2014, in an initial aggregate principal amount of \$500,000,000, in favor of the holders thereof pursuant to an indenture dated as of November 20, 2014, between Equinix, as issuer, and U.S. Bank National Association, as trustee, as supplemented by a Second Supplemental Indenture dated as of November 20, 2014.

“~~7.00~~“5.875% Senior Notes Due 2021-2026” means those certain ~~7.00~~5.875% senior notes due ~~July 2021~~, January 2026, issued by Equinix in ~~July 2011~~, December 2015, in an initial aggregate principal amount of ~~\$750,000,000~~, 1,100,000,000, in favor of the holders thereof pursuant to an indenture dated as of ~~July 13, 2011~~, November 20, 2014, between Equinix, as issuer, and U.S. Bank National Association, as trustee, as supplemented by a Third Supplemental Indenture dated as of December 4, 2015.

“Acquisition” means a purchase or other acquisition, direct or indirect, by any Person of all or substantially all of the assets or all or substantially all of the business of any other Person or of a line of business of any other Person (whether by acquisition of Equity Interests, assets, permitted merger or any combination thereof).

“Additional Revolving Commitment Lender” has the meaning set forth in Section 2.16(d).

“Additional Term A Commitment Lender” has the meaning set forth in Section 2.16(d).

“Additional Term B Commitment Lender” has the meaning set forth in Section 2.16(d).

“Additional Lender” means, at any time, any Person that is not an existing Lender and that agrees to provide any portion of any Credit Agreement Refinancing Facilities pursuant to a Refinancing Amendment in accordance with Section 2.17; provided that such Additional Lender shall be an Eligible Assignee.

“Adjusted Consolidated Total Assets” means, as of any date of determination, Equinix’s consolidated total assets as shown on the consolidated balance sheet of Equinix and its Subsidiaries as of the end of the immediately preceding fiscal year delivered to the Administrative Agent and the Lenders under Section 6.01(a); provided that if, during the fiscal year in which such date of determination occurs, any Transaction was consummated, “Adjusted Consolidated Total Assets” shall also include the result of (a) the aggregate book value of the total assets acquired by Equinix or its Subsidiaries pursuant to such Transaction as of the date of such consummation minus (b) the aggregate book value of all assets sold or required to be sold as a result of such Transaction, in each case solely to the extent that the foregoing were not included in Equinix’s consolidated total assets as of the end of the immediately preceding fiscal year.

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in substantially the form of Exhibit G-2 or any other form approved by the Administrative Agent.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Fee Letter” means that amended and restated letter agreement, dated November 18, 2015, among the Borrower the Administrative Agent and the Left Lead Arranger.

“Aggregate Commitments” means the Commitments of all the Lenders.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Revolving Lenders.

“Agreement” means this Credit Agreement.

“Alternative Currency” means each of Euro, Sterling, Yen, Canadian Dollars, Australian Dollars, Hong Kong Dollars, Singapore Dollars, Swiss Francs and each other currency (other than Dollars) that is approved in accordance with Section 1.06.

“Alternative Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar and applicable legislation in other jurisdictions.

“Applicable Margin” means (a) with respect to the Term B Facility, (i) 2.25% with respect to Base Rate Loans, (ii) 3.25% with respect to Eurocurrency Rate Dollar Term B Loans and (iii) 3.75% with respect to Eurocurrency Rate Sterling Term B Loans and (b) with respect to the Term A Facility, the Revolving Facility, Facility Fees and Letter of Credit Fees, the following interest rate margins and fees (expressed in basis points per annum), based upon the Consolidated Net Lease Adjusted Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Pricing Level	Consolidated Net Lease Adjusted Leverage Ratio	Applicable Margin for LIBOR Revolving Loans/Letter of Credit Fees	Applicable Margin for LIBOR Term A Loans	Applicable Margin for Base Rate Revolving Loans	Applicable Margin for Base Rate Term A Loans	Facility Fee
3	> 4.50:1	140.0	175.0	40.0	75.0	35.0
2	≤ 4.50:1 but > 3.25:1	120.0	150.0	20.0	50.0	30.0
1	≤ 3.25:1	100.0	125.0	0	25.0	25.0

Any increase or decrease in the Applicable Margin resulting from a change in the Consolidated Net Lease Adjusted Leverage Ratio shall become effective two Business Days after the date that the Administrative Agent receives a duly completed Compliance Certificate pursuant to Section 6.02(a); provided, however, that if the Administrative Agent fails to receive a Compliance Certificate on the due date therefor provided in Section 6.02(a), then the highest Applicable Margin set forth above (i.e., the highest Pricing Level) shall immediately apply and shall continue to apply until such Compliance Certificate is thereafter received, indicating a change in the Consolidated Net Lease Adjusted Leverage Ratio that results in a decrease from the highest Applicable Margin, which decrease shall become effective two Business Days after the date of such receipt by the Administrative Agent.

~~As of the Closing Date, Pricing Level 2 shall apply. Pricing Level 2 shall remain in effect until two Business Days after the date that the Administrative Agent receives a duly completed Compliance Certificate pursuant to Section 6.02(a) for the fiscal year ended December 31, 2014.~~

“Applicable Percentage” means with respect to any Appropriate Lender at any time, with respect to any Facility, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments with respect to such Facility represented by such Lender’s Commitment with respect to such Facility at such time, subject to adjustment as provided in Section 2.15. If the commitment of each Revolving Lender to make Revolving Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Revolving Lender with respect to the Revolving Facility shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. After the Term Loans for a Term Facility have been advanced, the Applicable Percentage of any Lender with respect to ~~the~~such Term Facility shall be determined based on the percentage (carried out to the ninth decimal place) of the Outstanding Amount of the ~~Term Loans~~ applicable Term Facility represented by such Lender’s Term A Loans or Term B Loans, as applicable, at such time. The initial Applicable Percentage of each Appropriate Lender with respect to each applicable Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Time” means, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“Appropriate Lender” means, at any time, (a) with respect to any of the Term A Facility, the Term B Facility or the Revolving Facility, a Lender that has a Commitment with respect to such Facility or holds a Term A Loan, a Term B Loan or a Revolving Loan, respectively, at such time and (b) with respect to the Letter of Credit Sublimit, (i) the L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Lenders.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Asset Sale” means any Transfer of property of the Borrower or any of its Subsidiaries other than (a) Transfers permitted under Section 7.05(a), (b), (d) through (j), (l) or (m) or (b) a transaction or series of related transactions for which the Borrower or its Subsidiaries receive aggregate consideration of less than \$10,000,000.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit G-1 or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

“Attributable A/R Share” means, with respect to any Subsidiary, an amount equal to the product of (a) the percentage of the Equity Interests of such Subsidiary owned directly or indirectly by Equinix multiplied by (b) the net accounts receivable of such Subsidiary.

“Attributable Asset Share” means, with respect to any Subsidiary, an amount equal to the product of (a) the percentage of the Equity Interests of such Subsidiary owned directly or indirectly by Equinix multiplied by (b) the total assets of such Subsidiary.

“Attributable Indebtedness” means, on any date, (a) in respect of any Capital Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capital Lease.

“Auction Manager” means the Administrative Agent.

“Auction Procedures” means the Dutch Auction Procedures set forth on Schedule 10.06(h).

“Audited Financial Statements” means the audited consolidated balance sheet of Equinix and its Subsidiaries for the fiscal year ended December 31, ~~2013~~, 2014, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of Equinix and its Subsidiaries, including the notes thereto.

“Australian Dollars” or “AUD” means the lawful currency of the Commonwealth of Australia.

“Availability Period” means (a) in respect of the Revolving Facility, the period from and including the Closing Date to the earliest of (i) the Revolving Maturity Date, (ii) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.05, and (iii) the date of termination of the commitment of each Lender to make Revolving Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02 and (b) in respect of the Term B Facility, the period from and including the Second Amendment Effective Date to the earliest of (i) June 30, 2016, (ii) the date of termination of the Term B Commitments pursuant to Section 2.05(b), and (iii) the date of termination of the commitment of each Term B Lender to make Term B Loans ~~and of the obligation of the L/C Issuer to make L/C Credit Extensions~~ pursuant to Section ~~8.02~~-8.02.

“Bank of America” means Bank of America, N.A. and its successors.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) the Eurocurrency Rate plus 1.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate. All Base Rate Loans shall be denominated in Dollars.

“Base Rate Revolving Loan” means a Revolving Loan that is a Base Rate Loan.

“Base Rate Term A Loan” means a Term A Loan that is a Base Rate Loan.

“Base Rate Term B Loan” means a Term B Loan that is a Base Rate Loan.

“Bit-isle Transaction” means the acquisition of all outstanding Equity Interests of Bit-isle Inc. by a wholly-owned Japanese Subsidiary of the Borrower, through a tender offer and follow-on acquisition under Japanese corporate law.

“Borrower” has the meaning specified in the introductory paragraph hereto, ~~and shall include the Successor Parent upon the consummation of a merger in accordance with Section 7.04(a)(ii).~~

“Borrower Collateral Limit” means an amount equal to ~~\$750,000,000~~ the sum of (a) \$750,000,000 plus (b) an amount equal to 50% of the aggregate amount of the Term B Commitments in effect on the Second Amendment Effective Date plus (c) an amount equal to 50% of the aggregate principal amount of each increase in the Aggregate Commitments made pursuant to Section 2.13, including without limitation any such increase in connection with the Second Amendment that becomes effective after the Second Amendment Effective Date.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a Revolving Borrowing, a Term A Borrowing or a Term B Borrowing, as the context may require.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close in New York City or under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office with respect to Obligations denominated in Dollars is located and:

(a) ~~(a)~~ if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day;

(b) ~~(b)~~ if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means a TARGET Day;

(c) ~~(c)~~ if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; and

(d) ~~(d)~~ if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Canadian Dollars”, “CAD” or “Cdn. \$” means the lawful currency of Canada.

“Capital Lease” means any lease obligation that, in accordance with GAAP, is required to be capitalized on the books of a lessee.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, L/C Issuer and the Revolving Lenders, as collateral for L/C Obligations, or obligations of the Revolving Lenders to fund participations in respect thereof (as the context may require), cash or deposit account balances or, if the L/C Issuer benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the L/C Issuer. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Management Agreement” means any agreement that is not prohibited by the terms hereof to provide treasury or cash management services, including deposit accounts, overnight draft, credit cards, debit cards, p-cards (including purchasing cards and commercial cards), funds transfer, automated clearinghouse, zero balance accounts, returned check, concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“Cash Management Bank” means any Person in its capacity as a party to a Cash Management Agreement that, (a) at the time it enters into a Cash Management Agreement with a Loan Party, is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Cash Management Agreement with a Loan Party, in each case in its capacity as a party to such Cash Management Agreement (even if such Person ceases to be a Lender or such Person’s Affiliate ceases to be a Lender); provided, however, that for any of the foregoing to be included as a “Secured Cash Management Agreement” on any date of determination by the Administrative Agent, the applicable Cash Management Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

(a) ~~(a)~~ any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of greater than 50% of the equity securities of Equinix entitled to vote for members of the board of directors or equivalent governing body of Equinix on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right); or

(b) ~~(b)~~ except to the extent otherwise permitted under ~~Section 7.04(a)(i)(A), Section 7.04(a)(i)(Bii), Section 7.04(a)(i)(D)iv,~~ Section 7.05(a)(i), Section 7.05(a)(ii), or Section 7.05(b), (i) Equinix ceases to own, directly or indirectly, all of the Equity Interests of OpCo (or of OpCo's successor by consolidation, merger or combination as may be permitted by the foregoing exceptions), (ii) Equinix ceases to own, directly or indirectly, all of the Equity Interests of S&D (or of S&D's successor by consolidation, merger or combination as may be permitted by the foregoing exceptions), or (iii) Equinix ceases to own, directly or indirectly, all of the Equity Interests of each of the other Guarantors.

"CHF Term A Borrowing" means a borrowing consisting of simultaneous CHF A Term Loans of the same Type, in Swiss Francs, and having the same Interest Period made by each of the Term A Lenders on the First Amendment Effective Date ~~pursuant to Section 2.01(a)(ii). As of the First Amendment Effective Date, the aggregate principal amount of the CHF Term Borrowing is CHF 47,780,000.~~

~~"CHF Term Commitment" means, as to each Term Lender, its obligation to make a CHF Term Loan to the Borrower pursuant to Section 2.01(a)(ii) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "CHF Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the CHF Term Commitments is the Alternative Currency Equivalent of \$50,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) offer rate supplied by WM/Reuters on such day. A Loan" means the term loans advanced by the Term A Lenders to the Borrower in Swiss Francs on the First Amendment Effective Date in the aggregate amount of CHF 47,780,000.~~

~~"CHF Term Loan" has the meaning specified in Section 2.01(a)(ii).~~

"CHF Term A Note" means a promissory note made by the Borrower in favor of a Term A Lender evidencing the CHF Term A Loan made by such Term A Lender, substantially in the form of Exhibit C-1.

"Class" when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, CHF Term A Loans, Euro Term A Loans, Sterling Term A Loans, Yen Term A Loans, Dollar Term B Loans or Sterling Term B Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment, Term A Commitment or Term B Commitment.

"Closing Date" means the first date all of the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collateral" means all of the "Collateral" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Administrative Agent for the benefit of the Secured Parties.

"Collateral Documents" means, collectively, the Pledge and Security Agreement, each joinder agreement thereto, each of the foreign-law pledge agreements, each of the other security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 6.14 or 6.17, as the case may be, and each of the other agreements, instruments or documents (including Uniform Commercial Code financing statements, consents, stock powers, assignments separate from certificates, and other similar instruments) which create or purport to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

"Commitment" means a Revolving Commitment or a Term B Commitment, as the context requires.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDAR" means, as of any date of determination, for Equinix and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for the Measurement Period plus the sum of the following expenses (to the extent deducted in calculating such Consolidated Net Income) for such Measurement Period: (i) interest expense, (ii) income tax expense, (iii) depreciation expense, (iv) amortization expense, (v) non-cash stock-based compensation expense and (vi) rent

expense. For purposes of calculating Consolidated EBITDAR, Consolidated Net Income shall be determined without deduction for any of the following items: (a) noncash expenses, charges and losses (including the write-down of any unamortized transaction costs, fees, original issue or underwriting discounts and expenses as a result of the redemption, refinancing, refunding, prepayment or exchange of, or modification to the terms of, any Indebtedness, to the extent not prohibited by this Agreement) not to exceed ~~\$100,000,000~~ \$150,000,000 in the aggregate in any fiscal year of Equinix, (b) one-time costs, fees, original issue or underwriting discounts, premiums, expenses, charges and losses incurred in connection with any actual or proposed (1) issuance of Indebtedness or Equity Securities, (2) redemptions, refinancings, refundings, prepayments or exchanges of, or modifications to the terms of, any Indebtedness, (3) restructurings of or modifications to any operating leases, (4) Acquisitions, (5) Investments or (6) Dispositions, in each case to the extent not prohibited by this Agreement (including, for the avoidance of doubt, the issuance by Equinix of the 5.375% Senior Notes Due 2022 and the 5.750% Senior Notes Due ~~2025, the redemption of the 7.00% Senior Notes Due 2021~~ 2025 and the entry by Equinix into this Agreement and the other Loan Documents), (c) ongoing expenses relating to the maintenance of Equinix's status as a REIT and compliance with REIT rules and regulations, and (d) costs and expenses of Equinix and its Subsidiaries associated with the REIT Conversion (including, without limitation, planning and advisory costs related to the foregoing) but only to the extent such costs and expenses do not exceed \$200,000,000 in the aggregate. For purposes of calculating Consolidated EBITDAR for any period in which a Permitted Acquisition has been consummated, Consolidated EBITDAR shall be adjusted to include (A) the historical EBITDAR of the Person acquired in such Permitted Acquisition for the applicable Measurement Period on a pro forma basis as if such Permitted Acquisition had been consummated on the first day of the applicable Measurement Period, as the EBITDAR of such acquired Person is reflected in its historical audited financial statements for the most recently ended fiscal year, and management prepared unaudited statements for any periods following the end of such fiscal year and (B) expected cost savings (without duplication of actual cost savings or other charges or expenses that are otherwise added back in calculating Consolidated EBITDAR) and synergies to the extent (x) such cost savings and synergies would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article 11 of Regulation S-X under the Securities Act of 1933, and as certified by a Responsible Officer of the Borrower or (y) such cost savings or synergies are factually supportable and have been realized or are reasonably expected to be realized within 365 days following such Permitted Acquisition; provided that the aggregate amount of cost savings and synergies added pursuant to this clause (B) shall not exceed fifteen percent (15%) of Consolidated EBITDAR (calculated before giving effect to this clause (B)) in the aggregate for the Measurement Period; provided, further, that for addbacks to cost savings and synergies under clause (y), the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, certifying that such cost savings and synergies meet the requirements set forth in clause (y), together with reasonably detailed evidence in support thereof. In the event that there are only unaudited financial statements or no financial statements available for such acquired Person, then the pro forma adjustments described in clause (A) above shall be made based on such unaudited financial statements or reasonable estimates as may be agreed between the Borrower and the Administrative Agent.

“Consolidated Fixed Charges” means, as of any date of determination, for Equinix and its Subsidiaries on a consolidated basis, the sum of, without duplication, (a) the current maturities of long-term debt for the next twelve months (but excluding (i) any Convertible Subordinated Notes, (ii) the current portion of the Revolving Facility, (iii) the final installment of the Term Loans ~~and~~, (iv) the 4.875% Senior Notes Due ~~2020~~ 2020, (v) the 5.375% Senior Notes Due 2022, (v) the 5.375% Senior Notes Due 2023, (vi) the 5.750% Senior Notes Due 2025 and (vii) the 5.875% Senior Notes Due 2026), (b) the principal portion of the current maturity of Capital Lease obligations for the next twelve months, (c) interest expense for the Measurement Period most recently ended, and (d) rent expense for the Measurement Period most recently ended.

“Consolidated Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated EBITDAR for the Measurement Period ending on such date to (b) Consolidated Fixed Charges.

“Consolidated Funded Indebtedness” means, as of any date of determination, for Equinix and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all direct obligations arising under letters of credit (including standby and commercial) and bank guaranties (but excluding any of the foregoing to the extent secured by cash collateral), (c) Attributable Indebtedness in respect of Capital Leases and Synthetic Lease Obligations, (d) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (c) above of Persons other than Equinix or any Subsidiary thereof, and (e) all Indebtedness of the types referred to in clauses (a) through (d) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which Equinix or a Subsidiary thereof is a general partner or joint venturer, except to the extent such Indebtedness is expressly made non-recourse to Equinix or such Subsidiary. Notwithstanding the foregoing, as of any date of determination, for purposes of calculating the Consolidated Net Lease Adjusted Leverage Ratio, “Consolidated Funded Indebtedness” shall not include the outstanding principal amount of any debt securities issued by Equinix to the extent that (i) as of such date, Equinix shall have delivered (or the indenture trustee under the applicable indenture shall have delivered on Equinix's behalf) to the holders of such debt securities an irrevocable notice of redemption with respect to all of such debt

securities and shall have deposited funds with the indenture trustee or into an escrow account in an amount required to effect such redemption, unless any portion of such debt securities shall not in fact be redeemed within 35 days of such notice of redemption and deposit of funds or (ii) the proceeds of such debt securities are held by the trustee of the related indenture and have not been released to Equinix or are deposited into an escrow account pending the closing of an acquisition or the redemption of other debt securities solely until such proceeds are released, it being understood that any such proceeds shall not be included in the calculation of clause (iii) of the definition of Consolidated Net Lease Adjusted Indebtedness.

“Consolidated Net Income” means, for any period, for Equinix and its Subsidiaries on a consolidated basis, the net income of Equinix and its Subsidiaries (excluding extraordinary gains and extraordinary losses) for that period.

“Consolidated Net Lease Adjusted Indebtedness” means as of any date of determination, with respect to Equinix and its Subsidiaries, the sum, without duplication, of (i) Consolidated Funded Indebtedness as of such date, plus (ii) rent expense for the Measurement Period ending on such date multiplied by six (6) minus (iii) the amount of unencumbered (other than by Liens permitted under clauses (a), (c) and (g) of Section 7.01) and unrestricted cash, cash equivalents, freely tradable and liquid short term investments, and freely tradable and liquid long term investments of Equinix and its Subsidiaries as of such date.

“Consolidated Net Lease Adjusted Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Net Lease Adjusted Indebtedness as of such date of determination to (b) Consolidated EBITDAR for the Measurement Period ending on such date.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Convertible Subordinated Notes” means, collectively the 4.75% Convertible Subordinated Notes Due 2016 and any other convertible subordinated notes or debentures issued by the Borrower after the date hereof, which are subordinated to the Obligations on terms no less favorable to the Lenders, in any material respect, than the 4.75% Convertible Subordinated Notes Due 2016.

“Corresponding Debt” has the meaning specified in Section 10.23.

“Credit Agreement Refinancing Facility” means (a) with respect to any Class of Revolving Commitments or Revolving Loans, Replacement Revolving Commitments or Replacement Revolving Loans and (b) with respect to any Class of Term Loans, Refinancing Term Loans.

“Credit Agreement Refinancing Facility Lenders” means the Lenders with a Replacement Revolving Commitment or outstanding Refinancing Term Loans.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Margin applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Margin plus 2% per annum.

“Defaulting Lender” means, subject to Section 2.15(b), any Lender that, as determined by the Administrative Agent, (a) has failed to (i) fund all or any portion of its funding obligations hereunder, including in respect of its Loans or participations in

respect of Letters of Credit, within two Business Days of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any L/C Issuer or any Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or any L/C Issuer or Lender that it does not intend to comply with its funding obligations, or has made a public statement to that effect with respect to its funding obligations hereunder or generally under other agreements in which it commits to extend credit (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets (including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity) or a custodian appointed for it; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, L/C Issuer and each other Lender promptly following such determination.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Lenders" means, solely in respect of the Term B Facility, any direct competitor of Equinix and/or any of its Subsidiaries identified by such Person's name in a written notice to the Administrative Agent delivered at any time after the Second Amendment Effective Date, which notice and each update thereto permitted herein (a) shall be mutually acceptable to the Administrative Agent and the Borrower, (b) may be made available by the Administrative Agent on a Platform accessible by all Lenders and (c) shall become effective two Business Days after the posting thereof; provided that such notice may be updated from time to time to (i) include additional direct competitors of the Borrower or any of its Subsidiaries identified by such Person's name on such notice or (ii) remove Persons previously designated as "Disqualified Lenders" from such notice. Notwithstanding the foregoing, in no event shall (1) any such update apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest in the Term B Loans as permitted herein and (2) any Person that the Borrower has designated as no longer being a "Disqualified Lender" by written notice to the Administrative Agent and the Lenders from time to time be deemed a Disqualified Lender.

"Dollar" and "\$" mean lawful money of the United States.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

"Dollar Term B Commitments" means as to each Dollar Term B Lender, its obligation to make a Dollar Term B Loan to the Borrower pursuant to Section 2.01(a)(ii) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Dollar Term B Lender's name on Schedule 2.01 under the caption "Dollar Term B Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Dollar Term B Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Second Amendment Effective Date, the aggregate amount of the Dollar Term B Commitments is \$250,000,000.

“Dollar Term B Lender” means (a) at any time during the Availability Period in respect of the Term B Facility, any Lender that has a Dollar Term B Commitment at such time, and (b) at any time after the Availability Period, any Lender that holds Dollar Term B Loans at such time.

“Dollar Term B Loan” has the meaning specified in Section 2.01(a)(ii).

“Domestic Subsidiary” means a Subsidiary of Equinix formed under the laws of the United States or any state thereof.

“DQ List” means the list of Disqualified Lenders provided in a written notice by the Borrower to the Administrative Agent, and any updates thereto from time to time, in each case in accordance with the definition of “Disqualified Lender”.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“EMU Legislation” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Engagement Letter” means that certain letter agreement dated as of November 18, 2015 by and among the Borrower and the Joint Lead Arrangers, as amended.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equinix” has the meaning specified in the introductory paragraph hereto ~~and shall include the Successor Parent upon the consummation of a merger in accordance with Section 7.04(a)(ii).~~

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with Equinix or any Subsidiary thereof within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections

303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under [Section 4007](#) of ERISA, upon the Borrower or any ERISA Affiliate.

“Euro”, “EUR” and “€” mean the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

“Euro Term A Borrowing” means a borrowing consisting of simultaneous Euro A Term Loans of the same Type, in Euro, and having the same Interest Period made by each of the Term A Lenders on the First Amendment Effective Date pursuant to [Section 2.01\(a\)\(iii\)](#). As of

“Euro Term A Loan” means the term loans advanced by the Term A Lenders to the Borrower in Euro on the First Amendment Effective Date; in the aggregate principal amount of the Euro Term Borrowing is EUR 184,945,441.09.

~~“Euro Term Commitment” means, as to each Term Lender, its obligation to make a Euro Term Loan to the Borrower pursuant to [Section 2.01\(a\)\(iii\)](#) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender’s name on [Schedule 2.01](#) under the caption “Euro Term Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Euro Term Commitments is the Alternative Currency Equivalent of \$200,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) bid rate supplied by WM/Reuters on such day.~~

~~“Euro Term Loan” has the meaning specified in [Section 2.01\(a\)\(iii\)](#).~~ “Euro Term A Note” means a promissory note made by the Borrower in favor of a Term A Lender evidencing the Euro Term A Loan made by such Term A Lender, substantially in the form of [Exhibit C-2](#).

“Eurocurrency Rate” means:

(a) for any Interest Period with respect to a Eurocurrency Rate Loan:

(i) in the case of a Eurocurrency Rate Loan denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”) or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(ii) in the case of a Eurocurrency Rate Loan denominated in Canadian dollars, the rate per annum equal to the Canadian Dealer Offered Rate, or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:00 a.m. (Toronto, Ontario time) on the Rate Determination Date with a term equivalent to such Interest Period;

(iii) in the case of a Eurocurrency Rate Loan denominated in Australian Dollars, the rate per annum equal to the Bank Bill Swap Reference Bid Rate or a comparable or successor rate, which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:30 a.m. (Melbourne, Australia time) on the Rate Determination Date with a term equivalent to such Interest Period; and

(iv) in the case of any other Eurocurrency Rate Loan denominated in a Non-LIBOR Quoted Currency, the rate designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the [Appropriate](#) Lenders pursuant to [Section 1.06 \(a\)](#); and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time determined two Business Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day;

~~provided that (x), (w) with respect to the Term B Loans, the Eurocurrency Rate (including for purposes of clause (c) of the definition of “Base Rate”) shall not be less than 0.75% per annum; (x) with respect to the Revolving Loans and the Term A Loans, if the~~

Eurocurrency Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement; (y) to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; and (z) to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

“Eurocurrency Rate Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of “Eurocurrency Rate.” Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency. All Loans denominated in an Alternative Currency must be Eurocurrency Rate Loans.

“Eurocurrency Rate Revolving Loan” means a Revolving Loan that is a Eurocurrency Rate Loan.

“Eurocurrency Rate Term Loan” means a Term Loan that is a Eurocurrency Rate Loan.

“Event of Default” has the meaning specified in Section 8.01.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Multiparty Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act (determined after giving effect to Section 10.19(k) and any other “keepwell, support or other agreement” for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Multiparty Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Multiparty Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 10.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 3.01(a)(ii) or (c), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

“Existing Administrative Agent” has the meaning specified in the definition of “Existing Credit Agreement”.

“Existing Credit Agreement” means that certain Credit Agreement, dated as of June 28, 2012 (as amended) among the Borrower, the subsidiary guarantors party thereto, Bank of America, as administrative agent thereunder (in such capacity, the “Existing Administrative Agent”), the L/C Issuer thereunder, and the lenders party thereto.

“Existing Letters of Credit” means, collectively, the Letters of Credit identified on Schedule 1.01.

“Existing Loan Documents” means the “Loan Documents”, as such term is defined in the Existing Credit Agreement.

“Existing Revolving Commitments” has the meaning specified in Section 2.16(g)(ii).

“Existing Revolving Lender” has the meaning set forth in Section 2.16(e)(i).

“Existing Revolving Loans” has the meaning specified in Section 2.16(g)(ii).

“Existing Revolving Maturity Date” has the meaning set forth in Section 2.16(a).

“Existing Term A Lender” has the meaning set forth in Section 2.16(e)(ii).

“Existing Term A Loans” has the meaning set forth in Section 2.16(g)(i).

“Existing Term A Maturity Date” has the meaning set forth in Section 2.16(a).

“Existing Term B Lender” has the meaning set forth in Section 2.16(e)(iii).

“Existing Term B Loans” has the meaning set forth in Section 2.16(g)(i).

“Existing Term B Maturity Date” has the meaning set forth in Section 2.16(a).

“Extended Revolving Commitments” has the meaning specified in Section 2.16(g)(ii).

“Extended Revolving Loans” has the meaning specified in Section 2.16(g)(ii).

“Extended Term Loans” has the meaning specified in Section 2.16(g)(i).

“Extending Lender” means each Lender that has agreed to extend its Revolving Maturity Date, Term A Maturity Date or Term B Maturity Date, as applicable, in accordance with Section 2.16.

“Extension Amendment” means an amendment to this Agreement pursuant to which the Revolving Maturity Date, the Term A Maturity Date and/or the Term B Maturity Date has been extended in accordance with Section 2.16, which shall be consistent with the applicable provisions of this Agreement and otherwise satisfactory to the parties thereto. Each Extension Amendment shall be executed by the Administrative Agent, the L/C Issuer (to the extent Section 10.01 would require the consent of the L/C Issuer for the amendments effected in such Extension Amendment), the Loan Parties and the applicable Extending Lenders. Any Extension Amendment may include conditions for delivery of opinions of counsel and other documentation consistent with the conditions in Sections 4.01 and/or 4.02 to the extent reasonably requested by the Administrative Agent or the applicable Extending Lenders.

“Extension Date” means any date on which any Existing Term A Loans, any Existing Term B Loans or any Existing Revolving Commitments are modified to extend the related Maturity Date in accordance with Section 2.16 (with respect to Lenders under such Existing Term A Loans, Existing Term B Loans or any Existing Revolving Commitments that agree to such modification).

“Extension Request Notice” has the meaning specified in Section 2.16(a).

“Facility” means the Term A Facility, the Term B Facility or the Revolving Facility, as the context may require.

“Facility Fee” has the meaning specified in Section 2.08(a).

“Facility Termination Date” means the date as of which all of the following shall have occurred: (a) the Aggregate Commitments have terminated, (b) all Obligations have been paid in full in cash (other than contingent indemnification obligations), and (c) all Letters of Credit have terminated or expired (other than Letters of Credit as to which other arrangements with respect thereto satisfactory to the Administrative Agent and the L/C Issuer shall have been made).

“FASB ASC” means the Accounting Standards Codification of the Financial Accounting Standards Board.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“~~Fee Letter Letters~~” means the ~~letter agreement, dated November 13, 2014,~~ Agent Fee Letter and other letter agreements among the Borrower, ~~the Administrative Agent and the Left Lead Arranger,~~ and any or all Joint Lead Arrangers.

“Financial Covenant Event of Default” has the meaning specified in Section 8.01(b).

“~~First Amendment~~” ~~means the First Amendment to Credit Agreement, dated as of April 30, 2015 among the Borrower, the Guarantors, the Lenders and the Administrative Agent~~ has the meaning specified in the recitals.

“First Amendment Effective Date” has the meaning specified in the First Amendment.

“Foreign Asset Sale” has the meaning specified in Section 2.04(c)(v).

“Foreign Lender” means, with respect to the Borrower, any Lender or L/C Issuer that is organized under the Laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

“Foreign Subsidiary Holdco” means any Domestic Subsidiary substantially all of whose assets consist (or any Domestic Subsidiary that is formed for the purpose of holding assets that substantially consist) of Equity Interests or Indebtedness of (a) one or more Foreign Subsidiaries or (b) other Foreign Subsidiary Holdcos described in clause (a).

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, with respect to the L/C Issuer, such Defaulting Lender’s Applicable Percentage of the Outstanding Amount of all L/C Obligations other than L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Revolving Lenders or Cash Collateralized in accordance with the terms hereof.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funds From Operations” means, with respect to any fiscal period, an amount equal to the net income (or deficit) of Equinix and its Subsidiaries for that period computed on a consolidated basis in accordance with GAAP, excluding gains (or losses) from sales of property, plus depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures; provided that Funds From Operations shall exclude one-time or non-recurring charges and impairment charges, charges from the early extinguishment of indebtedness and other non-cash charges. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect Funds From Operations on the same basis. To the extent not inconsistent with the foregoing, Funds From Operations shall be reported in accordance with the NAREIT Policy Bulletin dated April 5, 2002, as amended, restated, supplemented or otherwise modified from time to time.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary

obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) and will include the Multiparty Guaranty set forth in [Section 10.19](#), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"[Guarantors](#)" has the meaning specified in the introductory paragraph hereto, and in addition, shall include, with respect to the payment and performance by each Specified Loan Party of its obligations under its Multiparty Guaranty with respect to all Swap Obligations, the Borrower.

"[Hazardous Materials](#)" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"[Hedge Bank](#)" means any Person in its capacity as a party to a Swap Contract that, (a) at the time it enters into a Swap Contract not prohibited under [Article VI](#) or [Article VII](#), is a Lender or an Affiliate of a Lender, or (b) at the time it (or its Affiliate) becomes a Lender, is a party to a Swap Contract not prohibited under [Article VI](#) or [Article VII](#), in each case, in its capacity as a party to such Swap Contract (even if such Person ceases to be a Lender or such Person's Affiliate ceased to be a Lender); provided, in the case of a Secured Hedge Agreement with a Person who is no longer a Lender (or an Affiliate of a Lender), such Person shall be considered a Hedge Bank only through the stated termination date (without extension or renewal) of such Secured Hedge Agreement and provided further that for any of the foregoing to be included as a "Secured Hedge Agreement" on any date of determination by the Administrative Agent, the applicable Hedge Bank (other than the Administrative Agent or an Affiliate of the Administrative Agent) must have delivered a Secured Party Designation Notice to the Administrative Agent prior to such date of determination.

"[Hong Kong Dollars](#)" or "[HKD](#)" means the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China.

"[Hostile Acquisition](#)" means an Acquisition of all or substantially all of the Equity Interests of a Person through a tender offer or similar solicitation of the owners of such Equity Interests which has not been approved (prior to the consummation of such Acquisition) by the board of directors (or any other applicable governing body) of such Person or by similar or other appropriate action if such Person is not a corporation, or as to which, at the time of consummation of such Acquisition, any such prior approval has been withdrawn.

"[Increase Effective Date](#)" has the meaning specified in [Section 2.13\(d\)](#).

"[Indebtedness](#)" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
 - (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;
 - (c) net obligations of such Person under any Swap Contract;
 - (d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable in the ordinary course of business and (ii) post-closing purchase price adjustments or earnout obligations in connection with Permitted Acquisitions, in the case of this clause (ii), until such obligations become a liability on the balance sheet of such Person in accordance with GAAP);
 - (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
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(f) Capital Leases and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitees” has the meaning specified in Section 10.04(b).

“Information” has the meaning specified in Section ~~10.07~~ 10.07.

“Initial Term Loan” has the meaning specified in Section 2.01(a)(i).

“Intercompany Accounts” means those accounts receivable of each Loan Party where the account debtor or obligor is a Subsidiary or Affiliate of such Loan Party.

“Interest Payment Date” means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the applicable Maturity Date; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the applicable Maturity Date.

“Interest Period” means as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, two, three or six months thereafter (or, if consented to by all Appropriate Lenders pursuant to the first proviso to Section 2.02(a), a shorter period, or nine or twelve months thereafter), as selected by the Borrower in its Loan Notice provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period pertaining to a Eurocurrency Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period pertaining to any Loan shall extend beyond the applicable Maturity Date for such Loan.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IRS” means the United States Internal Revenue Service.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit E executed and delivered in accordance with the provisions of Section 6.14, or any other form approved by Administrative Agent.

“Joint Lead Arrangers” means the Left Lead Arranger; and J. P. Morgan Securities LLC, in their capacities as joint lead arrangers and joint bookrunners, and Citigroup Global Markets Inc., RBC Capital Markets and TD Securities (USA) LLC, in their capacities as joint lead arrangers and book-runners.

“JV Entity” means a non-wholly-owned Subsidiary or joint venture in which Equinix or one or more of its Subsidiaries is a joint venturer with another Person.

“JV Interest” means an Equity Interest in a JV Entity.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“L/C Advance” means, with respect to each Revolving Lender, such Revolving Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Borrowing. All L/C Borrowings shall be denominated in Dollars.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any other Revolving Lender appointed by the Borrower (with the consent of the Administrative Agent and such appointed Lender) as an issuer of Letters of Credit hereunder by written notice to the Revolving Lenders as a replacement for any L/C Issuer who is at the time of such appointment a Defaulting Lender, or any successor issuer of Letters of Credit hereunder. Any reference to “the L/C Issuer” herein shall mean either Bank of America or such other Lender as appointed by the Borrower pursuant to this definition, as applicable.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.09. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Left Lead Arranger” means Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as left lead arranger and joint book runner.

“Lender” has the meaning specified in the introductory paragraph hereto.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

“Letter of Credit” means any standby letter of credit issued hereunder and shall include the Existing Letters of Credit.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is seven days prior to the Revolving Maturity Date ~~then in effect~~ (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(h).

“Letter of Credit Sublimit” means an amount equal to ~~\$150,000,000~~ 250,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments.

“LIBOR” has the meaning specified in the definition of Eurocurrency Rate.

“LIBOR Quoted Currency” means each of the following currencies: Dollars; Euro; Sterling; Yen; and Swiss Franc; in each case as long as there is a published LIBOR rate with respect thereto.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to the Borrower under ~~ARTICLE~~ Article II in the form of a Revolving Loan or a Term Loan.

“Loan Documents” means this Agreement, each Note, each Issuer Document, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement, the Fee ~~Letter~~ Letters, each Request for Credit Extension, any guaranty of the Obligations by a Guarantor (including the Multiparty Guaranty), the Collateral Documents, each Joinder Agreement, any other joinder agreement executed by any Loan Party in favor of the Administrative Agent, any Lender or Secured Party with respect to any of the other Loan Documents, and any and all other agreements, documents and instruments executed and/or delivered by or on behalf of or in support of any Loan Party to Administrative Agent, any Lender or any Secured Party or their respective authorized designee evidencing or otherwise relating to any of the Credit Extensions or hereunder (but specifically excluding any Secured Hedge Agreement or any Secured Cash Management Agreement).

“Loan Notice” means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurocurrency Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

“Loan Parties” means, collectively, the Borrower, each Guarantor and each Pledgor Subsidiary; provided, however, that each Pledgor Subsidiary shall be excluded from the term “Loan Parties” for purposes of such term’s use within (a) the definitions of “Intercompany Accounts”, “Loan Party Accounts Receivable”, “Material Domestic Subsidiary”, “Material Subsidiary”, “Net Loan Party Accounts Receivable” and “Real Property Lease Accounts”, and (b) Sections 4.01, 5.08, 5.17, 7.05(h), the last proviso of Section 7.05 and Section 9.10(a).

“Loan Party Accounts Receivable” means (a) all “accounts” (as such term is defined under Article 9 of the Uniform Commercial Code of the applicable jurisdiction) owned by each Loan Party, whether now owned or existing, or hereafter created, acquired or arising (but excluding Real Property Lease Accounts), (b) any instruments to the extent they evidence an account debtor’s payment obligations with respect to such accounts, and (c) all proceeds (including proceeds of any insurance policies, proceeds of proceeds and claims against third parties), and products of and supporting obligations for the property and assets described in the foregoing clauses (a) and (b).

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, assets, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender

under any Loan Document, or of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.

“Material Domestic Subsidiary” means, as at any date of determination (determined in accordance with GAAP), any Domestic Subsidiary or group of Domestic Subsidiaries (other than Loan Parties or joint ventures) whose net accounts receivable (after intercompany eliminations and excluding Real Property Lease Accounts), individually or collectively (as the case may be), equal or exceed 10.0% of all net accounts receivable of Equinix and its Domestic Subsidiaries (after intercompany eliminations and excluding Real Property Lease Accounts) as of the end of the most recently completed fiscal quarter of Equinix.

“Material Subsidiary” means, as at any date of determination (determined in accordance with GAAP), any Subsidiary or group of Subsidiaries of Equinix (other than Loan Parties) (a) whose total assets, individually or collectively (as the case may be), equal or exceed 20.0% of the consolidated total assets (after intercompany eliminations) of Equinix and its Subsidiaries as of the end of the most recently completed fiscal quarter of Equinix, or (b) whose revenue, individually or collectively (as the case may be), for the Measurement Period most recently ended equals or exceeds 10.0% of the consolidated revenue (after intercompany eliminations) of Equinix and its Subsidiaries for such Measurement Period.

“Maturity Date” means ~~December 17, 2019; provided, however, that if such date is not a Business Day,~~ the Revolving Maturity Date shall be the immediately preceding Business Day, the Term A Maturity Date or the Term B Maturity Date, as the context requires.

“Measurement Period” means, at any date of determination, the rolling two most recently completed fiscal quarters of Equinix, annualized.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiparty Guaranty” means, collectively, the guaranty made by the Guarantors in favor of the Secured Parties under Section 10.19.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means (a) with respect to any Asset Sale by the Borrower or any of its Subsidiaries, the excess, if any, of (i) the sum of cash and cash equivalents received in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by the Borrower or such Subsidiary in connection with such transaction, (C) transfer and similar taxes incurred by the Borrower or such Subsidiary in connection with such transaction and income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to subclause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds, (D) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds of such Asset Sale) and (E) in the case of any Asset Sale by a Subsidiary that is not directly or indirectly wholly-owned (other than directors qualifying shares) by the Borrower, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this subclause (E)) attributable to minority interests and not available for distribution as a result thereof to or for the account of the Borrower or by a Restricted Subsidiary that is directly or indirectly wholly-owned (other than directors qualifying shares) by the Borrower; and (b) with respect to the incurrence or issuance of any Indebtedness by the Borrower or any of its Restricted Subsidiaries, the excess of (i) the sum of the cash and cash equivalents received in connection with such transaction over (ii) the underwriting discounts and commissions, original issue discounts, fees and other reasonable and customary out-of-pocket expenses, incurred by the Borrower or such Restricted Subsidiary in connection therewith and not netted out of cash and cash equivalents received as described in clause (i).

“Net Loan Party Accounts Receivable” means Loan Party Accounts Receivable excluding Intercompany Accounts.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Extending Lender” has the meaning set forth in Section 2.16(b).

“Non-LIBOR Quoted Currency” means any currency other than a LIBOR Quoted Currency.

“Note” means a Term A Note, a Term B Note or a Revolving Note, as the context may require.

“Notice Date” has the meaning set forth in Section 2.16(b).

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that Obligations of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“OpCo” has the meaning specified in the introductory paragraph hereto.

“Optional Prepayment Notice” has the meaning specified in Section 2.04(a).

“Optional Termination/Reduction Notice” has the meaning specified in Section ~~2.05~~2.05(a).

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

“Outstanding Amount” means (a) with respect to any Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

“Parallel Debt” has the meaning specified in Section 10.23.

“Participant” has the meaning specified in Section 10.06(d).

“Participant Register” has the meaning specified in Section 10.06(d).

“Participating Member State” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Act” means the Pension Protection Act of 2006.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Acquisition” means any Acquisition by Equinix or any of its Subsidiaries, provided that: (a) such Investment is not a Hostile Acquisition; and (b) after giving pro forma effect to the consummation of such Acquisition, (i) the Loan Parties shall be in compliance with each of the financial covenants set forth in Section 7.11, and (ii) no Default or Event of Default shall have occurred and be continuing or would result therefrom.

“Permitted Open Market Purchases” means the purchase by the Borrower of Term B Loans in consensual transactions with Term B Lenders; provided that (a) the aggregate principal amount (calculated on the face amount thereof) of all Term B Loans so purchased by the Borrower shall automatically be cancelled and retired by the Borrower on the settlement date of the relevant repurchase (and may not be resold) and (b) such purchase is made in compliance with the terms of Section 10.16(h).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

“Platform” has the meaning specified in Section 6.02.

“Pledge and Security Agreement” means the Pledge and Security Agreement made by the Borrower and the Guarantors, as pledgors and debtors, in favor of the Administrative Agent, substantially in the form of Exhibit F.

“Pledged Subsidiary” has the meaning specified in Section 6.16.

“Pledgor Subsidiary” has the meaning specified in Section 6.16.

“Public Lender” has the meaning specified in Section 6.02.

“Qualified ECP Guarantor” shall mean, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an “eligible contract participant” under the Commodity Exchange Act and can cause another person to qualify as an “eligible contract participant” at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Rate Determination Date” means, with respect to any Interest Period, two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in the relevant interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such other day as otherwise reasonably determined by the Administrative Agent).

“Real Estate Holding Subsidiary” means any Subsidiary (other than a Material Domestic Subsidiary) the assets of which consist primarily of fee or leasehold interests in one or more real estate assets.

“Real Property Lease Accounts” means those accounts receivable of each Loan Party arising from the lease or rental of real property by such Loan Party to the extent such accounts receivable comprise collateral for a third party real property lender.

“Recipient” means the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Refinanced Term Loans” has the meaning specified in Section 2.17(a).

“Refinancing Amendment” means an amendment to this Agreement pursuant to which any Refinancing Term Loans and/or Replacement Revolving Commitments have been provided for in accordance with Section 2.17, which shall be consistent with the applicable provisions of this Agreement and otherwise satisfactory to the parties thereto. Each Refinancing Amendment shall be executed by the Administrative Agent, the L/C Issuer (to the extent Section 10.01 would require the consent of the L/C Issuer for the amendments effected in such Refinancing Amendment), the Loan Parties and the applicable Credit Agreement Refinancing Facility Lenders. Any Refinancing Amendment may include conditions for delivery of opinions of counsel and other documentation consistent with the conditions in Sections 4.01 and/or 4.02 to the extent reasonably requested by the Administrative Agent or the applicable Credit Agreement Refinancing Facility Lenders.

“Refinancing Term Loans” means one or more new Classes of Term Loans that result from a Refinancing Amendment in accordance with Section 2.17.

“Register” has the meaning specified in Section 10.06(c).

“REIT” means a Person that is qualified to be treated for tax purposes as a real estate investment trust under Sections 856-860 of the Code.

~~“REIT Conversion” means the proposed plan to convert Equinix into a REIT as described in its Current Report on Form 8-K filed with the SEC on September 13, 2012, and the activities undertaken in good faith in connection therewith for the purpose of permitting Equinix to convert to, qualify and elect to be treated as, a REIT.~~

~~“REIT Conversion Date” means the date upon which Equinix converts to, becomes, and is otherwise qualified as, a REIT (for this purpose ignoring the requirement to elect to be a REIT, provided that a timely REIT election is ultimately made in due course).~~

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Replaced Revolving Commitments” has the meaning specified in Section 2.17(a).

“Replacement Revolving Commitments” means one or more new Classes of Revolving Commitments established pursuant to a Refinancing Amendment in accordance with Section 2.17.

“Replacement Revolving Lender” means a Revolving Lender with a Replacement Revolving Commitment or an outstanding Replacement Revolving Loan.

“Replacement Revolving Loans” means Revolving Loans made pursuant to Replacement Revolving Commitments.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Repricing Event” has the meaning specified in Section 2.04(d).

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

“Required Lenders” means, as of any date of determination, at least two Lenders having holding more than 50% of the sum of the Aggregate Commitments under the Revolving Facility and the Outstanding Amount of all Term Loans or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, at least two Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Revolving Lender’s risk participation and funded participation in L/C Obligations being deemed “held” by such Lender for purposes of this definition). The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the L/C Issuer in making such determination.

“Required Revolving Lenders” means, as of any date of determination, at least two Revolving Lenders holding more than 50% of the sum of the (a) Total Revolving Outstandings (with the aggregate amount of each Revolving Lender’s risk participation and funded participation in L/C Obligations being deemed “held” by such Revolving Lender for purposes of this definition) and (b) aggregate unused Revolving Commitments; provided that the unused Revolving Commitment of, and the portion of the Total Revolving Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

“Required Revolving and Term A Lenders” means as of any date of determination, at least two Lenders holding more than 50% of the sum of (a) Total Revolving Outstandings (with the aggregate amount of each Revolving Lender’s risk participation and funded participation in L/C Obligations being deemed “held” by such Revolving Lender for purposes of this definition), (b) the aggregate unused Revolving Commitments and (c) the Outstanding Amount of the Term A Loans; provided that the unused Revolving Commitment of, the portion of the Total Revolving Outstandings held or deemed held by, and the Term A Loans held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving and Term A Lenders.

“Required Term A Lenders” means, as of any date of determination, at least two Term A Lenders holding more than 50% of the Outstanding Amount of the Term A Loans; provided that the Term A Loans held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term A Lenders.

“Required Term B Lenders” means, as of any date of determination, Term B Lenders holding more than 50% of the Term B Facility on such date; provided that the portion of any Term B Commitments or Term B Loans held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Term B Lenders.

“Responsible Officer” means the chief executive officer, chief financial officer, treasurer or vice president-tax and treasury of a Loan Party, and solely for purposes of the delivery of incumbency certificates pursuant to Section 4.01, the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Borrower’s stockholders, partners or members (or the equivalent Person thereof).

“Restricted Subsidiary” means any Subsidiary of the Borrower that is not an Unrestricted Subsidiary.

“Revaluation Date” means (a) with respect to any Eurocurrency Rate Loan, each of the following: (i) each date of a Borrowing of such Eurocurrency Rate Loan denominated in an Alternative Currency, (ii) each date of a continuation of such Eurocurrency Rate Loan denominated in an Alternative Currency pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall reasonably require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by the L/C Issuer under any Letter of Credit denominated in an Alternative Currency and (iv) such additional dates as the Administrative Agent or the L/C Issuer shall determine or the Required Lenders shall reasonably require (including, without limitation, any date of determination of the Total Outstandings and the Outstanding Amount of L/C Obligations).

“Revolving Borrowing” means a borrowing consisting of simultaneous Revolving Loans of the same Type, in the same currency and, in the case of Eurocurrency Rate Revolving Loans, having the same Interest Period made by each of the Revolving Lenders pursuant to Section 2.01.

“Revolving Commitment” means, as to each Revolving Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01, and (b) purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the Dollar amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Revolving Credit Exposure” means, as to any Revolving Lender at any time, the aggregate Outstanding Amount at such time of its Revolving Loans and the aggregate Outstanding Amount of such Lender’s participation in L/C Obligations at such time.

“Revolving Facility” means the credit facility consisting of the Revolving Commitments and outstanding Revolving Loans and L/C Obligations.

“Revolving Lender” means, at any time, any Lender that has a Revolving Commitment at such time.

“Revolving Loan” has the meaning specified in Section 2.01.

“Revolving Maturity Date” means (a) December 17, 2019 and (b) if such maturity date is extended pursuant to Section 2.16, solely as to each Revolving Lender agreeing to extend such maturity date, such extended maturity date as determined pursuant to such Section; provided, however, that if such date is not a Business Day, the Revolving Maturity Date shall be the immediately preceding Business Day.

“Revolving Note” means a promissory note made by the Borrower in favor of a Revolving Lender evidencing Revolving Loans made by such Revolving Lender, substantially in the form of Exhibit B.

“S&D” has the meaning specified in the introductory paragraph hereto.

“Sale-Leaseback Transaction” means, with respect to any Person, the sale of property owned by such Person (the “S-L Seller”) to another Person (the “S-L Buyer”), together with the substantially concurrent leasing of such property by the S-L Buyer to the S-L Seller.

“Same Day Funds” means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

“Sanction(s)” means any sanction or embargo imposed, administered or enforced by the United States Government (including without limitation, OFAC), the European Union or Her Majesty’s Treasury.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Second Amendment” means the Second Amendment to Credit Agreement, dated as of December 8, 2015, by and among the Borrower, the Guarantors, the Lenders party thereto, the Administrative Agent and the L/C Issuer.

“Second Amendment Effective Date” has the meaning specified for such term in the Second Amendment.

“Secured Cash Management Agreement” means any Cash Management Agreement between any Loan Party and/or any of its Subsidiaries and any Cash Management Bank.

“Secured Hedge Agreement” means any interest rate, currency, foreign exchange, or commodity Swap Contract permitted under Article VI or VII between any Loan Party and/or any of its Subsidiaries and any Hedge Bank.

“Secured Obligations” means (a) all Obligations, (b) all obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements and (c) all costs and expenses incurred in connection with enforcement and collection of the

foregoing, including the fees, charges and disbursements of counsel, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the Secured Obligations shall exclude any Excluded Swap Obligations. Solely with respect to the Borrower's grant of a security interest in its Collateral pursuant to the Collateral Documents, and for no other purpose, the amount of Secured Obligations (but not Obligations) of the Borrower shall be limited to an amount equal to the Borrower Collateral Limit. The Borrower Collateral Limit shall not limit the amount of Secured Obligations guaranteed by the Guarantors, nor the amount of Secured Obligations secured by the Guarantors' Collateral.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, the L/C Issuer, the Hedge Banks, the Cash Management Banks, the Indemnitees, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05.

"Secured Party Designation Notice" shall mean a notice from any Lender or an Affiliate of a Lender substantially in the form of Exhibit H.

"Senior Notes Indentures" means, collectively, the Indentures (together with any Supplemental Indentures thereto) entered into by Equinix in connection with the 4.875% Senior Notes Due 2020, the 5.375% Senior Notes Due 2022, the 5.375% Senior Notes Due 2023, ~~and the 5.750% Senior Notes Due 2025-2025 and the 5.875% Senior Notes Due 2026.~~

"Singapore Dollars" or "SGD" means the lawful currency of the Republic of Singapore.

"Special Mandatory Redemption Event" means a mandatory redemption (at par) of the 5.875% Senior Notes Due 2026 triggered by either of the following: (a) the Telicity Transaction is not completed on or prior to November 29, 2016 or (b) prior to November 29, 2016, the offer in respect of the Telicity Transaction has lapsed or been withdrawn for the purposes of the U.K. City Code on Takeovers and Mergers.

"Special Notice Currency" means at any time an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

"Specified Loan Party" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 10.19(k)).

"Spot Rate" for a currency means the rate determined by the Administrative Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the L/C Issuer may obtain such spot rate from another financial institution designated by the Administrative Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., and any successor thereto.

"Sterling", "GBP" and "£" mean the lawful currency of the United Kingdom.

"Sterling Term A Borrowing" means a borrowing consisting of simultaneous Sterling Term A Loans of the same Type, in Sterling, and having the same Interest Period made by each of the Term A Lenders on the First Amendment Effective Date ~~pursuant to Section 2.01(a)(iv). As of the First Amendment Effective Date, the aggregate principal amount of the Sterling Term Borrowing is £92,586,469.15.~~

~~"Sterling Term Commitment" means, as to each Term Lender, its obligation to make a Sterling Term Loan to the Borrower pursuant to Section 2.01(a)(iv) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "Sterling Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Sterling Term Commitments is the Alternative Currency Equivalent of \$140,000,000 as determined by the~~

~~Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) bid rate supplied by WM/Reuters on such day.~~ A Loan” means the term loans advanced by the Term A Lenders to the Borrower in Sterling on the First Amendment Effective Date in the aggregate amount of £92,586,469.15.

~~“Sterling Term Loan” has the meaning specified in Section 2.01(a)(iv).~~

“Sterling Term A Note” means a promissory note made by the Borrower in favor of a Term A Lender evidencing the Sterling Term A Loan made by such Term A Lender, substantially in the form of Exhibit C-3.

“Sterling Term B Commitments” means as to each Sterling Term B Lender, its obligation to make a Sterling Term B Loan to the Borrower pursuant to Section 2.01(a)(ii) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Sterling Term B Lender’s name on Schedule 2.01 under the caption “Sterling Term B Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Sterling Term B Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Second Amendment Effective Date, the aggregate amount of the Sterling Term B Commitments is £300,000,000.

“Sterling Term B Lender” means (a) at any time during the Availability Period in respect of the Term B Facility, any Lender that has a Sterling Term B Commitment at such time, and (b) at any time after the Availability Period, any Lender that holds Sterling Term B Loans at such time.

“Sterling Term B Loan” has the meaning specified in Section 2.01(a)(ii).

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of Equinix.

~~“Successor Parent” has the meaning specified in Section 7.04(a)(ii).~~

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligations” means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swiss Francs” or “CHF” means the lawful currency of the Swiss Confederation.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), and other similar assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“~~Term Borrowing~~” means ~~a CHF Term Borrowing, a Euro Term Borrowing, a Sterling Term Borrowing or a Yen Term Borrowing, as applicable.~~ Telecity Transaction” means the Borrower’s proposed acquisition of 100% of the issued and outstanding Equity Interests of Telecity Group plc.

“~~Term Commitments~~ A Borrowing” means ~~collectively, the~~ a CHF Term A Borrowing, a Euro Term ~~Commitments, the~~ A Borrowing, a Sterling Term ~~Commitments, the~~ A Borrowing or a Yen Term ~~Commitments and the CHF Term Commitments~~ A Borrowing, as applicable.

“Term A Facility” means, at any time, the aggregate principal amount of the Term A Loans of all Term A Lenders outstanding at such time.

“Term A Lender” means any Lender that holds Term A Loans.

“Term A Loan” means a CHF Term A Loan, a Euro Term A Loan, a Sterling Term A Loan or a Yen Term A Loan, as applicable.

“Term A Maturity Date” means (a) December 17, 2019 and (b) if such maturity date is extended pursuant to Section 2.16, solely as to each Term A Lender agreeing to extend such maturity date, such extended maturity date as determined pursuant to such Section; provided, however, that if such date is not a Business Day, the Term A Maturity Date shall be the immediately preceding Business Day.

“Term A Note” means a CHF Term A Note, a Euro Term A Note, a Sterling Term A Note or a Yen Term A Note, as applicable.

“Term B Borrowing” means a borrowing consisting of simultaneous Term B Loans of the same Type and having the same Interest Period made by each of the Term B Lenders pursuant to Section 2.01(a)(ii).

“Term B Commitments” means, collectively, the Dollar Term B Commitments and the Sterling Term B Commitments.

“Term B Facility” means, at any time, (a) ~~on or prior to the First Amendment Effective Date~~ during the Availability Period in respect of such Facility, the aggregate amount of the Term B Commitments at such time and (b) thereafter, the aggregate principal amount of the Term B Loans of all Term B Lenders outstanding at such time.

“Term B Funding Date” means the date on which the Term B Lenders make the Term B Loans.

“Term B Lender” means a Sterling Term B Lender or a Dollar Term B Lender, as applicable.

“Term B Loan” has the meaning specified in Section 2.01(a)(ii).

“Term B Maturity Date” means (a) the seven year anniversary of the Term B Funding Date and (b) if such maturity date is extended pursuant to Section 2.16, solely as to each Term B Lender agreeing to extend such maturity date, such extended maturity date as determined pursuant to such Section; provided, however, that if such date is not a Business Day, the Term B Maturity Date shall be the immediately preceding Business Day.

“Term B Note” means a promissory note made by the Borrower in favor of a Term B Lender, evidencing Term B Loans made by such Term B Lender, substantially in the form of Exhibit C-5.

“Term Facilities” means the Term A Facility and the Term B Facility.

~~“Term Lender” means (a) at any time on or prior to the First Amendment Effective Date, any Lender that has a Term Commitment and/or holds Initial Term Loans at such time and (b) at any time after the First Amendment Effective Date, any Lender that holds Term Loans at such time: a Term A Lender or a Term B Lender, as applicable.~~

~~“Term Loan” means a CHF Term A Loan; or a Euro Term B Loan, a Sterling Term Loan or a Yen Term Loan, as applicable. “Term Note” means a CHF Term Note, a Euro Term Note, a Sterling Term Note or a Yen Term Note, as applicable.~~

~~“Total Credit Exposure” means, as to any Lender at any time, the sum of the unused Commitments, the outstanding Term Loans and Revolving Credit Exposure of such Lender at such time.~~

~~“Total Outstandings” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.~~

~~“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans and L/C Obligations.~~

~~“Transaction” or “Transactions” means the Telety Transaction and/or the Bit-isle Transaction, as applicable.~~

~~“Transfer” has the meaning specified in Section 7.05.~~

~~“Type” means with respect to a Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.~~

~~“United States” and “U.S.” mean the United States of America.~~

~~“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).~~

~~“Unrestricted Subsidiary” means any Subsidiary of the Borrower designated as such on Schedule 6.16 hereto as of the Closing Date, or after the Closing Date pursuant to Section 6.16.~~

~~“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.~~

~~“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(c)(ii)(B)(III).~~

~~“Weighted Average Life to Maturity” means, on any date and with respect to the aggregate amount of the applicable Term Loans, an amount equal to (a) the scheduled repayments of such Term Loans to be made after such date, multiplied by the number of days from such date to the respective dates of such scheduled repayments divided by (b) the aggregate principal amount of such Term Loans.~~

~~“Withholding Agent” means any Loan Party and the Administrative Agent.~~

~~“Yen” and “¥” mean the lawful currency of Japan.~~

~~“Yen Term A Borrowing” means a borrowing consisting of simultaneous Yen Term A Loans of the same Type, in Yen, and having the same Interest Period made by each of the Term A Lenders on the First Amendment Effective Date pursuant to Section 2.01(a)(v). As of the First Amendment Effective Date, the aggregate principal amount of the Yen Term Borrowing is ¥ 11,924,000,000.~~

~~“Yen Term Commitment” means, as to each Term Lender, its obligation to make a Yen Term Loan to the Borrower pursuant to Section 2.01(a)(v) in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender’s name on Schedule 2.01 under the caption “Yen Term Commitment” or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the First Amendment Effective Date, the aggregate amount of the Yen Term Commitments is the Alternative Currency Equivalent of \$100,000,000 as determined by the Administrative Agent four (4) Business Days prior to the First Amendment Effective Date based on the 10:00 a.m. (New York time) offer rate supplied by WM/Reuters on such day. A Loan” means the term loans advanced by the Term A Lenders to the Borrower in Yen on the First Amendment Effective Date in the aggregate amount of ¥ 11,924,000,000.~~

~~“Yen Term Loan” has the meaning specified in Section 2.01(a)(v).~~

~~“Yen Term A Note” means a promissory note made by the Borrower in favor of a Term A Lender evidencing the Yen Term A Loan made by such Term A Lender, substantially in the form of Exhibit C-4.~~

“Yield Differential” has the meaning set forth in Section 2.13(e).

1.02. **Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto,” “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03. **Accounting Terms.**

(a) **Generally.** All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial statements, financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(b) **Changes in GAAP.** If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04. **Rounding.** Any financial ratios required to be maintained by the Borrower, their Subsidiaries or any Loan Party pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05. **Exchange Rates; Currency Equivalents.** (a) The Administrative Agent or the L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and L/C Obligations denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the L/C Issuer, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a Commitment or a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the L/C Issuer, as the case may be.

(c) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Rate" or with respect to any comparable or successor rate thereto.

1.06. **Additional Alternative Currencies.** (a)

(a) The Borrower may from time to time request that Eurocurrency Rate **Revolving** Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency;" provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars. In the case of any such request with respect to the making of Eurocurrency Rate **Revolving** Loans, such request shall be subject to the approval of the Administrative Agent and the **Revolving** Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the L/C Issuer.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., 10 Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Eurocurrency Rate **Revolving** Loans, the Administrative Agent shall promptly notify each **Revolving** Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the L/C Issuer thereof. Each **Revolving** Lender (in the case of any such request pertaining to Eurocurrency Rate **Revolving** Loans) or the L/C Issuer (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., five Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Rate **Revolving** Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a **Revolving** Lender or the L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or the L/C Issuer, as the case may be, to permit Eurocurrency Rate **Revolving** Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the **Revolving** Lenders consent to making Eurocurrency Rate **Revolving** Loans in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Borrowings of Eurocurrency Rate **Revolving** Loans; and if the Administrative Agent and the L/C Issuer consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.06, the Administrative Agent shall promptly so notify the Borrower.

1.07. **Change of Currency.** (a)

(a) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

1.08. **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Pacific time (daylight or standard, as applicable).

1.09. **Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

ARTICLE II. THE COMMITMENTS AND CREDIT EXTENSIONS

2.01. **Loans.**

(a) The Term Loans.

(i) Subject to the terms and conditions set forth herein, the Term A Lenders made loans to the Borrower, in Dollars, on the Closing Date, in an aggregate amount equal to \$500,000,000 (the “Initial Term Loan”). On the First Amendment Effective Date, the Initial Term Loan ~~shall be~~ repaid in full in accordance with the terms of the First Amendment. ~~Upon the satisfaction of the conditions to effectiveness set forth in Section 3 of the First Amendment, the Term Commitments described in clauses (ii) through (v) below shall become effective and the Term A Lenders made the CHF Term A Loans, Euro Term A Loans, Sterling Term A Loans and Yen Term A Loans to the Borrower. As of the Second Amendment Effective Date, the Outstanding Amount of the CHF Term A Loans, Euro Term A Loans, Sterling Term A Loans and Yen Term A Loans, respectively, is set forth on Schedule 2.01. All amounts borrowed in respect of the Term A Loans and repaid or prepaid may not be reborrowed. All Term A Loans shall be Eurocurrency Rate Loans, as further provided herein.~~

(ii) Subject to the terms and conditions set forth herein and in Section 3 of the ~~First Amendment, each Term Lender with a CHF Term Commitment severally agrees to make a single loan to the Borrower, in Swiss Francs, on the First Amendment Effective Date~~ Second Amendment, (A) each Dollar Term B Lender severally agrees to make loans to the Borrower, in Dollars and (B) each Sterling Term B Lender severally agrees to make loans to the Borrower, in Sterling, in each case on any Business Day during the Availability Period for the Term B Facility (it being understood that all such loans shall be made in a single drawdown on a Business Day during such period), in an aggregate amount not to exceed ~~such Term Lender’s Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the CHF Term Commitments at such time (a “CHF Term Loan”).~~ The CHF Term (x) with respect to each Dollar Term B Lender, such Lender’s Applicable Percentage of the aggregate amount of the Dollar Term B Commitments at such time (a “Dollar Term B Loan”) and (y) with respect to each Sterling Term B Lender, such Sterling Term B Lender’s Applicable Percentage of the aggregate amount of the Sterling Term B Commitments at such time (a “Sterling Term B Loan” and together with the Dollar Term B Loans, the “Term B Loans” and each, a “Term B Loan”); provided that, notwithstanding anything to the contrary contained herein (and without affecting any other provisions hereof), the Borrower and the Term B Lenders hereby agree that original issue discount shall apply to the Term B Loans such that the Term B Lenders shall fund the Term B Loans to the Borrower in an amount equal to the percentage of the principal amount of such Term B Loans set forth in the Engagement Letter. The full principal amount of the Term B Loans shall be deemed to be outstanding on the Term B Funding Date and the Borrower shall be obligated to repay 100% of the principal amount of the Term B Loans as provided hereunder and all calculations of interest and fees calculated by reference to the principal amount thereof will be made on the basis of the full stated amount thereof. The Term B Borrowing shall consist of ~~CHF Term Loans made simultaneously by the Term Lenders~~ (I) Dollar Term B Loans made simultaneously by the Dollar Term B Lenders and (II) Sterling Term B Loans made simultaneously by the Sterling Term B Lenders, in each case in accordance with their respective Applicable Percentages of the ~~Alternative Currency Equivalent of the~~ aggregate amount of the ~~CHF Term Commitments~~ Dollar Term B Commitments and Sterling Term B Commitments, respectively, at such time. Amounts borrowed under this Section 2.01(a)(ii) and repaid or prepaid may not be reborrowed. All ~~CHF~~ Sterling Term B Loans shall be Eurocurrency Rate Loans, as further provided herein.

(iii) ~~Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Euro Term Commitment severally agrees to make a single loan to the Borrower, in Euro, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender’s Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Euro Term Commitments at such time (a “Euro Term Loan”). The Euro Term Borrowing shall consist of Euro Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the~~

~~Alternative Currency Equivalent of the aggregate amount of the Euro Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(iii) and repaid or prepaid may not be reborrowed. All Euro Term Loans shall be Eurocurrency Rate Loans, as further provided herein.~~

~~(iv) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Sterling Term Commitment severally agrees to make a single loan to the Borrower, in Sterling, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Sterling Term Commitments at such time (a "Sterling Term Loan"). The Sterling Term Borrowing shall consist of Sterling Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the Alternative Currency Equivalent of the aggregate amount of the Sterling Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(iv) and repaid or prepaid may not be reborrowed. All Sterling Term Loans shall be Eurocurrency Rate Loans, as further provided herein.~~

~~(v) Subject to the terms and conditions set forth herein and in Section 3 of the First Amendment, each Term Lender with a Yen Term Commitment severally agrees to make a single loan to the Borrower, in Yen, on the First Amendment Effective Date, in an aggregate amount not to exceed such Term Lender's Applicable Percentage of the aggregate amount of the Alternative Currency Equivalent of the Yen Term Commitments at such time (a "Yen Term Loan"). The Yen Term Borrowing shall consist of Yen Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentages of the aggregate amount of the Alternative Currency Equivalent of the aggregate amount of the Yen Term Commitments at such time. Amounts borrowed under this Section 2.01(a)(v) and repaid or prepaid may not be reborrowed. All Yen Term Loans shall be Eurocurrency Rate Loans, as further provided herein.~~

For the avoidance of doubt, the Term B Commitments do not constitute an increase in the Aggregate Commitments for purposes of Section 2.13.

(b) The Revolving Borrowings. Subject to the terms and conditions set forth herein, each Revolving Lender severally agrees to make revolving loans (each such loan, a "Revolving Loan") to the Borrower in Dollars or in one or more Alternative Currencies from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Revolving Borrowing, (i) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, and (ii) the Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Commitment. Within the limits of each Revolving Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(b), prepay under Section 2.04, and reborrow under this Section 2.01(b). Revolving Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein.

2.02. **Borrowings, Conversions and Continuations of Loans.**

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) a Loan Notice; provided that any telephonic notice must be confirmed immediately by delivery to the Administrative Agent of a Loan Notice. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (or in the case of clause (iii) below, not later than 10:00 a.m.): (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars or of any conversion of Eurocurrency Rate Loans denominated in Dollars to Base Rate Loans, (ii) four Business Days (or five Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, (iii) on the requested date of any Borrowing of Base Rate Loans; provided, however, that if the Borrower wishes to request Eurocurrency Rate Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. (x) four Business Days prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Dollars, or (y) five Business Days (or six Business days in the case of a Special Notice Currency) prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Alternative Currencies, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. In the case of a request for an Interest Period other than one, two, three or six months in duration, not later than 11:00 a.m. (A) three Business Days before the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans denominated in Dollars, or (B) four Business Days (or five Business days in the case of a Special Notice Currency) prior to the requested date of such Borrowing, conversion or continuation of Eurocurrency Rate Loans

denominated in Alternative Currencies, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the **Appropriate** Lenders (and, if any of the Lenders objects to the requested duration of such Interest Period, the duration of the Interest Period for such Borrowing shall be one, two, three or six months, as specified by the Borrower in the applicable Loan Notice as the desired alternative to the requested duration of such Interest Period (or one month, if no desired alternative is specified by the Borrower in the applicable Loan Notice)). Each Borrowing of, conversion to or continuation of **Eurocurrency** Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in **Sections Section 2.03(c)**, each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (1) the applicable Facility, (2) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of **Eurocurrency** Rate Loans, (3) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (4) the principal amount of Loans to be borrowed, converted or continued, (5) the Type of Loans to be borrowed or to which existing Loans are to be converted, (6) if applicable, the duration of the Interest Period with respect thereto and (7) the currency of such Loans to be borrowed. If the Borrower fails to specify a currency in a Loan Notice requesting a Borrowing, then the Loans so requested shall be made in Dollars. If the Borrower fails to specify a Type of Loan in a Loan Notice, then the applicable Loans shall be made as Base Rate Loans in Dollars. If the Borrower fails to give a timely Loan Notice requesting a continuation or conversion of Eurocurrency Rate Loans, such Eurocurrency Rate Loans shall be automatically continued for an Interest Period of one month. If the Borrower requests a Borrowing of, conversion to, or continuation of **Eurocurrency** Rate Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be prepaid or repaid in the original currency of such Loan, and, in the case of Revolving Loans only, may thereafter be reborrowed in the other currency.

(b) Following receipt of a Loan Notice for a Facility, the Administrative Agent shall promptly notify each **Appropriate** Lender of the amount (and currency) of its Applicable Percentage of the applicable Term Loan or Revolving Loans, and if no timely Loan Notice of a continuation of Eurocurrency Rate Loans is provided by the Borrower, the Administrative Agent shall notify each **Appropriate** Lender of the details of any automatic continuation of such Eurocurrency Rate Loans, in each case as described in the preceding subsection. In the case of a Borrowing, each **Appropriate** Lender shall make the amount of its **applicable** Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Loan denominated in Dollars, and not later than the Applicable Time specified by the Administrative Agent in the case of any Loan denominated in an Alternative Currency, in each case on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in **Section 4.02** (and, if such Borrowing is the initial Credit Extension **Section 4.01**), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; **provided, however**, that if, on the date a Loan Notice with respect to a Revolving Borrowing denominated in Dollars is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, **first**, shall be applied to the payment in full of any such L/C Borrowings, and **second**, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a **Eurocurrency** Rate Loan may be continued or converted only on the last day of an Interest Period for such **Eurocurrency** Rate Loan. During the existence of a Default, no Loans may be requested as, or (i) in the case of Loans in Dollars, converted to or continued as **Eurocurrency** Rate Loans without the consent of the Required Lenders or (ii) in the case of Loans in Alternative Currencies, converted or continued as Eurocurrency Rate Loans with an Interest Period of more than one month if the Required Lenders so notify the Borrower. During the existence of a Default, any Loans that are continued or converted to Eurocurrency Rate Loans as provided in this clause (c), unless the Required Lenders shall otherwise consent, shall have a one month Interest Period.

(d) The Administrative Agent shall promptly notify the Borrower and the **Appropriate** Lenders of the interest rate applicable to any Interest Period for **Eurocurrency** Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the **Appropriate** Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Term **A** Borrowings, all conversions of Term **A** Loans from one Type to the other, and all continuations of Term **A** Loans as the same Type, there shall not be more than ten Interest Periods in effect in respect of the Term **A** Facility. **After giving effect to all Term B Borrowings, all conversions of Term B Loans from one Type to the other, and all continuations of Term B Loans as the same Type, there shall not be more than six Interest Periods in effect in respect of the Term B Facility.** After giving effect to all Revolving Borrowings, all conversions of Revolving Loans from one Type to the other, and all continuations of Revolving Loans as the same Type, there shall not be more than ten Interest Periods in effect in respect of the Revolving Facility.

2.03. **Letters of Credit.**

(a) The Letter of Credit Commitment

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the **Revolving** Lenders set forth in this **Section 2.03**, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with **Section 2.03(b)** below, and (2) to honor drawings under the Letters of Credit; and (B) the **Revolving** Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (x) the Outstanding Amount of the Revolving Loans of any **Revolving** Lender, plus such **Revolving** Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, shall not exceed such **Revolving** Lender's Revolving Commitment, and (y) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) The L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to **Section 2.03(b)(iii)**, the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required **Revolving** Lenders have approved such expiry date; or

(B) the expiry date of the requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the **Revolving** Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing the Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is in an initial stated amount less than \$25,000, in the case of a standby Letter of Credit;

(D) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is to be denominated in a currency other than Dollars or an Alternative Currency;

(E) any **Revolving** Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to **Section 2.15(a)(iv)**) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(F) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Revolving Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in ~~ARTICLE~~Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term “Administrative Agent” as used in ~~ARTICLE~~Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in ~~ARTICLE~~Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or its applicable Subsidiary, as the case may be, or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer’s usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender’s Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an “Auto-Extension Letter of Credit”); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the “Non-Extension Notice Date”) in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have

no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of [Section 2.03\(a\)](#) or otherwise), (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required [Revolving](#) Lenders have elected not to permit such extension or (2) from the Administrative Agent, any [Revolving](#) Lender, or the Borrower that one or more of the applicable conditions specified in [Section 4.02](#) is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension or (C) the expiry date of such extended Letter of Credit would be later than the Letter of Credit Expiration Date, and the Borrower has not Cash Collateralized the Outstanding Amount of the L/C Obligations as of such extension date in respect of such Letter of Credit.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "[Honor Date](#)"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing; provided, however, that in the case of a Letter of Credit denominated in an Alternative Currency, the Borrower shall reimburse the L/C Issuer in Dollars, and the L/C Issuer shall notify the Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each [Revolving](#) Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency) (the "[Unreimbursed Amount](#)"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in [Section 2.02](#) for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in [Section 4.02](#) (other than the delivery of a Revolving Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this [Section 2.03\(c\)\(i\)](#) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each [Revolving](#) Lender shall upon any notice pursuant to [Section 2.03\(c\)\(i\)](#) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer, in Dollars, at the Administrative Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of [Section 2.03\(c\)\(iii\)](#), each Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Borrowing of Base Rate Loans because the conditions set forth in [Section 4.02](#) cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each [Revolving](#) Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to [Section 2.03\(c\)\(ii\)](#) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this [Section 2.03](#).

(iv) Until each [Revolving](#) Lender funds its Revolving Loan or L/C Advance pursuant to this [Section 2.03\(c\)](#) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such [Revolving](#) Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each [Revolving](#) Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this [Section 2.03\(c\)](#), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such [Revolving](#) Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition,

whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Revolving Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Revolving Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary thereof may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;

(v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable;

(vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary thereof.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will immediately notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Revolving Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP. Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Percentage a Letter of Credit fee in Dollars (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Margintimes the daily amount available to be drawn under such Letter of Credit; provided, however, any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the L/C Issuer pursuant to this Section 2.03

shall be payable, to the maximum extent permitted by applicable Law, to the other Revolving Lenders in accordance with the upward adjustments in their respective Applicable Percentages allocable to such Letter of Credit pursuant to Section 2.15(a)(iv), with the balance of such fee, if any, payable to the L/C Issuer for its own account. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.09. Letter of Credit Fees shall be (i) due and payable on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Margin during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Revolving Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee in Dollars with respect to each Letter of Credit, at the rate per annum specified in the Agent Fee Letter, computed on the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the last Business Day of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.09. In addition, the Borrower shall pay directly to the L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

(l) Reporting. Each L/C Issuer (other than Bank of America) agrees to provide the Administrative Agent on the first Business Day of each month a schedule of the Letters of Credit issued by such L/C Issuer setting forth the aggregate Outstanding Amount of L/C Obligations for such Letters of Credit on the last Business Day of the previous month.

2.04. **Prepayments.**

(a) Optional Prepayments of Revolving Loans. The Borrower may, upon written notice (or telephonic notice promptly confirmed in writing) (together with any prepayment notice given with respect to Term Loans under Section 2.04(b), each, an "Optional Prepayment Notice") to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty; provided that (i) such Optional Prepayment Notice must be in a form acceptable to the Administrative Agent and be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of **Eurocurrency** Rate Revolving Loans and (B) on the date of prepayment of Base Rate Revolving Loans; (ii) any prepayment of **Eurocurrency** Rate Revolving Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Revolving Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such Optional Prepayment Notice shall specify the date and amount of such prepayment and the Type(s) of Revolving Loans to be prepaid and, if **Eurocurrency** Rate Revolving Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Revolving Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. Each Optional Prepayment Notice given under this Section 2.04(a) shall be irrevocable; provided, however, that any such Optional Prepayment Notice may state that such Optional Prepayment Notice is conditioned upon the effectiveness of other credit facilities or acquisitions or the receipt of net proceeds from the issuance of Equity Interests or incurrence of Indebtedness by the Borrower, in which case, such Optional Prepayment Notice may be revoked by the Borrower giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent on or prior to the date for prepayment specified in such Optional Prepayment Notice if such condition is not satisfied (and for the avoidance of doubt, the Borrower shall remain obligated pursuant to the terms of this Agreement for any cost, expense or loss (including those arising under Sections 3.05 and 10.04) incurred by the Administrative Agent, any Lender, L/C Issuer or other Person in connection with any Optional Prepayment Notice or revocation thereof). If an Optional Prepayment Notice is given and has not

been revoked by the Borrower in accordance with the proviso to the immediately preceding sentence, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Revolving Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) Optional Prepayments of Term Loans. The Borrower shall have the right at any time to prepay the Term A Loans or the Term B Loans on or before the applicable Maturity Date; as a whole, or in part, by providing an Optional Prepayment Notice not less than three (3) Business Days prior written notice to the Administrative Agent, without premium or penalty (except as otherwise provided in Section 2.04(d) with respect to Term B Loans), provided that, subject to compliance with Section 3.05, (a) each partial prepayment shall be in principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, and (b) each partial prepayment shall be allocated among the Appropriate Lenders in accordance with such Lender's Applicable Percentage of the Term A Loans or the Term B Loans, as applicable. Each such Optional Prepayment Notice shall specify the date and amount of such prepayment and the Type(s) of Term Loans to be prepaid and, if Eurocurrency Rate Term Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. Each Optional Prepayment Notice given under this Section 2.04(b) shall be irrevocable; provided, however, that any such Optional Prepayment Notice may state that such Optional Prepayment Notice is conditioned upon the effectiveness of other credit facilities or acquisitions or the receipt of net proceeds from the issuance of Equity Interests or incurrence of Indebtedness by the Borrower, in which case, such Optional Prepayment Notice may be revoked by the Borrower giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent on or prior to the date for prepayment specified in such Optional Prepayment Notice if such condition is not satisfied (and for the avoidance of doubt, the Borrower shall remain obligated pursuant to the terms of this Agreement for any cost, expense or loss (including those arising under Sections 3.05 and 10.04) incurred by the Administrative Agent, any Lender or other Person in connection with any Optional Prepayment Notice or revocation thereof). If an Optional Prepayment Notice is given and has not been revoked by the Borrower in accordance with the proviso to the immediately preceding sentence, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal of the Term Loans hereunder shall include all interest accrued to the date of prepayment and shall be applied against the scheduled installments of principal due on the applicable Term Loans as directed by the Borrower in the Optional Prepayment Notice. No amount repaid with respect to the Term Loans may be reborrowed.

(c) Mandatory Prepayments.

(i) If for any reason the Total Revolving Outstandings at any time exceeds the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.04(c)(i) unless after the prepayment in full of the Revolving Loans the Total Revolving Outstandings exceeds the Aggregate Revolving Commitments then in effect.

(ii) Upon the consummation of any Asset Sale that results in the realization by such the Borrower or any of its Subsidiaries of Net Cash Proceeds in excess of \$100,000,000 in any fiscal year, the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of such excess Net Cash Proceeds immediately upon receipt thereof by such Person (such prepayments to be applied as set forth in clause (iv) below); provided however, that, with respect to any Net Cash Proceeds realized pursuant to an Asset Sale, at the election of the Borrower (as notified by the Borrower to the Administrative Agent on or prior to the date of such Asset Sale), and so long as no Default shall have occurred and be continuing, in lieu of the Borrower prepaying the Term Loans, the Borrower or any Subsidiary (or any Restricted Subsidiary, if the assets sold pursuant to such Asset Sale were assets of the Borrower or a Restricted Subsidiary) may reinvest an amount equal to all or any portion of such excess Net Cash Proceeds in properties and assets (including Equity Interests) that replace the properties and assets that were the subject of such Asset Sale or in properties and assets that will be used in the business of the Borrower and its Subsidiaries in compliance with Section 7.07 so long as within 360 days after the receipt of such excess Net Cash Proceeds such reinvestment shall have been consummated or the Borrower or such Subsidiary shall have entered into a definitive agreement for such reinvestment within such 360 day period and subsequently makes such reinvestment within 180 days thereafter (in either case as certified by the Borrower in writing to the Administrative Agent); and provided further, however, that the amount of any such excess Net Cash Proceeds not subject to such definitive agreement or so reinvested shall be immediately applied to the prepayment of the Term Loans as set forth in this Section 2.04(c)(ii).

(iii) Upon the incurrence or issuance by the Borrower or any of its Restricted Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.03), the Borrower shall prepay an aggregate principal amount of the Term Loans equal to 100% of all Net Cash Proceeds received therefrom

immediately upon receipt thereof by the Borrower or such Restricted Subsidiary (such prepayments to be applied as set forth in clause (iv) below).

(iv) Prepayments of the Term Facilities made pursuant to Section 2.04(c)(ii) or (iii) above shall be applied ratably to each of the Term A Facility and the Term B Facility and to the remaining principal repayment installments thereof under Section 2.06(b) and (c) on a pro rata basis.

(v) Notwithstanding any other provisions of this Section 2.05(c), (A) to the extent that the repatriation to the United States of any or all of the Net Cash Proceeds of any Asset Sale by a Foreign Subsidiary ("Foreign Asset Sale") would be (x) prohibited or delayed by applicable local law or (y) restricted by applicable material Organization Documents, an amount equal to the Net Cash Proceeds that would be so affected were the Borrower to attempt to repatriate such cash will not be required to be applied to repay Term Loans at the times provided in this Section 2.05(c) so long, but only so long, as the applicable local law or applicable material Organization Documents would not otherwise permit repatriation to the United States (and the Borrower hereby agrees to use all commercially reasonable efforts to overcome or eliminate any such restrictions on repatriation even if the Borrower does not intend to actually repatriate such cash, so that an amount equal to the full amount of such Net Cash Proceeds will otherwise be subject to repayment under this Section 2.05(c)), and if within one (1) year following the date on which the respective prepayment would otherwise have been required such repatriation of any of such affected Net Cash Proceeds is permissible under the applicable local law or applicable material Organization Documents, even if such cash is not actually repatriated at such time, an amount equal to the amount of the Net Cash Proceeds will be promptly (and in any event not later than five (5) Business Days) applied (net of an amount equal to the additional taxes of the Borrower, its Subsidiaries and the direct and indirect holders of Equity Interests in the Borrower that would be payable or reserved against and any additional costs that would be incurred as a result of a repatriation, whether or not a repatriation actually occurs) by the Borrower to the repayment of the Term Loans pursuant to this Section 2.05(c) and (B) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Cash Proceeds of any Foreign Asset Sale would have material adverse tax consequences with respect to such Net Cash Proceeds, an amount equal to such Net Cash Proceeds that would be so affected will not be subject to prepayment under this Section 2.05(c); provided that in the case of each of subclauses (A) and (B), nonpayment prior to the time such amounts must be repatriated shall not constitute an Event of Default (and such amounts shall be available (1) first, to repay local foreign indebtedness owing to third parties, if any, and (2) thereafter, for working capital purposes of the Borrower and its Subsidiaries, in each case, subject to the prepayment provisions in this Section 2.05(c)).

(vi) For the avoidance of doubt, nothing in this Section 2.05(c) shall require the Borrower to cause any amounts to be repatriated to the United States (whether or not such amounts are used in or excluded from the determination of the amount of any mandatory prepayments hereunder).

(d) Term B Loan Repayment Premium. In the event that on or prior to the six month anniversary of the Term B Funding Date all or any portion of the Term B Facility is (i) repaid, prepaid, refinanced, replaced or converted with or into any new or replacement senior secured term loans under any credit facility (other than any new or replacement senior secured term loans incurred in connection with a Change of Control) or (ii) repriced or effectively refinanced through (x) any waiver, consent, amendment or restatement to the Term B Facility which reduces the all-in yield of the Term B Facility or (y) the incurrence of any senior secured term loans having an all-in yield that is less than the all-in yield of the Term B Facility (or portion thereof) so repaid, prepaid, refinanced, replaced or repriced, in each case of clauses (i) and (ii), solely if the primary purpose of such repayment, prepayment, refinancing, replacement, conversion, or repricing, as the case may be, is to reduce the all-in yield applicable to the Term B Loans (a "Repricing Event"), the Borrower shall pay a prepayment premium equal to 1.00% of the principal amount of the Term B Loans so repaid, prepaid, refinanced, replaced or repriced.

2.05. Termination or Reduction of ~~Revolving~~ Commitments.

(a) Optional. The Borrower may, upon written notice (or telephonic notice promptly confirmed in writing) (an "Optional Termination/Reduction Notice") to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments; provided that (i) any such Optional Termination/Reduction Notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, and (iv) if, after giving effect to any reduction of the Aggregate Revolving Commitments, the Letter of Credit Sublimit exceeds the amount of the Aggregate Revolving Commitments, such Letter of Credit Sublimit shall be automatically reduced by the amount of such excess. Each Optional Termination/Reduction Notice shall be irrevocable; provided, however, that any such Optional Termination/Reduction Notice may state that such Optional Termination/Reduction Notice is conditioned upon the effectiveness of other credit facilities or acquisitions or the receipt of net proceeds from the issuance of Equity Interests

or incurrence of Indebtedness by the Borrower, in which case, such Optional Termination/Reduction Notice may be revoked by the Borrower giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent on or prior to the date for prepayment specified in such Optional Termination/Reduction Notice if such condition is not satisfied (and for the avoidance of doubt, the Borrower shall remain obligated pursuant to the terms of this Agreement for any cost, expense or loss (including those arising under Section 10.04) incurred by the Administrative Agent, any Lender, L/C Issuer or other Person in connection with any Optional Termination/Reduction Notice or revocation thereof). The Administrative Agent will promptly notify the Revolving Lenders of any such notice of termination or reduction of the Aggregate Revolving Commitments. Any reduction of the Aggregate Revolving Commitments shall be applied to the Revolving Commitment of each Revolving Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

(b) **Mandatory.** The aggregate Term B Commitments shall be automatically and permanently reduced to zero upon the earlier of (i) the making of the Term B Loans and (ii) the close of business on the last day of the Availability Period for the Term B Facility.

2.06. **Repayment of Loans.**

(a) The Borrower shall repay to the Revolving Lenders on the Revolving Maturity Date the aggregate principal amount of Revolving Loans outstanding on such date.

(b) The Borrower shall repay the Term A Loans in equal quarterly installments, on the last Business Day of each March, June, September and December (~~commencing on the last Business Day of June, 2015~~), each such installment in the amount of 2.00% of the result of (i) the respective Term A Borrowing on the First Amendment Effective Date divided by (ii) ~~0.98~~ 0.98 (which amounts shall be reduced as a result of the application of prepayments in accordance with the order set forth in Section 2.04(b) or 2.04(c), as applicable). The Borrower shall repay to the Term A Lenders, on the Term A Maturity Date, the remaining principal amount of Term A Loans outstanding on such date.

(c) The Borrower shall repay the Term B Loans in equal quarterly installments, on the last Business Day of each March, June, September and December (commencing on the last Business Day of the first full fiscal quarter ending after the Term B Funding Date), each such installment in the amount of 0.25% of the aggregate Term B Borrowing made on the Term B Funding Date (which amounts shall be reduced as a result of the application of prepayments in accordance with the order set forth in Section 2.04(b) or 2.04(c), as applicable, or as a result of the repurchase by the Borrower of Term B Loans pursuant to Section 10.06(h)). For the avoidance of doubt, any repurchase of Term B Loans by the Borrower in accordance with Section 10.06(h) shall not result in a reduction of the amounts payable under this Section 2.06(c) with respect to Term B Loans that have not been so repurchased. The Borrower shall repay to the Term B Lenders, on the Term B Maturity Date, the remaining principal amount of Term B Loans outstanding on such date.

2.07. **Interest.**

(a) Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Revolving Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Margin; (ii) each Base Rate Revolving Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin; (iii) each Eurocurrency Rate Term A Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Margin; ~~and~~ (iv) each Base Rate Term A Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin; (v) each Eurocurrency Rate Term B Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Margin and (vi) each Base Rate Term B Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Base Rate for such Interest Period plus the Applicable Margin.

(b) ~~(i)~~ (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists (other than as set forth in clauses (b)(i) and (b)(ii) above), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.08. **Fees.** In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) **Facility Fee.** The Borrower shall pay to the Administrative Agent for the account of each Revolving Lender in accordance with its Applicable Percentage, a facility fee (the "Facility Fee") in Dollars equal to the Applicable Margin ~~times~~ the actual daily amount of the Aggregate Revolving Commitments, regardless of usage (or, if the Aggregate Revolving Commitments have terminated, of the Total Revolving Outstandings). The ~~faeility-fee~~ Facility Fee shall accrue at all times until the Facility Termination Date, and shall be due and payable quarterly (and at maturity) in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date. The ~~faeility-fee~~ Facility Fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) **Ticking Fee.** The Borrower shall pay to the Administrative Agent for the account of each Term B Lender in accordance with its Applicable Percentage of the Term B Facility, a ticking fee, which (i) shall accrue commencing on the one-month anniversary of the Second Amendment Effective Date at a rate equal to 50% of the Applicable Margin for Term B Loans times the amount of the aggregate Term B Commitments; provided that such rate shall increase to a rate equal to the Eurocurrency Rate plus the Applicable Margin for Term B Loans times the amount of the aggregate Term B Commitments commencing on the two-month anniversary of the Second Amendment Effective Date and (ii) shall be due and payable quarterly in arrears on the last Business Day of each fiscal quarter during the period commencing on the one-month anniversary of the Second Amendment Effective Date and ending on the earlier to occur of (x) the Term B Funding Date and (y) the last day of the Availability Period, commencing with the first such date to occur after the one-month anniversary of the Second Amendment Effective Date.

(c) ~~(b)~~ **Other Fees.** The Borrower shall pay to the ~~Left~~ applicable Joint Lead Arranger ~~Arrangers~~ and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee ~~Letter~~ Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.09. **Computation of Interest and Fees; Retroactive Adjustments of Applicable Margin.** ~~(a)~~

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the ~~Eurocurrency~~ Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year) or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.11(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. With respect to all Non-LIBOR Quoted Currencies, the calculation of the applicable interest rate shall be determined in accordance with market practice.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Net Lease Adjusted Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Net Lease Adjusted Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, within three (3) Business Days of demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This ~~paragraph~~ subsection shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Sections 2.03(c).

(iii), 2.03(h) or 2.07(b) or under ~~ARTICLE~~ Article VIII. The Borrower's obligations under this ~~paragraph~~ subsection shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.10. Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each **Revolving** Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any **Revolving** Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.11. Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in the currency in which such Loan was made and in Same Day Funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each **Appropriate** Lender its Applicable Percentage **in respect of the relevant Facility** (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) ~~(i)~~ **Funding by Lenders: Presumption by Administrative Agent**. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of **Eurocurrency** Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) **Payments by Borrower: Presumptions by Administrative Agent**. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance

upon such assumption, distribute to the **Appropriate** Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the **Appropriate** Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) **Failure to Satisfy Conditions Precedent.** If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this **ARTICLE Article II**, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in **ARTICLE Article IV** are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) **Obligations of Lenders Several.** The obligations of the **Appropriate** Lenders hereunder to make Term Loans and Revolving Loans, to fund participations in Letters of Credit and to make payments pursuant to **Section 10.04(c)**, as applicable, are several and not joint. The failure of any **Appropriate** Lender to make any Term Loan or Revolving Loan, to fund any such participation or to make any payment under **Section 10.04(c)** on any date required hereunder shall not relieve any other **Appropriate** Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Term Loan or Revolving Loan, to purchase its participation or to make its payment under **Section 10.04(c)**.

(e) **Funding Source.** Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.12. Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Revolving Loans or Term Loans made by it, or the participations in L/C Obligations held by it, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Revolving Loans, Term Loans, or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Revolving Loans and/or Term Loans and subparticipations in L/C Obligations of the other **Appropriate** Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the **Appropriate** Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans, Term Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender or Disqualified Lender), (y) the application of Cash Collateral provided for in **Section 2.14**, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Loans or Term Loans or subparticipations in L/C Obligations to any assignee or participant, other than an assignment to the Borrower (**except for assignments of Term B Loans to the Borrower in accordance with Section 10.06(h)**) or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

2.13. Increase in Commitments.

(a) **Request for Increase.** Provided there exists no Default, except as provided in clause (e) below, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may from time to time, **including in connection with the Second Amendment Effective Date (it being understood that any such request for an increase to be made in connection with the Second Amendment and all notices and allocations required to be made pursuant to this Section 2.13 shall be deemed to have been made and such increase shall be effective on the date that is four (4) Business Days after the Second Amendment Effective Date)**, request an increase in the Aggregate Commitments (which increase may take the form of new revolving loan

tranches or term loan tranches) by an amount (for all such requests) not exceeding ~~\$500,000,000~~, in the aggregate (x) on the date that is four (4) Business Days after the Second Amendment Effective Date, \$500,000,000 and (y) thereafter, \$500,000,000; provided that (i) any such request for an increase shall be in a minimum amount of \$100,000,000, and (ii) no Lender shall be required to participate in an increase in the applicable Commitments after such request. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Appropriate Lenders).

(b) Lender Elections to Increase. Each Appropriate Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its applicable Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its applicable Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower and each Appropriate Lender of the Appropriate Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent and the L/C Issuer (which approvals shall not be unreasonably withheld), the Borrower may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, (i) the Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Appropriate Lender) signed by a Responsible Officer of such Loan Party (x) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (y) in the case of the Borrower, certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.13, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (B) no Default or Event of Default exists or would result therefrom; provided, that in the event that the Loans incurred in connection with such increased Commitments are used to finance a Permitted Acquisition or permitted Investment, the Persons providing such increased Commitments may agree to a customary "Limited Conditionality Provision", and (ii) to the extent that the increase of the Aggregate Commitments shall take the form of a new term loan tranche, this Agreement shall be amended, in form and substance satisfactory to the Administrative Agent, the Lenders providing such term loan, and the Borrower, to include such terms as are customary for a term loan commitment, including maturity, pricing and yield, amortization, voting, pro rata sharing and other terms and provisions. ~~The Borrower shall prepay any Revolving Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to~~ If the initial all-in yield (including interest rate margins, any interest rate floors, original issue discount and upfront fees (based on the lesser of a four-year average life to maturity or the remaining life to maturity), but excluding reasonable and customary arrangement, structuring and underwriting fees paid or payable with respect to such new term loan tranche) applicable to any new term loan tranche committed before eighteen months after the Term B Funding Date exceeds by more than 0.50% per annum the corresponding all-in yield (determined on the same basis) applicable to the Term B Loans (the amount of such excess above 0.50% being referred to herein as the "Yield Differential"), then the Applicable Margin with respect to the Term B Loans shall automatically be increased by the Yield Differential, effective upon the making of such new term loan tranche (it being agreed that to the extent the all-in-yield with respect to such new term loan tranche is greater than the all-in-yield of the Term B Loans solely as a result of a higher Eurocurrency Rate floor, then the increased interest rate applicable to the Term B Loans shall be effected solely by increasing the Eurocurrency Rate floor applicable thereto). To the extent necessary to keep the outstanding Revolving Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Revolving Commitments under this Section, either (a) the Borrower shall prepay any Revolving Loans outstanding on the Increase Effective Date or (b) the Revolving Lenders whose Applicable Percentages have decreased may assign a portion of their Revolving Loans to other Revolving Lenders whose Applicable Percentages have increased; provided that in each case the Borrower shall pay any additional amounts required pursuant to Section 3.05.

(f) Conflicting Provisions. This Section shall supersede any provisions in Section 2.12 or 10.01 to the contrary.

2.14. Cash Collateral.

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the L/C Issuer (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations, or (iii) if the Outstanding Amount of the L/C Obligations exceeds 110% of the Letter of Credit Sublimit, the Borrower shall Cash Collateralize the amount by which the Outstanding Amount of the L/C Obligations exceeds the Letter of Credit Sublimit. At any time that there shall exist a Defaulting Lender, promptly upon the request of the Administrative Agent or the L/C Issuer, the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to [Section 2.15\(a\)\(iv\)](#)) and any Cash Collateral provided by the Defaulting Lender).

(b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Appropriate Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to [Section 2.14\(c\)](#). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrower or the relevant Defaulting Lender will, within one (1) Business Day of demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this [Section 2.14](#) or [Sections 2.03, 2.04, 2.15](#) or [8.02](#) in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with [Section 10.06\(b\)\(vi\)](#))) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this [Section 2.14](#) may be otherwise applied in accordance with [Section 8.03](#)), and (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15. Defaulting Lenders. ~~(a)~~

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the ~~definition~~ definitions of "Required Lenders", "Required Revolving and Term A Lenders", "Required Term A Lenders", "Required Term B Lenders" and ~~Section 10.01-10.01~~.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to [Article VIII](#) or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to [Section 10.08](#) shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer hereunder; third, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with [Section 2.14](#); fourth, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent;

fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders or the L/C Issuer as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the L/C Issuer against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. That Defaulting Lender (x) shall not be entitled to receive any ~~facility~~ Facility Fee pursuant to Section 2.08(a) or any ticking fee pursuant to Section 2.08(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender for any period during which that Lender is a Defaulting Lender) and (y) shall be limited in its right to receive Letter of Credit Fees as provided in Section 2.03(h).

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages in respect of the Revolving Facility (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the L/C Issuer agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.16. Extension of Maturity Date in Respect of Revolving Facility, Term A Facility and/or Term B Facility.

(a) Requests for Extension. The Borrower may, from time to time by notice (an "Extension Request Notice") to the Administrative Agent (who shall promptly notify the Revolving Lenders, the Term A Lenders or the Term B Lenders, as applicable) not earlier than 45 days and not later than 35 days prior to the then-existing Revolving Maturity Date, the then-existing Term A Maturity Date or the then-existing Term B Maturity Date, respectively (with respect to the Revolving Facility, the "Existing Revolving Maturity Date", with respect to the Term A Facility, the "Existing Term A Maturity Date" and with respect to the Term B Facility, the "Existing Term B Maturity Date"), request that each Applicable Lender extend such Lender's Revolving Maturity Date, Term A Maturity Date or Term B Maturity Date, as applicable, for (i) in the case of the Revolving Facility or the Term A

Facility, an additional 364 days from the Existing Revolving Maturity Date or the Existing Term A Maturity Date, as applicable and (ii) in the case of the Term B Facility, any requested additional period of time beyond the Existing Term B Maturity Date.

(b) Lender Elections to Extend. Each Revolving Lender, Term A Lender or Term B Lender, as applicable, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not earlier than 30 days prior to the Existing Revolving Maturity Date, Existing Term A Maturity Date or Existing Term B Maturity Date, as applicable, and not later than the date (the "Notice Date") that is 20 days prior to the Existing Revolving Maturity Date, the Existing Term A Maturity Date or Existing Term B Maturity Date, as applicable, advise the Administrative Agent whether or not such Revolving Lender, Term A Lender or Term B Lender, as applicable, agrees to such extension (and each Revolving Lender, Term A Lender or Term B Lender, as applicable, that determines not to so extend its Revolving Maturity Date, Term A Maturity Date or Term B Maturity Date, respectively (a "Non-Extending Lender")), shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Revolving Lender, Term A Lender or Term B Lender, as applicable, that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Revolving Lender, Term A Lender or Term B Lender, as applicable, to agree to such extension shall not obligate any other Revolving Lender, Term A Lender or Term B Lender, as applicable, to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each Revolving Lender's, Term A Lender's or Term B Lender's, as applicable, determination under this Section no later than the date 15 days prior to the Existing Revolving Maturity Date, Existing Term A Maturity Date or the Existing Term B Maturity Date, as applicable (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Borrower shall have the right to replace each Non-Extending Lender effective as of the applicable Existing Maturity Date with, and add as "Revolving Lenders", "Term A Lenders" or "Term B Lenders", as applicable, under this Agreement in place thereof, one or more Eligible Assignees (each, an "Additional Revolving Commitment Lender", "Additional Term A Commitment Lender" or "Additional Term B Commitment Lender", as applicable) as provided in Section 10.13; provided that each of such Additional Revolving Commitment Lenders, shall enter into an Assignment and Assumption pursuant to which such Additional Revolving Commitment Lender shall, effective as of the Existing Revolving Maturity Date, undertake a Revolving Commitment, (and if any such Additional Revolving Commitment Lender is already a Revolving Lender, its Revolving Commitment shall be in addition to any other Revolving Commitment of such Lender hereunder on such date).

(e) Extension Requirement.

(i) With respect to the Revolving Facility, if (and only if) the total of the Revolving Commitments of the Revolving Lenders that have agreed so to extend the Revolving Maturity Date (each, an "Extending Revolving Lender") and the additional Revolving Commitments of the Additional Revolving Commitment Lenders shall be more than 50% (or such lesser percentage as may be acceptable to all of the Extending Revolving Lenders, the Administrative Agent and the Borrower; provided that if a lesser percentage agree to extend, the Administrative Agent, upon the request of the Borrower, shall provide notice of the percentage agreeing to extend to the Extending Revolving Lenders and such extension shall not become effective unless all such Extending Revolving Lenders confirm their consent to such extension as provided in the original Extension Request Notice) of the aggregate amount of the Revolving Commitments in effect immediately prior to the Existing Revolving Maturity Date, then, effective as of the Existing Revolving Maturity Date, the Revolving Maturity Date of each Extending Revolving Lender and of each Additional Revolving Commitment Lender shall be extended to the date falling 364 days after the Existing Revolving Maturity Date (except that, if such date is not a Business Day, such Revolving Maturity Date as so extended shall be the next preceding Business Day) and each Additional Revolving Commitment Lender shall thereupon become a "Revolving Lender" for all purposes of this Agreement.

(ii) With respect to the Term A Facility, if (and only if) the total of the Outstanding Amount of Term A Loans of the Term A Lenders that have agreed so to extend their Term A Maturity Date (each, an "Extending Term A Lender") and the Outstanding Amount of Term A Loans of the Additional Term A Commitment Lenders shall be more than 50% (or such lesser percentage as may be acceptable to all of the Extending Term A Lenders, the Administrative Agent and the Borrower; provided that if a lesser percentage agree to extend, the Administrative Agent, upon the request of the Borrower, shall provide notice of the percentage agreeing to extend to the Extending Term A Lenders and such extension shall not become effective unless all such Extending Term A Lenders confirm their consent to such extension as provided in the original Extension Request Notice) of the aggregate Outstanding Amount of Term A Loans immediately prior to the Existing Term A Maturity Date, then, effective as of the Existing Term A Maturity Date, the Term A Maturity Date of each Extending Term A Lender and of each Additional Term A Commitment Lender shall be extended to the date falling 364 days after the Existing Term A Maturity Date (except that, if such date is not a Business Day, such Term A

Maturity Date as so extended shall be the next preceding Business Day) and each Additional Term A Commitment Lender shall thereupon become a “Term A Lender” for all purposes of this Agreement.

(iii) With respect to the Term B Facility, effective as of the Existing Term B Maturity Date, the Term B Maturity Date in respect of the Term B Facility of each Term B Lender that has agreed so to extend its Term B Maturity Date (each, an “Extending Term B Lender”) and of each Additional Term B Commitment Lender shall be extended to the applicable requested extended Term B Maturity Date and each Additional Term B Commitment Lender shall thereupon become a “Term B Lender” for all purposes of this Agreement.

(f) Conditions to Effectiveness of Extensions. As a condition precedent to such extension, the Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Existing Revolving Maturity Date, Existing Term A Maturity Date or Existing Term B Maturity Date, as applicable (in sufficient copies for each Extending Revolving Lender, Extending Term A Lender or Extending Term B Lender, as applicable, and each Additional Revolving Commitment Lender, Additional Term A Lender or Additional Term B Lender, as applicable) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such extension and (ii) in the case of the Borrower, certifying that, before and after giving effect to such extension, (A) representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the Existing Revolving Maturity Date, Existing Term A Maturity Date or Existing Term B Maturity Date, as applicable, except (i) for representations and warranties which are qualified by the inclusion of a materiality standard, which representations and warranties shall be true and correct in all respects, and (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this Section 2.16, the representations and warranties contained in clauses (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (B) no Default or Event of Default shall exist, or would result from such proposed extension. In addition, on the Revolving Maturity Date, the Term A Maturity Date or the Term B Maturity Date, as applicable, then in effect for each Non-Extending Lender, the Borrower shall prepay any Revolving Loans, Term A Loans or Term B Loans, as applicable, outstanding on such date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep outstanding Revolving Loans, Term A Loans or Term B Loans, as applicable, ratable with any revised Applicable Percentages of the respective Revolving Lenders, Term A Lenders or Term B Lenders, as applicable, effective as of such date.

(g) Additional Terms of Extensions. The terms of the Extended Term Loans or Extended Revolving Commitments shall, subject to clauses (i) and (ii) below, be set forth in an Extension Amendment executed by the Borrower, the Administrative Agent and the Extending Term A Lenders, the Extending Term B Lenders or the Extending Revolving Lenders, as applicable.

(i) The terms of the Term A Loans or Term B Loans, as applicable, with a Maturity Date that has been extended pursuant to this Section 2.16 (the “Extended Term Loans”) shall be substantially similar to or no more favorable to the Extending Term A Lenders or Extending Term B Lenders, as applicable, than those applicable to the non-extended Term A Loans (the “Existing Term A Loans”) or the non-extended Term B Loans (the “Existing Term B Loans”), as applicable, except (1) the scheduled final maturity date shall be extended to the date requested in the applicable Extension Request Notice, (2) (A) the yield with respect to the applicable Extended Term Loans may be higher or lower than the yield for the Existing Term A Loans or Existing Term B Loans, as applicable, and/or (B) additional fees may be payable to the Lenders providing such Extended Term Loans in addition to or in lieu of any increased yield contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment, (3) any Extended Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any optional or mandatory prepayments or prepayment of Term A Loans or Term B Loans, as applicable, hereunder in each case as specified in the applicable Extension Amendment, (4) the amortization schedule set forth in Section 2.06 applicable to the Existing Term A Loans or Existing Term B Loans, as applicable, shall be adjusted to reflect the scheduled final maturity date of the applicable Extended Term Loans and the amortization schedule (including the principal amounts payable pursuant thereto) in respect of such Extended Term Loans set forth in the applicable Extension Amendment; provided that no changes to scheduled amortization pursuant to the preceding clause (4) shall take effect prior to the Existing Term A Maturity Date and/or Existing Term B Maturity Date, as applicable and no changes shall result in a change to the percentage set forth in Section 2.06(a) or the calculation of such scheduled amortization in respect of the Term A Loans thereafter; provided further, that the Weighted Average Life to Maturity of such Extended Term Loans shall be no shorter than the Weighted Average Life to Maturity of the Existing Term A Loans or the Existing Term B Loans, as applicable, and (5) the covenants set forth in Article VII may be modified in a manner acceptable to the Borrower, the Administrative Agent and the Lenders party to the applicable Extension Amendment; provided that (x) such modifications become effective only after the latest Maturity Date in effect immediately prior to giving effect to such Extension Amendment or (y) this Agreement is amended in accordance with Section 10.01 (which amendment may be effected by the Administrative Agent and the Borrower to the extent permitted by clause (vii)(2) of the last paragraph in

Section 10.01) so that such covenants apply to all of the then-existing Facilities) (it being understood that each Lender providing Extended Term Loans, by executing an Extension Amendment, agrees to be bound by such provisions and waives any inconsistent provisions set forth in Section 2.12 or Section 10.08). Each Lender holding Extended Term Loans shall be entitled to all the benefits afforded by this Agreement (including, without limitation, the provisions set forth in Section 2.04(c)(iv)) applicable to Term Loans (except to the extent otherwise set forth in the applicable Extension Amendment) and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Multiparty Guaranty and the Liens created by the Collateral Documents. Any Extended Term Loan shall constitute a separate tranche of Term Loans from the Existing Term A Loans or Existing Term B Loans, as applicable, from which they were modified.

(ii) The terms of the Revolving Commitments with a Maturity Date that has been extended pursuant to this Section 2.16 (the “Extended Revolving Commitments” and any related Revolving Loans, the “Extended Revolving Loans”) shall be substantially similar to or no more favorable to the Extending Revolving Lenders, as applicable, than those applicable to the non-extended Revolving Commitments (the “Existing Revolving Commitments” and any related Revolving Loans, the “Existing Revolving Loans”), except (1) the scheduled final maturity date shall be extended to the date requested in the applicable Extension Request Notice, (2) (A) the yield with respect to the Extended Revolving Loans may be higher or lower than the yield for the Existing Revolving Loans, and/or (B) additional fees may be payable to the Lenders providing such Extended Revolving Commitments in addition to or in lieu of any increased yield contemplated by the preceding clause (A), in each case, to the extent provided in the applicable Extension Amendment, (3) the Applicable Margin with respect to the Facility Fee for the Extended Revolving Commitments may be higher or lower than the Applicable Margin with respect to the Facility Fee for the Existing Revolving Commitments, and (4) the covenants set forth in Article VII may be modified in a manner acceptable to the Borrower, the Administrative Agent and the Lenders party to the applicable Extension Amendment, provided that (x) such modifications become effective only after the latest Maturity Date in effect immediately prior to giving effect to such Extension Amendment or (y) or this Agreement is amended in accordance with Section 10.01 (which amendment may be effected by the Administrative Agent and the Borrower to the extent permitted by clause (v)(2) of the last paragraph in Section 10.01) so that such covenants apply to all of the then-existing Facilities) (it being understood that each Lender providing Extended Revolving Commitments, by executing an Extension Amendment, agrees to be bound by such provisions and waives any inconsistent provisions set forth in Section 2.12 or Section 10.08). Each Lender holding Extended Revolving Commitments shall be entitled to all the benefits afforded by this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Multiparty Guaranty and the Liens created by the Collateral Documents. Any Extended Revolving Commitments and Extended Revolving Loans shall constitute a separate tranche of Revolving Commitments and Revolving Loans from the Existing Revolving Commitments or Existing Revolving Loans from which they were modified. If, on any Extension Date, any Revolving Loans of any Extending Lender are outstanding under the applicable Existing Revolving Commitments, such Revolving Loans (and any related participations) shall be deemed to be allocated as Extended Revolving Loans (and related participations) and Existing Revolving Loans (and related participations) in the same proportion as such Extending Lender’s Extended Revolving Commitments bear to its remaining Revolving Commitments of the Existing Revolving Commitments. In addition, if the relevant Extension Amendment provides for the extension of the Letter of Credit Sublimit, and with the consent of the L/C Issuer, participations in Letters of Credit expiring on or after the latest Revolving Maturity Date for any Revolving Loans then in effect shall, on the Letter of Credit Expiration Date, be re-allocated from Lenders with Existing Revolving Commitments to Lenders holding Extended Revolving Commitments in accordance with the terms of such Extension Amendment; provided, that such participation interests shall, upon receipt thereof by the relevant Lenders holding Extended Revolving Commitments, be deemed to be participation interests in respect of such Extended Revolving Commitments and the terms of such participation interests (including, without limitation, the Letter of Credit Fees applicable thereto) shall be adjusted accordingly.

(h) **Conflicting Provisions.** This Section shall supersede any provisions in Sections 2.12 or 10.01 to the contrary.

2.17. **Credit Agreement Refinancing Facilities.**

(a) The Borrower may, by written notice to the Administrative Agent from time to time, request (x) Replacement Revolving Commitments to replace all of any existing Class of Revolving Commitments (the “Replaced Revolving Commitments”) in an aggregate amount not to exceed the aggregate amount of the Replaced Revolving Commitments plus any accrued interest, fees, costs and expenses related thereto and (y) Refinancing Term Loans to refinance all of any existing Class of Term Loans (the “Refinanced Term Loans”) in an aggregate principal amount not to exceed the aggregate principal amount of the Refinanced Term Loans plus any accrued interest, fees, costs premiums (if any) and expenses related thereto (including any original issue discount or upfront fees). Such notice shall set forth (i) the amount of the applicable Credit Agreement Refinancing Facility, (ii) the date on which the applicable Credit Agreement Refinancing Facility is to become effective (which shall not be less than 10 Business Days nor more than 60 days after the date of such notice (or such longer or shorter periods as the Administrative Agent shall

agree)) and (iii) whether such Credit Agreement Refinancing Facilities are Replacement Revolving Commitments or Refinancing Term Loans. The Borrower may seek Credit Agreement Refinancing Facilities from existing Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) or any Additional Lender.

(b) It shall be a condition precedent to the effectiveness of any Credit Agreement Refinancing Facility and the incurrence of any Refinancing Term Loans that (i) no Default or Event of Default shall have occurred and be continuing immediately prior to or immediately after giving effect to such Credit Agreement Refinancing Facility or the incurrence of such Refinancing Term Loans, as applicable, (ii) the representations and warranties set forth in Article V and in each other Loan Document shall be true and correct in all material respects on and as of the date such Credit Agreement Refinancing Facility becomes effective and the Refinancing Term Loans are made; (iii) the terms of the Credit Agreement Refinancing Facility shall comply with Section 2.17(c) and (iv) (x) substantially concurrently with the incurrence of any such Refinancing Term Loans, 100% of the proceeds thereof shall be applied to repay the Refinanced Term Loans (including accrued interest, fees, costs, premiums (if any) and expenses related thereto (including any original issue discount or upfront fees) payable in connection therewith) and (y) substantially concurrently with the effectiveness of any such Replacement Revolving Commitments, all of the Revolving Commitments in effect immediately prior to such effectiveness shall be terminated, and all of the Revolving Loans then outstanding, together with interest thereon and all other amounts accrued for the benefit of the Revolving Lenders, shall be repaid or paid.

(c) The terms of any Credit Agreement Refinancing Facility shall be determined by the Borrower and the applicable Credit Agreement Refinancing Facility Lenders and set forth in a Refinancing Amendment; provided that (i) the final maturity date of any Refinancing Term Loans or Replacement Revolving Commitments shall not be earlier than the maturity or termination date of the applicable Refinanced Term Loans or Replaced Revolving Commitments, respectively, then in effect, (ii) (A) there shall be no scheduled amortization of the Replacement Revolving Commitments and (B) the Weighted Average Life to Maturity of the Refinancing Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Refinanced Term Loans, (iii) the Credit Agreement Refinancing Facilities will rank *pari passu* in right of payment and of security with the Revolving Loans and the Term Loans and none of the obligors or guarantors with respect thereto shall be a Person that is not a Loan Party, (iv) the interest rate margin, rate floors, fees, original issue discount and premiums applicable to the Credit Agreement Refinancing Facilities shall be determined by the Borrower and the applicable Credit Agreement Refinancing Facility Lenders, (v) any Refinancing Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any optional or mandatory prepayments or prepayment of Term A Loans or Term B Loans, as applicable, hereunder in each case as specified in the applicable Refinancing Amendment, (vi) the terms in respect of the applicable Credit Agreement Refinancing Facility shall be substantially similar to and no more favorable to the applicable Credit Agreement Refinancing Facility Lenders than the terms of the Replaced Revolving Commitments and Refinanced Term Loans being replaced or refinanced, as applicable; provided that the covenants set forth in Article VII may be modified with respect to such Credit Agreement Refinancing Facility in a manner acceptable to the Borrower, the Administrative Agent and the applicable Credit Agreement Refinancing Facility Lenders; provided that (x) such modifications become effective only after the latest Maturity Date in effect immediately prior to giving effect to such Refinancing Amendment or (y) this Agreement is amended in accordance with Section 10.01 (which amendment may be effected by the Administrative Agent and the Borrower to the extent permitted by clause (vii)(2) of the last paragraph in Section 10.01) so that such covenants apply to all of the then-existing Facilities), and (vii) to the extent the terms of the Credit Agreement Refinancing Facilities are inconsistent with the terms set forth herein (except as set forth in clause (i) through (vi) above), such terms shall be reasonably satisfactory to the Administrative Agent.

(d) In connection with any Credit Agreement Refinancing Facility pursuant to this Section 2.17, the Borrower, the Administrative Agent and each applicable Credit Agreement Refinancing Facility Lender shall execute and deliver to the Administrative Agent a Refinancing Amendment and such other documentation as the Administrative Agent shall reasonably specify to evidence such Credit Agreement Refinancing Facilities. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Any Refinancing Amendment may, without the consent of any other Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.17, including any amendments necessary to establish the applicable Credit Agreement Refinancing Facility as a new Class or tranche of Term Loans or Revolving Commitments (as applicable) and such other technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such Classes or tranches (including to preserve the pro rata treatment of the refinanced and non-refinanced tranches and to provide for the reallocation of participation in outstanding Letters of Credit upon the expiration or termination of the commitments under any Class or tranche), in each case on terms consistent with this Section 2.17. Upon effectiveness of any Replacement Revolving Commitments pursuant to this Section 2.17, each Revolving Lender with a Revolving Commitment immediately prior to such effectiveness will automatically and without further act be deemed to have assigned to each Replacement Revolving Lender, and each such Replacement Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such existing Revolving Lender's participations hereunder in outstanding Letters of Credit such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of

Credit held by each Revolving Lender (including each such Replacement Revolving Lender) will equal its Applicable Percentage. If, on the date of such effectiveness, there are any Revolving Loans outstanding, such Revolving Loans shall upon the effectiveness of such Replacement Revolving Commitment be prepaid from the proceeds of additional Revolving Loans made hereunder so that Revolving Loans are thereafter held by the Revolving Lenders (including each Replacement Revolving Lender) according to their Applicable Percentage, which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Revolving Lender in accordance with Section 3.05. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

3.01. Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. (i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of an applicable Withholding Agent) require the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the Withholding Agent shall be entitled to make such deduction or withholding.

(ii) If any Withholding Agent shall be required by any applicable Laws to withhold or deduct any Taxes from any payment, then (A) such Withholding Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required, (B) such Withholding Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) ~~(i)~~ Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(ii) ~~(ii)~~ Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) ~~(i)~~ the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Party to do so), (y) the Administrative Agent and the Loan Party, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Party, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by any Loan Party or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(c) Status of Lenders; Tax Documentation ~~(+)~~

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or the taxing authorities of a jurisdiction pursuant to such applicable law or reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation either (A) set forth in Section 3.01(c)(ii)(A), (ii)(B) and (ii)(D) below or (B) required by applicable law other than the Code or the taxing authorities of the jurisdiction pursuant to such applicable law to comply with the requirements for exemption or reduction of withholding tax in that jurisdiction) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) ~~(+)~~ Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) ~~(+)~~ any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) ~~(+)~~ any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) ~~(+)~~ in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) ~~(+)~~ executed originals of IRS Form W-8ECI;

(III) ~~(+)~~ in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN-E; or

(IV) ~~(IV)~~ to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 or Exhibit K-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-4 on behalf of each such direct and indirect partner;

(C) ~~(C)~~ any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) ~~(D)~~ if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) ~~(iii)~~ Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds, Etc. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund or credit in lieu of a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to such Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(h) For the purposes of this Section 3.01, the term "Lender" includes any L/C Issuer and the term "applicable law" includes FATCA.

3.02. **Illegality.** If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans (whether denominated in Dollars or an Alternative Currency) whose interest is determined by reference to the Eurocurrency Rate, or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or any Alternative Currency in the London or other applicable offshore interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans, shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurocurrency Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all Eurocurrency Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurocurrency Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurocurrency Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurocurrency Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate. Upon any such prepayment or conversion, as the case may be, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03. **Inability to Determine Rates.**

(a) If in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines that (x) deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, or (y) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Dollars or an Alternative Currency) or in connection with an existing or proposed Eurocurrency Rate Loan or the Eurocurrency Rate component of the Base Rate, or (ii) the Required Lenders determine that for any reason the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan or any conversion or continuation thereof does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (A) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (B) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate component of the Base Rate, the utilization of the Eurocurrency Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (1) in the case of Revolving Loans denominated in Dollars, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein, and (2) in the event an alternative rate cannot be determined in accordance with clause (b) below, in the case of Revolving Loans denominated in an Alternative Currency, CHF Term A Loans, Euro Term A Loans, Sterling Term A Loans, Yen Term A Loans or ~~Yen~~ Term B Loans **denominated in Sterling**, prepay such Loans at the end of the then current Interest Period for such Loans. Upon any such prepayment or conversion, as the case may be, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

(b) Notwithstanding the foregoing, in the case of a request for or conversion or continuation of a Eurocurrency Rate Loan in an Alternative Currency as to which the Administrative Agent or the Required Lenders, as applicable, have made the determination described in clause (a) above (in each case, for the avoidance of doubt, after applying any comparable or successor rate to LIBOR (or other relevant Eurocurrency Rate), if applicable, in accordance with the definition of "Eurocurrency Rate"), (i) the Borrower shall be deemed to have requested a Eurocurrency Rate Loan or conversion or continuation, as applicable, in such Alternative Currency (the "**Impacted Loans**") with the next shortest Interest Period available as to which no such determination under clause (a) above would be made, and (ii) (x) if no such Interest Period is available, the Administrative Agent and the Borrower, with the agreement of the Lenders, may establish an alternative interest rate that reflects the all-in-cost of funds to the Administrative Agent and the Lenders for funding Loans in the applicable currency and amount, and with the same Interest Period as the Impacted Loans, and (y) if the Administrative Agent, the Borrower and the Lenders are unable to agree on such an alternative rate of interest,

the Administrative Agent, with the consent of the Lenders, may establish an alternative interest rate that reflects the all-in-cost of funds to the Administrative Agent and the Lenders for funding Loans in the applicable currency and amount, and with the same Interest Period as the Impacted Loans. Such alternative rate of interest as determined in accordance with clause (ii) above shall apply with respect to the Impacted Loans until (A) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) above, (B) the Required Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans (in which case the Required Lenders shall determine an appropriate alternative rate of interest in accordance with clause (ii)(y) above), or (C) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof, and in the case of subclause (C), the Impacted Loans shall be repaid as provided in ~~paragraph~~ subsection (a) above.

3.04. **Increased Costs; Reserves on Eurocurrency Rate Loans.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e), other than as set forth below) or the L/C Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurocurrency Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or

reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurocurrency Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurocurrency Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided that the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05. **Compensation for Losses.** Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any failure by the Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or, in the case of any Loan, any payment thereof in a different currency; or

(d) any assignment of a Eurocurrency Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the London or other applicable offshore interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

3.06. **Mitigation Obligations; Replacement of Lenders**

(a) Designation of a Different Lending Office. Each Lender may make any Credit Extension to the Borrower through any Lending Office provided that the exercise of this option shall not affect the obligation of the Borrower to repay the Credit Extension in accordance with the terms of this Agreement. If (i) any Lender requests compensation under Section 3.04, (ii) the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to Section 3.01, or (iii) any Lender gives a notice pursuant to Section 3.02, then such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (A) would eliminate or reduce the amounts payable pursuant to Sections 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (B) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 10.13.

3.07. **Survival.** All of the Borrower's obligations under this ~~ARTICLE~~Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

ARTICLE IV. CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01. **Conditions of Initial Credit Extension.** The obligations of the L/C Issuer and each Lender to make its initial Credit Extensions hereunder are subject to satisfaction of the following conditions precedent:

a. The Administrative Agent's receipt of the following, each of which shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent and the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) Notes executed by the Borrower in favor of each Lender requesting Notes;

(iii) the Pledge and Security Agreement, duly executed by the Loan Parties, together with:

(A) certificates representing the Equity Interests of any Domestic Subsidiary pledged pursuant to the Pledge and Security Agreement (to the extent such Equity Interests are certificated) accompanied by undated stock powers executed in blank,

(B) proper financing statements in form appropriate for filing under the Uniform Commercial Code of all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created under the Pledge and Security Agreement, covering the Collateral described in the Pledge and Security Agreement,

(C) lien search results, dated as of a recent date prior to the initial Credit Extensions, together with copies of all effective Uniform Commercial Code financing statements filed in the jurisdictions referred to in clause (B) above that name any Loan Party as debtor, and

(D) evidence of the completion of all other actions, recordings and filings of or with respect to the Pledge and Security Agreement that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created thereby;

(iv) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;

(v) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that the Borrower is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(vi) a favorable opinion of Orrick, Herrington & Sutcliffe LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender and in form and substance satisfactory to the Administrative Agent;

(vii) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(viii) financial projections and forecasts prepared by management of the Borrower and reasonably satisfactory to the Administrative Agent, including consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries for the five year term of the Facilities;

(ix) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied; and (B) that there has been no event or circumstance since the date of the

Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect;

(x) a duly completed Compliance Certificate as of the last day of the fiscal quarter of Equinix ended on September 30, 2014 provided that the calculation of the Consolidated Net Lease Adjusted Leverage Ratio shall be on a pro forma basis after giving effect to (A) the Indebtedness incurred (x) hereunder and the use of proceeds thereof on the Closing Date and (y) pursuant to the 5.375% Senior Notes Due 2022 and the 5.750% Senior Notes Due 2025 and (B) the redemption of the 7.00% Senior Notes Due 2021), signed by a Responsible Officer of the Borrower;

(xi) pay-off statements and/or lien release authorizations from (A) the Existing Administrative Agent with respect to interest, fees and expenses under the Existing Credit Agreement and other Existing Loan Documents, and (B) such other secured parties of record shown on any of the financing statements referred to in subclause (iii)(C) above, to the extent such financing statements disclose Liens on the Collateral;

(xii) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect; and

(xiii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuer or the Required Lenders reasonably may require.

b. Any fees required to be paid to the Administrative Agent, the Left Lead Arranger or the Lenders on or before the Closing Date shall have been paid, including, without limitation, any fees to Lenders as shall have been separately agreed upon in writing in the amounts so specified.

c. The Borrower shall have paid all reasonable fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

d. The Closing Date shall have occurred on or before December 29, 2014.

Without limiting the generality of the provisions of the ~~last~~penultimate paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02. **Conditions to ~~all~~ Credit Extensions.** The obligation of each Lender to honor any Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurocurrency Rate Loans) is subject to the following conditions precedent, provided that, if any of the following conditions precedent cannot be satisfied solely as a result of the Borrower's failure to satisfy any of the covenants set forth in Section 7.11, the Required Revolving and Term A Lenders (and the L/C Issuer, in the case of Letters of Credit) may agree to waive such condition for purposes of a Request for Credit Extension for a Revolving Loan or a Letter of Credit:

a. The representations and warranties of the Borrower and each other Loan Party contained in ~~ARTICLE~~Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except (i) for representations and warranties which are qualified by the inclusion of a materiality standard, which representations and warranties shall be true and correct in all respects, and (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date, and except that for purposes of this ~~Section 4.02~~4.02, the representations and warranties contained in clauses (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01; provided that, with respect to a Request for Credit Extension for Term B Loans, on and as of the Term B Funding Date, only the representations and warranties of the Loan Parties contained in Sections 5.01(a), 5.01(b), 5.02(a), 5.02(c), 5.04, 5.14, 5.19, 5.20 and 5.21 and Section 3(b) of the Pledge and Security Agreement shall be required to be true and correct in all material respects (subject to the same qualifiers set forth in clauses (i) and (ii) above)

b. No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof provided that, with respect to a Request for Credit Extension for Term B Loans, the foregoing

condition in this clause (b) shall be limited to no Default or Event of Default under Section 8.01(a), 8.01(g), 8.01(h) or 8.01(i) existing as of the Term B Funding Date

c. The Administrative Agent and, if applicable, the L/C Issuer shall have received a Request for Credit Extension (or, if the Credit Extension requested is a Loan, telephonic notice followed immediately by delivery of a written Loan Notice) in accordance with the requirements hereof.

d. In the case of a Credit Extension to be denominated in an Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent, the Required Lenders (in the case of any Loans to be denominated in an Alternative Currency) or the L/C Issuer (in the case of any Letter of Credit to be denominated in an Alternative Currency) would make it impracticable for such Credit Extension to be denominated in the relevant Alternative Currency.

Each Request for Credit Extension (other than a Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurocurrency Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Each of the Borrower and Guarantors represents and warrants to the Administrative Agent and the Lenders that:

5.01. Existence, Qualification and Power. Each Loan Party and each Restricted Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) with respect to each such Loan Party only, execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; ~~except~~ ~~(xx)~~ in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and ~~(xy)~~ in the case referred to in clause (a) with respect to any Restricted Subsidiary that is not a Loan Party, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02. Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, violate any Law.

5.03. Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

5.04. Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general principles of equity.

5.05. Financial Statements; No Material Adverse Effect

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of Equinix and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except, with respect to GAAP application only, as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of Equinix and its Subsidiaries as of the date thereof, including liabilities for material taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheets of Equinix and its Subsidiaries dated September 30, ~~2014~~ 2015, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present in all material respects the financial condition of Equinix and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06. **Litigation.** Except as disclosed in Equinix's public filings with the SEC prior to the Closing Date, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Restricted Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07. **No Default.** Neither any Loan Party nor any Restricted Subsidiary is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08. **Ownership of Property; Liens.** The Borrower and each of its Restricted Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Borrower and its Restricted Subsidiaries is subject to no Liens, other than Liens permitted by Section 7.01. The Loan Party Accounts Receivable are owned by a Loan Party free of any title defects, liens, negative pledges or interests of others, except those which have been granted under the Loan Documents or approved by the Administrative Agent in writing.

5.09. **Environmental Compliance.** The Borrower conducts in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on the Borrower and its Restricted Subsidiaries' respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10. **Insurance.** The properties of the Borrower and its Restricted Subsidiaries are insured with financially sound and reputable insurance companies not Affiliates of the Borrower, in such amounts, with such deductibles and retentions and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or its Restricted Subsidiaries operate.

5.11. **Taxes.** The Borrower and its Restricted Subsidiaries have filed all Federal and state income and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP or except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. There is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any wholly-owned Subsidiary thereof is party to any tax sharing agreement other than taxing sharing agreements solely among one or more of Equinix and its past or present Affiliates (other than shareholders, directors or officers).

5.12. **ERISA Compliance.**

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter (or may rely on an opinion letter) from the Internal Revenue Service to the effect that the form of such Pension Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no non-exempt prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in [Section 430\(d\)\(2\)](#) of the Code) is 60% or higher and none of the Borrower or any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) none of the Borrower or any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) none of the Borrower or any ERISA Affiliate has engaged in a transaction that could be subject to [Section 4069](#) or [Section 4212\(c\)](#) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

5.13. Subsidiaries; Equity Interests. As of the [ClosingSecond Amendment Effective](#) Date (a) the Borrower has no Subsidiaries other than those specifically disclosed in Part (a) of [Schedule 5.13](#) and (b) all of the outstanding Equity Interests in each wholly-owned Subsidiary have been validly issued, are fully paid and nonassessable and are owned by the Borrower or a Subsidiary thereof in the amounts specified on Part (a) of [Schedule 5.13](#) free and clear of all Liens (other than Liens granted pursuant to the Loan Documents or otherwise expressly permitted by [Section 7.01](#)). As of the [ClosingSecond Amendment Effective](#) Date, the Borrower has no equity investments in any other corporation or entity other than (i) investments held in the ordinary course of business in or through money market funds, mutual funds, investment or brokerages accounts and other similar types of investment vehicles and accounts and (ii) those specifically disclosed in Part (b) of [Schedule 5.13](#). All of the outstanding Equity Interests in the Borrower have been validly issued and are fully paid and nonassessable. As of the [ClosingSecond Amendment Effective](#) Date, (x) the Unrestricted Subsidiaries are set forth on [Schedule 6.16](#), (y) the aggregate Attributable Asset Share of all Unrestricted Subsidiaries does not exceed 10% of the consolidated total assets of Equinix and its Subsidiaries, and (z) the aggregate Attributable A/R Share of all Unrestricted Subsidiaries does not exceed 10% of the net accounts receivable of Equinix and its Subsidiaries.

5.14. Margin Regulations; Investment Company Act

(a) None of the Loan Parties is engaged and none will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Loan Parties is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15. Disclosure. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent, any Lender or any Secured Party in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, (a) with respect any report, financial statement, certificate or other information concerning Telecitey Group plc and its Subsidiaries furnished prior to the consummation of the Telecitey Transaction or concerning Bit-isle Inc. and its Subsidiaries furnished prior to the consummation of the Bit-isle Transaction, the Borrower makes such representation only to the best of its knowledge and (b) with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16. Compliance with Laws. Each Loan Party and each Restricted Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17. Taxpayer Identification Number. Each Loan Party’s true and correct United States taxpayer identification number is set forth on [Schedule 10.02](#).

5.18. **Collateral Documents.** The provisions of the Collateral Documents are effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on all right, title and interest of the respective Loan Parties in the Collateral described therein, subject to no other Liens except to the extent permitted by Section 7.01. Except for (a) the filing of appropriately completed Uniform Commercial Code financing statements in appropriate filing office of the jurisdiction of formation of each Loan Party, (b) the delivery to the Administrative Agent of certificates for certificated pledged Equity Interests, accompanied by undated stock powers duly executed in blank, and (c) in the case of pledged Equity Interests of any Foreign Subsidiary, such filings, registrations, recordations and other actions as may be required by the Laws of the jurisdiction under which such Foreign Subsidiary is organized, no other action is necessary to perfect the Liens created in favor of the Administrative Agent for the benefit of the Secured Parties under the Collateral Documents.

5.19. **REIT Status.** ~~Effective upon and after the REIT Conversion Date, since the REIT Conversion Date,~~ Equinix (a) qualifies as a REIT (without regard to any election requirement relating to the same); ~~(b) either has already elected to be treated as a REIT or will make a timely REIT election in due course, and (and (b) is in compliance with all other requirements and conditions imposed under the Code to allow it to maintain its status as a REIT.~~

5.20. **OFAC and Sanctions.** Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower or any of its Subsidiaries, any Related Party (a) is an individual or entity currently the subject of any Sanctions or (b) is located, organized or resident in a Designated Jurisdiction. No Loan, nor the proceeds from any Loan, have been used, directly or indirectly, to lend, contribute, provide, or have otherwise been made available to fund, any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person to the extent that Person is located, organized or resident in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that could reasonably be expected to result in any violation of Sanctions by any party to this Agreement or any other Loan Document (including any Secured Party).

5.21. **Anti-Corruption Laws.** The Borrower, its Subsidiaries, their respective officers and employees, and, to the knowledge of the Borrower, the Borrower's and its Subsidiaries' directors and agents acting within the scope of their relationships with the Borrower or its Subsidiaries, have conducted their businesses in material compliance with applicable Anti-Corruption Laws and have instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such laws.

ARTICLE VI. AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) cause each Restricted Subsidiary to:

6.01. **Financial Statements.** Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Equinix (or such later date as may be permitted after filing a single applicable request for extension with the SEC and receiving such extension within such 90 days after such fiscal year end, which later date shall not exceed 120 days after such fiscal year end), the audited and unqualified annual consolidated financial statements of Equinix, accompanied by a report and opinion thereon of an independent certified public accountant of nationally recognized standing;

(b) as soon as available, but in any event within 45 days after the end of each fiscal quarter of Equinix (or such later date as may be permitted after filing a single applicable request for extension with the SEC and receiving such extension within such 45 days after such fiscal quarter end, which later date shall not exceed 75 days after such fiscal quarter end) (but excluding the last fiscal quarter of Equinix's fiscal year), quarterly company-prepared consolidated financial statements of Equinix, certified and dated by a Responsible Officer of Equinix; and

(c) copies of the Form 10-K Annual Report and Form 10-Q Quarterly Report for Equinix concurrent with the date of filing with the SEC.

6.02. **Certificates; Other Information.** Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a Compliance Certificate of the Borrower, signed by a Responsible Officer of the Borrower, and setting forth, among other things, (i) the information and computations (in sufficient detail) to establish compliance with all financial covenants at the end of the period covered by the financial statements then being furnished, (ii) the Consolidated Net Lease Adjusted Leverage Ratio for purposes

of determining the Applicable Margin, (iii) information regarding the Net Loan Party Accounts Receivable and any Material Domestic Subsidiaries, and (iv) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any Default or Event of Default under this Agreement and, if any such Default or Event of Default exists, specifying the nature thereof and the action the Borrower is taking and proposes to take with respect thereto;

(b) promptly upon any request by the Administrative Agent or any Lender (but no more frequently than twice per each fiscal year of Equinix unless an Event of Default has occurred and is continuing), such other books, records, statements, lists of property and accounts, budgets, forecasts or reports as to the Borrower as the Administrative Agent or such Lender may reasonably request;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of Equinix, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto; and

(d) promptly, such additional information regarding the business or financial affairs of the Borrower or any wholly-owned Restricted Subsidiary (and with respect to any non-wholly owned Restricted Subsidiary, such additional information regarding its business or financial affairs as is reasonably available), or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01 or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Equinix posts such documents, or provides a link thereto on its website on the Internet at Equinix's website address of www.equinix.com (or such other website address Equinix may provide to the Administrative Agent and each Lender in writing from time to time); provided that: (i) to the extent the Administrative Agent or any Lender is otherwise unable to receive any such electronically delivered documents, the Borrower shall, upon request by the Administrative Agent or such Lender, deliver paper copies of such documents to such Person until a written request to cease delivering paper copies is given by such Person, and (ii) the Borrower shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents or provide to the Administrative Agent and the Lenders by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower and each other Loan Party hereby acknowledges that (A) the Administrative Agent and/or the Left Lead Arranger may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on DebtDomain, IntraLinks, Syndtrak, ClearPar, or another similar electronic system (the "Platform") and (B) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or their Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower and each other Loan Party hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Left Lead Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Left Lead Arranger shall be entitled to treat the Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

6.03. **Notices.** Promptly notify the Administrative Agent and each Lender in writing of:

(a) any Default or Event of Default;

(b) any Material Adverse Effect, including, to the extent that any of the following could reasonably be expected to result in a Material Adverse Effect: (i) any breach or non-performance of, or any default under, a Contractual Obligation of the Borrower or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Subsidiary, including pursuant to any applicable Environmental Laws;

- (c) any change in the Borrower's name, legal structure, place of business, or chief executive office if the Borrower has more than one place of business;
- (d) any ERISA Event; and
- (e) any material change in accounting policies or financial reporting practices by the Borrower, including any determination by the Borrower referred to in [Section 2.09\(b\)](#).

Each notice pursuant to this [Section 6.03](#) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to [Section 6.03\(a\)](#) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04. Payment of Obligations. Pay and discharge, and cause each Restricted Subsidiary to pay and discharge (a) all material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower; and (b) all lawful claims which, if unpaid, would by law become a Lien upon its property (other than a Lien that is not prohibited by [Section 7.01](#) and could not reasonably be expected to have a Material Adverse Effect).

6.05. Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its and its Restricted Subsidiaries' legal existence and good standing under the Laws of the jurisdiction of its organization except (i) in the case of a Restricted Subsidiary that is not a Loan Party, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect or (ii) in a transaction permitted by [Sections 7.04](#) or [7.05](#); (b) take all reasonable action to maintain all of its and its Restricted Subsidiaries' rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its and its Subsidiaries' registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.06. Maintenance of Properties. (a) Maintain, preserve and protect all of its and its Restricted Subsidiaries' material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted, and (b) make all necessary repairs thereto and renewals and replacements thereof, except in each of the foregoing clauses (a) and (b) where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07. Maintenance of Insurance. Maintain insurance as is customary and usual for the business of the Borrower and each Restricted Subsidiary.

6.08. Compliance with Laws. Comply with the Laws (including any fictitious or trade name statute), regulations, and orders of any government body with authority over the Borrower's or any Restricted Subsidiary's business, except where the failure to comply could not reasonably be expected to have a Material Adverse Effect. The Lenders shall have no obligation to make any advance to the Borrower except in compliance with all applicable laws and regulations and the Borrower shall fully cooperate with the Lenders and the Administrative Agent in complying with all such applicable laws and regulations.

6.09. Books and Records. Maintain adequate books and records, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower and its Restricted Subsidiaries, as the case may be.

6.10. Inspection Rights. Upon prior advance notice, allow the Administrative Agent, any Lender, and any of their respective agents to inspect the Borrower's and Guarantors' properties and examine and audit their financial records at any reasonable time; provided, however, that (a) unless an Event of Default has occurred and is continuing, no more than two such inspections, examinations and audits may be made the Administrative Agent and the Lenders (acting collectively) per fiscal year of the Borrower, (b) when an Event of Default exists, the Administrative Agent, any Lender, or any of their respective agents may do any of the foregoing (as well as make copies of books and records) at the expense of the Borrower at any reasonable time, and (c) without limiting any of the foregoing, the Borrower shall have the right (if it so elects) to have a representative of the Borrower be present during any discussions with auditors and accountants. If the properties, books or records of the Borrower are in the possession of a third party, the Borrower authorizes that third party to permit the Administrative Agent or its agents to have access to perform inspections or audits and to respond to the Administrative Agent's requests for information concerning such properties, books and records.

6.11. Use of Proceeds. Use the proceeds of the Credit Extensions (a) for working capital, capital expenditures, acquisitions, dividends, distributions, stock buybacks, and the issuance of Letters of Credit, in each case to the extent not prohibited

hereunder, (b) to refinance existing Indebtedness of the Borrower and its Subsidiaries (~~including Indebtedness under the Existing Credit Agreement~~), and (c) for other general corporate purposes not in contravention of any Law or of any Loan Document.

6.12. **ERISA Plans.** Promptly during each year, pay and cause its respective Subsidiaries to pay contributions adequate to meet at least the minimum funding standards under ERISA with respect to each and every Pension Plan; file each annual report required to be filed pursuant to ERISA in connection with each Plan for each year; and notify the Administrative Agent within 10 days of the occurrence of any Reportable Event that might constitute grounds for termination of any Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer any Pension Plan.

6.13. **Protection of Negative Pledge.** Take such action as the Administrative Agent may reasonably request (including acting at the direction of the Required Lenders) to protect and enforce the negative pledge in Section 7.12 (including, without limitation, taking such action as is necessary to remove any Lien, encumbrance or negative pledge on the Loan Party Accounts Receivable, except for any Lien, encumbrance or negative pledge that may be granted in favor of the Administrative Agent and the Lenders in connection with this Agreement or any of the other Loan Documents), and, pursuant to Section 10.04, reimburse it for related costs it incurs to protect and enforce such negative pledge.

6.14. **Additional Subsidiary Guarantors.** Notify the Administrative Agent at the time that any one or more Persons (x) constitutes a Material Domestic Subsidiary (other than a Foreign Subsidiary Holdco), ~~and~~ or (y) that is a Subsidiary that is not already a Guarantor hereunder Guarantees any Indebtedness under any Senior Notes Indenture or any other public or privately-placed debt securities issued by the Borrower, and, in each case, promptly thereafter (and in any event within 30 days), cause such Person(s) to become Guarantor(s) hereunder and grant a first priority perfected security interest in its assets of a type constituting Collateral so that after giving effect thereto, the Net Loan Party Accounts Receivable shall constitute at least 90% of all net accounts receivable of Equinix and its Domestic Subsidiaries (after intercompany eliminations and excluding Real Property Lease Accounts), in each case, by (a) executing and delivering to the Administrative Agent a Joinder Agreement and/or such other documents as the Administrative Agent shall deem appropriate for such purpose, and (b) delivering to the Administrative Agent documents of the types referred to in clauses (iii), (iv) and (v) of Section 4.01(a) and favorable opinions of counsel to such Person(s) (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clauses (a) and (b), as applicable, and no conflict with material agreements), in all such cases of the foregoing clauses (a) and (b), in form, content and scope reasonably satisfactory to the Administrative Agent; provided, however, that, so long as no Default or Event of Default has occurred and is continuing, if any such Person constitutes a Material Domestic Subsidiary (other than a Foreign Subsidiary Holdco) solely as a result of it having been acquired through an Acquisition occurring after the Closing Date and does not otherwise Guarantee Indebtedness under any Senior Notes Indenture or any other public or privately-placed debt securities issued by the Borrower, then such Person shall not be required to become a Guarantor under this Section 6.14 unless such Person constitutes a Material Domestic Subsidiary (other than a Foreign Subsidiary Holdco) at any time on or after the nine month anniversary of such Acquisition, at which time it shall promptly become a Guarantor hereunder in accordance with the preceding provisions of this Section 6.14. In addition, Equinix may, from time to time, elect to cause any Domestic Subsidiary to become a Guarantor in accordance with the preceding clauses (a) and (b) of this Section 6.14. Each Loan Party agrees to take all actions necessary to promptly pledge to the Administrative Agent for the benefit of the Secured Parties all Equity Interests owned by it of each Guarantor joined pursuant to this Section 6.14, including without limitation the delivery of all certificates representing such Equity Interests, accompanied by undated stock powers duly executed in blank, and effecting any necessary or advisable amendments to the Pledge and Security Agreement and/or the Schedules thereto to evidence such pledge.

6.15. **Cooperation; Further Assurances.** Take any action reasonably requested by the Administrative Agent or any Lender to carry out the intent of this Agreement, including, without limitation, to execute, acknowledge, deliver, record, file, and register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (a) subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (b) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (c) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.16. **Designation of Unrestricted Subsidiaries.** The Borrower may, from time to time, designate one or more Subsidiaries as "Unrestricted Subsidiaries" by giving written notice to the Administrative Agent; provided, however, that (a) in no event may the Borrower designate any Subsidiary as an Unrestricted Subsidiary if, at the time of and immediately after giving effect to such designation, either (i) the Attributable Asset Share of Equinix in all Unrestricted Subsidiaries exceeds 10% of the consolidated total assets of Equinix and its Subsidiaries (based on the most recent consolidated balance sheet of Equinix and its Subsidiaries delivered to the Administrative Agent and the Lenders under Section 6.01(a) or (b)), or (ii) the Attributable A/R Share of Equinix in all Unrestricted Subsidiaries exceeds 10% of the net accounts receivable of Equinix and its Subsidiaries (based on

the most recent consolidated balance sheet of Equinix and its Subsidiaries delivered to the Administrative Agent and the Lenders under Section 6.01(a) or (b), and (b) no Subsidiary (i) that is or is required to become a Guarantor under Section 6.14, (ii) that is not and is not required to become a Guarantor under Section 6.14 but is or is required to become a pledgor of the Equity Interests of a Pledged Subsidiary (a "Pledgor Subsidiary") under any Loan Document, or (iii) whose Equity Interests are or are required to be pledged on or after the Closing Date (a "Pledged Subsidiary") in favor of the Administrative Agent under any Loan Document, as the case may be, may be an Unrestricted Subsidiary. As of the Closing Date, the Unrestricted Subsidiaries are set forth on Schedule 6.16. Any Subsidiary which has been designated as an Unrestricted Subsidiary pursuant to this Section 6.16 may, at any time thereafter, be redesignated as a Restricted Subsidiary by the Borrower; provided, however, that a Subsidiary that has been redesignated as a Restricted Subsidiary as provided in this sentence may not thereafter be designated or redesignated as an Unrestricted Subsidiary.

6.17. **Certain Post-Closing Matters.** As promptly as practicable after the Closing Date, but in any event within (a) 90 days after the Closing Date, complete all actions, and deliver such documentation (subject to clause (b) below) to the Administrative Agent (including all such foreign-law governed share pledge agreements, certificates, instruments and legal opinions), reasonably required by the Administrative Agent in order to effect, establish, maintain and/or perfect the Administrative Agent's security interest and liens in the Pledged Foreign Subsidiaries (as defined in the Pledge and Security Agreement), including, without limitation, delivery of the items (or otherwise completing the actions) set forth on Schedule 6.17, and (b) 150 days after the Closing Date, complete all necessary registration of any security documents with foreign Governmental Authorities, and deliver evidence thereof to the Administrative Agent.

6.18. **Maintenance of REIT Status.** In the case of Equinix, at all times ~~on and after the REIT Conversion Date~~, conduct its affairs and the affairs of its Subsidiaries in a manner so as to continue to qualify as a REIT for U.S. federal income tax purposes.

6.19. **Anti-Corruption Laws and Sanctions Laws.** Conduct its businesses in material compliance with applicable Anti-Corruption Laws, and maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and applicable Sanctions by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents.

ARTICLE VII. NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan (other than, with respect to Section 7.11, any Term B Loan) or other Obligation hereunder (other than, with respect to Section 7.11, any obligations with respect to the Term B Facility) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrower shall not, nor shall it permit any Restricted Subsidiary to, directly or indirectly:

7.01. **Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens pursuant to any Loan Document;

(b) Liens existing on the date hereof and listed on Schedule 7.01;

(c) Liens for taxes and assessments not yet delinquent or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) statutory Liens of landlords and Liens of carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(e) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;

(f) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;

(g) normal and customary banker's Liens and rights of setoff arising in the ordinary course of business with respect to cash and cash equivalents; provided that such cash and cash equivalents are not dedicated cash collateral in favor of such

depository institution and are not otherwise intended to provide collateral security (other than for customary account commissions, fees and reimbursable expenses relating solely to deposit accounts, and for returned items);

- (h) normal and customary rights of setoff and similar Liens arising under bona fide interest rate or currency hedging agreements, which are not for speculative purposes;
 - (i) precautionary Uniform Commercial Code financing statements in connection with operating leases permitted hereunder;
 - (j) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
 - (k) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;
 - (l) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(j);
 - (m) Liens securing Indebtedness in respect of Capital Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets (including the costs of construction, improvement or rehabilitation of such fixed or capital assets); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition, or the cost of construction, improvement or rehabilitation of such fixed or capital assets, as applicable;
 - (n) leases, subleases, licenses and sublicenses which do not materially interfere with the business of the Borrower or any Subsidiary;
 - (o) Liens existing on property or assets of any Person at the time such Person becomes a Subsidiary or such property or assets are acquired, but only, in any such case, (i) if such Lien was not created in contemplation of such Person becoming a Subsidiary or such property or assets being acquired, and (ii) so long as such Lien does not encumber any assets other than the property subject to such Lien at the time such Person becomes a Subsidiary or such property or assets are acquired;
 - (p) any renewals, replacements or extensions of the Liens described in clauses (b), (m) or (o) above, provided that (i) the property covered thereby is not expanded, and (ii) the amount secured or benefited thereby is not increased;
 - (q) Liens on JV Interests held by a Loan Party or a Subsidiary in JV Entities securing the obligations of such Loan Party or Subsidiary to honor put rights and put options in favor of joint venture partners with respect to the JV Interests held by joint venture partners in such JV Entities, provided that such Liens shall attach only to the JV Interests held by such Loan Party or a Domestic Subsidiary and not to any other assets of such Loan Party or Subsidiary;
 - (r) Liens arising in connection with Sale-Leaseback Transactions permitted under Section 7.05(m);
 - (s) Liens in the form of cash collateral securing reimbursement obligations under bank guarantees, letters of credit and other documentary credits not issued hereunder but permitted by Section 7.03, not to exceed \$50,000,000 in the aggregate;
 - (t) Liens arising from sales or discounts of accounts receivable to the extent permitted under Section 7.05(h);
 - (u) Liens granted by (i) any Subsidiary of the Borrower that is not a Loan Party or Pledged Subsidiary in favor of any Restricted Subsidiary or the Borrower or (ii) any Guarantor or Pledged Subsidiary in favor of the Borrower or any Guarantor;
 - (v) Liens resulting from escrow or deposits of cash required to satisfy “funds certain” or good faith deposit requirements in connection with the Transactions; provided that the aggregate amount of such escrows and deposits of cash secured by such Liens shall not exceed \$2,000,000,000 in the aggregate at any time and (ii) the applicable Liens shall terminate upon the earliest of (x) the consummation of the applicable Transaction (and such dollar limitation shall be reduced by the applicable amount) and (y) the date of the termination or abandonment of such Transaction; and
 - (w) ~~(+)~~ Liens not otherwise permitted by this Section 7.01 (which do not materially interfere with the respective businesses of the Borrower or any Subsidiary and do not attach to (i) any Collateral or (ii) any Equity Interests of any Real Estate Holding Subsidiaries), if at the time of, and after giving effect to, the creation or assumption of any such Lien, the aggregate of all obligations of the Borrower and its Restricted Subsidiaries secured by any Liens not otherwise permitted hereby, together with the aggregate book value of all Transfers consummated in accordance with the carve-out set forth in clause (n) of Section 7.05 in
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the then current fiscal year, does not exceed 10% of ~~Equinix's consolidated total assets as shown on the consolidated balance sheet of Equinix as of the end of the immediately preceding fiscal year.~~ Adjusted Consolidated Total Assets.

7.02. Investments. Make any Investments that are Acquisitions, other than Permitted Acquisitions; or make any other material Investments outside of the ordinary course of business, except to the extent that no Default shall have occurred and be continuing at the time of such Investment or would result therefrom.

7.03. Indebtedness. Create, incur, assume or otherwise become directly or indirectly liable for any Indebtedness, except to the extent that no Default shall have occurred and be continuing at the time of, or would result from, the Borrower or such Restricted Subsidiary creating, incurring, assuming or otherwise becoming directly or indirectly liable for such Indebtedness.

7.04. Fundamental Changes. ~~(+)~~

(a) Enter into any consolidation, merger, or other combination, ~~except ~~(+)~~~~ so long as no Event of Default has occurred and is continuing or would result therefrom;

(i) ~~(A)~~ any Loan Party may consolidate, merge or combine with any other Loan Party provided that if any such Loan Party is Equinix, Equinix shall be the surviving entity),

(ii) ~~(B)~~ any Loan Party may consolidate, merge or combine with any Subsidiary that is not a Loan Party if such Loan Party is the surviving entity,

(iii) ~~(C)~~ any Subsidiary that is not a Loan Party may consolidate, merge or combine with any Subsidiary that is not a Loan Party, and

(iv) ~~(D)~~ any Loan Party or Subsidiary may consolidate, merge or combine with any Person in connection with a Permitted Acquisition or a transaction permitted by Section 7.05, so long as (1) in the case of a consolidation, merger or combination of a Loan Party with another Person, such Person expressly assumes all Obligations of such Loan Party and grants liens on its assets constituting Collateral (in each case pursuant to documentation satisfactory to the Administrative Agent) if such Person is the surviving entity, and (2) if Equinix is a party to such Permitted Acquisition or transaction permitted by Section 7.05, Equinix shall be the surviving entity, ~~and (ii) Equinix may merge into a newly formed, wholly owned and direct U.S. Restricted Subsidiary corporation ("Successor Parent"), with Successor Parent as the survivor and ultimate parent company (and successor to Equinix), in connection with the REIT Conversion, provided that the following additional conditions shall have been satisfied: (A) immediately after giving effect to such merger, (1) the Successor Parent shall own all of the assets of Equinix, (2) the Successor Parent shall have expressly assumed all of the Obligations of Equinix under the Loan Documents and be treated as the "Borrower" and "Equinix" (and shall remain a Loan Party) for all purposes of the Loan Documents, and (3) the Successor Parent shall have expressly granted security interests in all its assets constituting Collateral in favor of the Secured Parties under the Collateral Documents, and the collateral security package provided by the Loan Parties in favor of the Secured Parties as existed immediately prior to such merger shall not have been impaired as result of such merger; (B) Equinix and the Successor Parent shall have delivered merger documents, assumption documents and such other documents and information as the Administrative Agent shall reasonably deem appropriate for purposes of verifying that the foregoing conditions are satisfied, including, without limitation (1) favorable legal opinions and (2) documents of the type referred to in clauses (iii), (iv) and (v) of Section 4.01(a); and (C) Equinix and the Successor Parent shall have delivered such information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, in each case, as reasonably requested by the Administrative Agent and in form, content and scope reasonably satisfactory to the Administrative Agent; or~~

(b) ~~(B)~~ liquidate or dissolve any Loan Party's business or any Domestic Subsidiary's business except as may be permitted by Section 7.05(a)(i), Section 7.05(a)(ii), Section 7.05(b) or Section 7.05(c) (but no such liquidation or dissolution shall be permitted for Equinix).

7.05. Maintenance of Assets; Dispositions. Sell, assign, lease, transfer or otherwise Dispose of (collectively, "Transfer") any part of the business or assets of the Borrower or any Restricted Subsidiary, except:

(a) (i) Transfers (including (except in the case of Equinix) any disposition that is in the nature of a liquidation or dissolution) among the Loan Parties; or (ii) Transfers (including any disposition that is in the nature of a liquidation or dissolution) by any wholly-owned Subsidiary that is a Guarantor to (1) the Borrower, or (2) any other wholly-owned Subsidiary that is a Guarantor; ~~or (iii) a Disposition of the nature expressly permitted by Section 7.04(a)(ii);~~

(b) Transfers (including any disposition that is in the nature of a liquidation or dissolution) by any Subsidiary that is not a Loan Party to the Borrower or any Subsidiary;

- (c) Transfers (including (except in the case of Equinix) any disposition that is in the nature of a liquidation or dissolution) by the Borrower of any Subsidiary other than a Guarantor, not involving a disposition of Collateral, which do not constitute a Change of Control;
- (d) leases or subleases of, or occupancy agreements with respect to, real property (including IBX centers);
- (e) non-exclusive licenses of intellectual property and similar arrangements for the use of the property of the Loan Parties in the ordinary course of business;
- (f) sales of inventory to customers in the ordinary course of business;
- (g) Transfers of cash, cash equivalents and marketable securities in the ordinary course of business, including, without limitation, to a Subsidiary;
- (h) sales or discounts of accounts receivable without recourse in the ordinary course of business (and excluding accounts receivable which have been fully reserved or written off) in connection with accounts receivable that are more than 90 days past due, provided that such sales and discounts, in the aggregate, shall not exceed 5% of the aggregate gross accounts receivables of the Loan Parties prior to the sale or discount at any time;
- (i) Transfers of worn-out, obsolete or surplus equipment no longer used in the ordinary course of business;
- (j) the abandonment or other disposition of intellectual property that is no longer economically practicable to maintain or useful in the conduct of business;
- (k) Transfers of assets subject to a casualty or event of loss covered by insurance following the receipt of insurance proceeds with respect to such casualty or event of loss;
- (l) Transfers constituting Liens permitted under Section 7.01 (except under clause (w) thereof) and Investments or Restricted Payments that are not prohibited by this Agreement;
- (m) Sale-Leaseback Transactions, so long as the aggregate amount of proceeds of all such Sale-Leaseback Transactions consummated following the Closing Date does not exceed \$350,000,000; ~~and~~
- (n) other Transfers not otherwise permitted by this Section 7.05, so long as the aggregate book value of assets so Transferred in any fiscal year of Equinix under this clause (n), together with the aggregate outstanding amount of all obligations of the Borrower and its Restricted Subsidiaries secured at the time of such Transfer by Liens created in accordance with the carve-out set forth in clause (tw) of Section 7.01, does not exceed 10% of ~~Equinix's consolidated total assets as shown on the consolidated balance sheet of Equinix as of the end of the immediately preceding fiscal year;~~ Adjusted Consolidated Total Assets; and
- (o) Transfers of assets which Transfers are required by Governmental Authorities for their approval of the Telecity Transaction;

provided, however, that (x) notwithstanding the foregoing clauses (a) through (no), inclusive, in no event shall any Loan Party make any Transfers of any of the Loan Party Accounts Receivable, except to the extent permitted in clause (h) above; ~~and~~ (y) such Transfers that constitute Asset Sales shall be subject, as applicable, to the prepayment requirements set forth in Section 2.04(c).

7.06. **Restricted Payments.** Declare or make, directly or indirectly, any Restricted Payment, except:

- (a) any Subsidiary may pay dividends or distributions on its Equity Interests to the Borrower or to any intervening Subsidiary of the Borrower;
- (b) dividends or distributions payable solely in Equity Interests (other than Equity Interests that are mandatorily redeemable or redeemable at the option of the holder thereof on any date that is earlier than 91 days after the Term B Maturity Date in effect at the time of the declaration or making of such dividend or distribution);
- (c) cash payments (i) for repurchases by the Borrower of common stock of the Borrower from officers, directors and employees of the Borrower or any of its Subsidiaries or their authorized representatives upon the death, disability or termination of employment of such employees or termination of their seat on the board of the Borrower, and (ii) in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Borrower, in an aggregate amount, for the foregoing sub-clauses (c)(i) and (c)(ii), not to exceed \$5,000,000;

(d) noncash repurchases of Equity Interests deemed to occur upon the exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price and related statutory withholding taxes of such options or warrants;

(e) Equinix may (i) issue and deliver Permitted Junior Securities (as defined in the indentures for the Convertible Subordinated Notes (the Convertible Subordinated Notes Indentures")) upon conversion of the Convertible Subordinated Notes in accordance with the terms of the Convertible Subordinated Notes Indentures and (ii) unless (x) an Event of Default described in Section 8.01(a) has occurred and is continuing or (y) a Payment Blockage Period (as defined in the Convertible Subordinated Notes Indentures) is in effect, make (A) regularly scheduled payments of cash interest and, to the extent not prohibited hereunder, mandatory principal payments on the Convertible Subordinated Notes, in each case, in accordance with the terms thereof, and (B) cash Restricted Payments in satisfaction of fractional shares in connection with a conversion of the Convertible Subordinated Notes into Permitted Junior Securities in accordance with the terms of Convertible Subordinated Notes Indentures;

(f) ~~Equinix may make cash dividends and distributions to its shareholders required to qualify Equinix as a REIT, including for the avoidance of doubt, cash dividends or distributions to satisfy the requirements of section 857(a)(2)(B) of the Code, or any successor provision, provided that if the aggregate amount of such cash payments related to the REIT Conversion exceeds \$300,000,000, such aggregate amount of cash payments make up not more than 25% of the sum of all cash and non-cash dividends and distributions required to qualify Equinix as a REIT; [reserved];~~

(g) so long as (i)(A) Equinix believes in good faith that it qualifies as a REIT ~~(without regard to any election requirement relating to the same, provided that a timely REIT election is ultimately made in due course)~~, (B) Equinix has not publicly disclosed an intention to no longer ~~seek to be (or, once it is treated as a REIT, continue to be)~~ treated as a REIT, and (C) no resolution shall have been adopted by Equinix's board of directors abandoning or otherwise contradicting its intent to elect to be treated as a REIT, or (ii) Equinix is a REIT, Equinix may make cash dividends and distributions to its shareholders notwithstanding that any Default may have occurred and be continuing ~~(x) provided~~ such cash dividends and distributions do not exceed in the aggregate for any period of four consecutive fiscal quarters of Equinix for which financial statements have been delivered to the Administrative Agent under Section 6.01(a) or ~~(b)~~ (or if shorter, the period from December 31, 2014 to the last day of the fiscal quarter for which such financial statements have been delivered), 95% of Funds From Operations for such period or ~~(y)~~ in such greater amount as may be required for Equinix to continue to be qualified as a REIT or to avoid the imposition of income or excise taxes on Equinix; and

(h) to the extent that no Default shall have occurred and be continuing at the time of such action or would result therefrom, Restricted Payments not otherwise permitted by clauses (a) through (g).

7.07. **Change in Nature of Business.** Engage in any business activities substantially different from the present business of the Borrower and its Subsidiaries on the date hereof or reasonably related thereto.

7.08. **Transactions with Affiliates.** Enter into any transaction of any kind with any Affiliate of a Loan Party, whether or not in the ordinary course of business, other than (a) on fair and reasonable terms substantially as favorable to the Borrower or such Restricted Subsidiary, as the case may be, as would be obtainable by the Borrower or such Restricted Subsidiary, as the case may be, at the time in a comparable arm's length transaction with a Person other than an Affiliate ~~or~~, (b) transactions expressly permitted by Section 7.04(a), Section 7.05(a), Section 7.05(b), or, in the case of transactions with Subsidiaries only, Section 7.05(g), ~~(c) transactions solely among Loan Parties, or (d) other individual transactions that do not involve amounts in excess of \$15,000,000 per transaction or series of related transactions.~~

7.09. **Burdensome Agreements.** Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Material Domestic Subsidiary or Pledged Subsidiary to make Restricted Payments to the Borrower, any Pledgor Subsidiary or any Guarantor or to otherwise transfer property to the Borrower, any Pledgor Subsidiary or any Guarantor, (ii) of any Material Domestic Subsidiary or any Pledgor Subsidiary to Guarantee the Indebtedness of the Borrower or any Guarantor or (iii) of the Borrower, any Pledgor Subsidiary or any Material Domestic Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person; provided, however, that, so long as the following do not violate Section 7.12, (A) none of the foregoing shall apply to restrictions and conditions imposed by applicable Laws (which (taken as a whole) could not reasonably be expected to have a Material Adverse Effect), (B) none of the foregoing shall apply to customary restrictions and conditions contained in agreements relating to the sale of the assets or Equity Interests permitted under Section 7.05 pending such sale, provided such restrictions and conditions apply only to the Person whose assets or Equity Interests are to be sold, (C) clauses (i) and (iii) shall not apply to restrictions or conditions imposed on specific assets which are the subject of any leases (including Capital Leases) or to customary provisions in leases (including Capital Leases) and other contracts restricting the assignment of such leases and other contracts, (D) clauses (ii) and (iii) shall not apply to the restrictions contained in the Senior Notes Indentures (as such restrictions are in effect on the ~~date hereof and~~ Second Amendment Effective Date), (E) clauses (ii) and (iii) shall not apply to customary restrictions contained in the documentation relating to financings permitted hereunder, provided that such restrictions shall not restrict (x) any Loan Party's or Material Domestic Subsidiary's ability to grant Liens in favor of the

Administrative Agent and Secured Parties (or the Administrative Agent and Secured Party's ability to enforce such Liens) under or in connection with the Loan Documents or (y) any Loan Party's or Material Domestic Subsidiary's ability to guarantee the Obligations and (F) such clause (i) shall not apply to restrictions imposed on Equinix Japan K.K. and its Subsidiaries contained in the documentation relating to the financing of the Bit-istle Transaction (and any subsequent refinancings thereof) provided that any such restrictions shall not limit the ability of any such Persons, so long as no default or event of default has occurred under such financing, to make Restricted Payments in an amount equal to at least 50% of consolidated net income to the Borrower or to such person's Parent, a wholly owned Subsidiary of the Borrower; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure the Obligations, other than the requirements contained in the Senior Notes Indentures (as such requirements are in effect on the ~~date hereof~~Second Amendment Effective Date).

7.10. Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11. Financial Covenants.

(a) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as of the end of any fiscal quarter of Equinix to be less than 1.50 to 1.00.

(b) Consolidated Net Lease Adjusted Leverage Ratio. Permit the Consolidated Net Lease Adjusted Leverage Ratio as of the end of any fiscal quarter of Equinix to exceed 6.00 to 1.00.

The provisions of this Section 7.11 are for the benefit of the Term A Lenders, the Revolving Lenders and the L/C Issuer only, except as otherwise provided in Section 8.01(b).

7.12. Negative Pledge. (a) Except as permitted by clause (h) of Section 7.05 or as otherwise expressly pre-approved by the Administrative Agent (at the direction of the Required Lenders) in writing after the date hereof, allow any Person or entity to, sell, transfer, assign, mortgage, pledge, lease, grant a security interest in, or encumber any of the Loan Party Accounts Receivable (or attempt or contract to do so, or otherwise allow, create, permit or suffer any of the foregoing to exist) (for the avoidance of doubt, Loan Party Accounts Receivable do not include any accounts owned by any non-Guarantor Subsidiaries of Equinix), or (b) enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien or other encumbrance upon any of the Loan Party Accounts Receivable in order to hereafter secure any of its Obligations, other than (i) this Agreement and the other Loan Documents, (ii) the restrictions contained in the Senior Notes Indentures (as such restrictions are in effect on the ~~date hereof~~Second Amendment Effective Date), (iii) customary restrictions on the assignment of leases, licenses and other agreements, and (iv) customary restrictions and conditions contained in any agreement relating to any disposition expressly permitted by clause (h) of Section 7.05.

7.13. Prepayments of Certain Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms of, any portion of (a) the 5.375% Senior Notes Due 2022, (b) the 5.750% Senior Notes Due 2025, (c) the 4.875% Senior Notes Due 2020, (d) the 5.375% Senior Notes Due 2023, (e) except in connection with a Special Mandatory Redemption Event, the 5.875% Senior Notes Due 2026, (f) except to the extent provided in Section 7.06(e), any Convertible Subordinated Notes or other Indebtedness that is subordinated to the Obligations, or ~~(g)~~ any other long-term public or privately placed debt securities, or other long-term Indebtedness in an amount in excess of \$100,000,000, of the Borrower or any of its Restricted Subsidiaries, in each case, unless (i) no Default or Event of Default has occurred and is continuing or would result therefrom, and (ii) after giving effect thereto, the sum of ~~(x)~~ the unrestricted cash, cash equivalents, freely tradable and liquid short term-investments and freely tradable and liquid long-term investments of Equinix and its Subsidiaries on a consolidated basis plus (y) the amount by which the Aggregate Revolving Commitments exceeds the Total Revolving Outstandings is at least \$400,000,000.

7.14. Sanctions. Directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, to fund any activities of or business with any Person that, at the time of the use of such proceeds, is the subject of Sanctions or is located, organized or resident in any Designated Jurisdiction, or in any other manner that could reasonably be expected to result in a violation of Sanctions by any party to this Agreement or any other Loan Document (including any Secured Party).

7.15. Anti-Corruption Laws. Directly or indirectly use the proceeds of any Credit Extension for any purpose that would materially breach any Anti-Corruption Laws or cause any party to this Agreement or any other Loan Document (including any Secured Party) to be in violation of any applicable Anti-Corruption Laws.

7.16. **Foreign Subsidiary Holdcos.** No Foreign Subsidiary Holdco shall engage in any business or activity other than (a) the ownership of Equity Interests and Indebtedness of one or more Foreign Subsidiaries or Foreign Subsidiary Holdcos, (b) maintaining its corporate or company existence, (c) participating in tax, accounting and other administrative activities as part of a consolidated group of companies, (d) execution and delivery of any Loan Documents to which it is a party and acknowledgement of any Loan Documents in connection with the pledge of its equity to secure the Secured Obligations and (e) activities incidental to the foregoing.

ARTICLE VIII. EVENTS OF DEFAULT AND REMEDIES

8.01. **Events of Default.** Any of the following shall constitute an Event of Default:

(a) **Non-Payment.** The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, and in the currency required hereunder, any amount of principal of any Loan or any L/C Obligation, or any interest on any Loan or on any L/C Obligation, or (ii) within three Business Days after the same becomes due, any fee due hereunder or any other amount payable hereunder or under any other Loan Document; or

(b) **Covenants.** Any Loan Party breaches, or fails to perform or observe, any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05 (as to existence only), 6.10, 6.11, 6.14, 6.16, 6.18, 6.19 or Article VII (including, but not limited to, any financial covenant set forth in Section 7.11; provided, that a breach of Section 7.11 shall not constitute an Event of Default with respect to the Term B Facility unless and until the Administrative Agent shall have declared all amounts outstanding under the Revolving Facility and the Term A Facility, respectively, to be due and payable and all outstanding Revolving Commitments to be terminated, in each case in accordance with this Agreement as a result of such breach, and such declaration has not been rescinded (any such Event of Default with respect to Section 7.11, a "Financial Covenant Event of Default")); or

(c) **Other Breaches.** Any Loan Party fails to perform or observe any covenant or agreement (not specified in subsections (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the earlier of (i) a Responsible Officer of a Loan Party obtaining knowledge of such failure and (ii) the Administrative Agent or a Lender notifying such Loan Party in writing of such failure; or

(d) **Default under Other Loan Documents.** Any default or event of default occurs under any other Loan Document or other document required by or delivered in connection with this Agreement (after giving effect to any applicable grace periods) or any such document is no longer in effect, or any Guarantor purports to revoke or disavow a guaranty, including the Multiparty Guaranty, of any of the Obligations; or

(e) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(f) **Cross-Default.** (i) Any default occurs under any agreement of the Borrower or its Subsidiaries (other than any agreement entered into by any Unrestricted Subsidiary with respect to Indebtedness of such Unrestricted Subsidiary for which there is no recourse to the Borrower or any Restricted Subsidiary) that permits the counterparty to such agreement to declare to be due and payable prior to the stated maturity thereof an obligation of the Borrower or any of its Subsidiaries of \$50,000,000 or more, individually or in the aggregate for any or all such entities; or (ii) the Borrower or any Subsidiary thereof (~~xx~~) fails to observe or perform any other agreement or condition relating to any such obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or (~~yy~~) any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such obligation or the beneficiary or beneficiaries of such obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such obligation to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such obligation to be made, prior to its stated maturity, or such obligation to become payable or cash collateral in respect thereof to be demanded, unless, in the case of clause (f)(ii)(~~yy~~), the Borrower would not be prohibited from prepaying such Indebtedness under Section 7.13, disregarding for this purpose any Default that would otherwise arise under this Section 8.01(f)(ii)(~~yy~~); or (iii) there occurs under any Swap Contract (other than a Swap Contract entered into by an Unrestricted Subsidiary for which there is no recourse to the Borrower or any Restricted Subsidiary) an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is \$50,000,000 or more; or

(g) **Insolvency Proceedings.** Any Loan Party or any Material Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or any proceeding under any

Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(h) Receivers. A receiver or similar official is appointed for a substantial portion of any Loan Party's or any Material Subsidiary's business, or the business is terminated; or

(i) Inability to Pay Debts; Attachment (i) Any Loan Party or any Material Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 45 days after its issue or levy; or

(j) Judgments. (i) Any judgments or arbitration awards are entered against the Borrower or any Subsidiary thereof (other than, solely with respect to judgments or awards as to which there is no claim or recourse against the Borrower or any Restricted Subsidiary, any Unrestricted Subsidiary) in an aggregate amount of \$50,000,000 or more, and there is a period of 45 consecutive days during which either such judgments or arbitration awards remain unpaid or unsatisfied or a stay of enforcement of such judgments, by reason of a pending appeal, is not in effect; or (ii) any one or more non-monetary final judgments are entered against the Borrower or any Subsidiary thereof that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and there is a period of 45 consecutive days during which a stay of enforcement of such non-monetary final judgment(s), by reason of a pending appeal, is not in effect; or

(k) ERISA. An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount of \$50,000,000 or more, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under [Section 4201](#) of ERISA under a Multiemployer Plan in an aggregate amount of \$50,000,000 or more; or

(l) Invalidity of Loan Documents. The Borrower, any other Loan Party or any Pledged Subsidiary asserts in writing that this Agreement or any other Loan Documents, or part thereof, is invalid, or a court of competent jurisdiction invalidates any part of this Agreement or any other Loan Document; or

(m) Change of Control. A Change of Control occurs.

8.02. Remedies Upon Event of Default

(a) If any [Event of Default other than a Financial Covenant](#) Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(i) ~~(a)~~ declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligations shall be terminated;

(ii) ~~(b)~~ declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and Guarantors;

(iii) ~~(c)~~ require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and

(iv) ~~(d)~~ exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

(b) If any [Financial Covenant Event of Default](#) but no other [Event of Default](#) shall have occurred and be continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Revolving and Term A Lenders take

any of the actions specified under Sections 8.02(a)(i) through (iv) above, but solely with respect to the Revolving Facility and the Term A Facility (subject to Section 8.02(c) below).

(c) If any Financial Covenant Event of Default but no other Event of Default shall have occurred and be continuing and the Administrative Agent shall have declared all amounts outstanding under the Revolving Facility and the Term A Facility to be due and payable and all outstanding Revolving Commitments to be terminated, in each case in accordance with this Agreement as a result of such Financial Covenant Event of Default, and such declaration has not been rescinded, then the Administrative Agent shall, at the request of, or may, with the consent of, the Required Term B Lenders (i) declare the unpaid principal amount of all outstanding Term B Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document in each case to the Term B Lenders to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower and Guarantors and (ii) exercise, on behalf of itself and the Lenders, all rights and remedies available to it and the Lenders under the Loan Documents.

8.03. **Application of Funds.** After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Secured Obligations shall, subject to the provisions of Sections 2.14 and 2.15, and, in the case of any proceeds of Collateral owned by the Borrower, the Borrower Collateral Limit, be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Secured Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under ~~ARTICLE~~Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under ~~ARTICLE~~Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Secured Obligations arising under the Loan Documents, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans and L/C Borrowings in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.14;

Sixth, to payment of the portion of Secured Obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements, ratably among the Hedge Banks and the Cash Management Banks; and

Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, in the order set forth above.

Notwithstanding the foregoing, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Secured Party Designation Notice, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX for itself and its Affiliates as if a "Lender" party hereto.

Notwithstanding the foregoing, Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Secured Obligations otherwise set forth above in this Section.

**ARTICLE IX.
ADMINISTRATIVE AGENT**

9.01. Appointment and Authority.

(a) **Appointment.** Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) **Collateral Agent.** The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including, to the extent applicable, in its capacities as a Hedge Bank and a Cash Management Bank) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(e)), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents, as if set forth in full herein with respect thereto.

9.02. Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03. Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Appropriate Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Appropriate Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless

and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in ~~ARTICLE~~Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

9.04. **Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution), including, without limitation, any representation or warranty contained therein, believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05. **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06. **Resignation of Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents

(except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

9.07. **Non-Reliance on Administrative Agent and Other Lenders.** Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08. **No Other Rights or Duties, Etc.** Anything herein to the contrary notwithstanding, no Joint Lead Arranger nor any bookrunner, syndication agent or documentation agents listed on the cover page hereof shall have any rights, privileges, powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except (a) in the case of any such Person, in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder and (b) in the case of the ~~Left~~ Joint Lead ~~Arranger~~ ~~only~~ Arrangers, as set forth in the Fee ~~Letter~~ Letters.

9.09. **Administrative Agent May File Proofs of Claim; Credit Bidding** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(i) and (j), 2.08 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.08 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Secured Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

The Loan Parties and the Secured Parties hereby irrevocably authorize the Administrative Agent, based upon the instruction of the Required Lenders, to (a) credit bid and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Section 363 of the Bankruptcy Code or any similar Laws in any other jurisdictions to which a Loan Party is subject, or (b) credit bid and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any other sale or foreclosure conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with applicable Law. In connection with any such credit bid and purchase, the Secured Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid ratably, after giving effect to the priorities outlined in the waterfall of payment in Section 8.03 above (with Secured Obligations with respect to contingent or unliquidated claims (excluding L/C Obligations and other contingent or unliquidated claims of a fixed or readily determinable amount) being disregarded for such purpose), and the Secured Parties whose Secured Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Secured Obligations credit bid in relation to the aggregate amount of Secured Obligations so credit bid) in the asset or assets so purchased (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such purchase). Except as provided above and otherwise expressly provided for herein or in the other Collateral Documents, the Administrative Agent will not execute and deliver a release of any Lien on any Collateral. Upon request by the Administrative Agent or the Borrower at any time, the Secured Parties will confirm in writing the Administrative Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 9.09.

9.10. Collateral and Multiparty Guaranty Matters. Each of the Lenders (including to the extent applicable, in its capacities as a Cash Management Bank and a Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion:

(a) to release any Lien on any property (including on any Equity Securities of Subsidiaries) granted to or held by the Administrative Agent under any Loan Document (i) upon the Facility Termination Date, (ii) that is sold, transferred or otherwise disposed of or to be sold, transferred or otherwise disposed of as part of or in connection with any sale, transfer or other disposition permitted hereunder or under any other Loan Document, ~~or~~ (iii) consisting of an instrument, if the Indebtedness evidenced thereby has been paid in full, (iv) consisting of Real Property Lease Accounts or of the Equity Interests in Real Estate Holding Subsidiaries, if requested by a Loan Party in connection with the incurrence by any Loan Party of any Indebtedness secured primarily by real property, to the extent such Indebtedness (and the Lien securing such Indebtedness) is permitted hereunder or to the extent that a Lien on such Equity Interests in favor of the Administrative Agent is not permitted thereunder (but, for the avoidance of doubt, no Lien on such Equity Interests shall be granted in favor of the provider of such Indebtedness), or (v) if approved, authorized or ratified in writing by the Required Lenders (or all Lenders to the extent required under Section 10.01) in accordance with Section 10.01; and

(b) to release any Guarantor from its obligations under the Multiparty Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Multiparty Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Multiparty Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11. Secured Cash Management Agreements and Secured Hedge Agreements. Except as otherwise expressly set forth herein, no Cash Management Bank or Hedge Bank that obtains the benefit of the provisions of Section 8.03, the Multiparty Guaranty or any Collateral by virtue of the provisions hereof or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Multiparty Guaranty or any Collateral Document) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and

Secured Hedge Agreements except to the extent expressly provided herein and unless the Administrative Agent has received a Secured Party Designation Notice of such Secured Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Secured Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements in the case of a Facility Termination Date.

**ARTICLE X.
MISCELLANEOUS**

10.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01(a) without the written consent of each Lender;
- (b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;
- (c) postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;
- (d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that (i) only the consent of the Required Lenders shall be necessary ~~(+)~~ to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate ~~or (+)~~ and (ii) only the consent of the Required Revolving and Term A Lenders shall be necessary to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;
- (e) change ~~Section(i)~~ Sections 2.12 or 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans among the Facilities from the application thereof set forth in the applicable provisions of Section 2.04(c) or 2.05(b), respectively, in any manner that materially and adversely affects the Lenders under a Facility without the written consent of (x) if such Facility is the Revolving Facility, the Required Revolving Lenders, (y) if such Facility is the Term A Facility, the Required Term A Lenders and (z) if such Facility is the Term B Facility, the Required Term B Lenders;
- (f) (i) ~~(+)~~ change any provision of this Section 10.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, ~~without the written consent of each Lender~~ (other than the definitions specified in clause (ii) of this Section 10.01(f)), without the written consent of each Lender or (ii) the definition of "Required Revolving and Term A Lenders", "Required Revolving Lenders", "Required Term A Lenders" or "Required Term B Lenders" without the written consent of each Lender under the applicable Facilities or Facility;
- (g) (i) amend Section 1.06 or the definition of "Alternative Currency" other than to eliminate currencies available to be utilized as Alternative Currencies without the written consent of each Lender, or (ii) amend the first parenthetical appearing in definition of "Interest Period" other than to eliminate such parenthetical or any period set forth in such parenthetical without the written consent of each Lender; or
- (h) release all or substantially all of the Collateral or all or substantially all of the value of the Multiparty Guaranty without the written consent of each Lender, except to the extent the release of any Guarantor is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone);

Notwithstanding anything to the contrary in this Section 10.01 or in any other provision of this Agreement or any other Loan Document:

(i) the Borrower and the Required Revolving and Term A Lenders may, without the consent of any other Lender, amend Section 7.11 (or any defined term used therein or in the definitions of such defined terms) or waive or grant a forbearance with respect to a Default or Event of Default resulting from a breach of any provision of such Section;

(ii) ~~and, provided further, that (i)~~ no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; ~~(iii)~~

(iii) the definition of "Letter of Credit Sublimit" may be amended with only the consent of the Borrower, the Administrative Agent, the L/C Issuer and the Required Revolving Lenders;

(iv) this Agreement may be amended as contemplated by clause (ii) of Section 2.13(e) in connection with the addition of a new term loan tranche with the consent of only the Administrative Agent, the Lenders providing such Term Loan and the Borrower; ~~(iii)~~

(v) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; ~~and (iv) the~~

(vi) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto ~~Notwithstanding the foregoing;~~ ;

(vii) the Administrative Agent and the Borrower may amend any Loan Document to (1) cure any ambiguity, omission, mistake, defect or inconsistency, in each case, of a technical nature or (2) make any change that would add or make more restrictive any covenant of the Loan Parties or provide an additional right or benefit to the Lenders or the L/C Issuer, so long as, in each case, (x) such changes shall not be adverse to the Lenders or the L/C Issuer, (y) the Lenders and the L/C Issuer shall have received at least five (5) Business Days' prior written notice thereof and (z) the Administrative Agent shall not have received, within five (5) Business Days following the date of such notice to the Lenders, written notice from (I) the Required Lenders stating that the Required Lenders object to such amendment or (II) if affected by such amendment, L/C Issuer stating that it objects to such amendment;

(viii) this Agreement may be amended by an Extension Amendment or a Refinancing Amendment as contemplated by and in accordance with Section 2.16 or Section 2.17 with the consent of only the Borrower, the Administrative Agent, the L/C Issuer (to the extent the terms of this Section 10.01 would require the L/C Issuer for the amendments effected in such Extension Amendment) and each (1) Extending Lender, in the case of an Extension Amendment, or (2) each applicable Credit Agreement Refinancing Facility Lender, in the case of a Refinancing Amendment;

(ix) only the written consent of the Administrative Agent shall be required for purposes of amending, waiving or otherwise modifying Section 6.17 or Schedule 6.17, ~~Notwithstanding anything to the contrary herein;~~ 6.17;

(x) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender; and

(xi) any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Administrative Agent and such Lender.

10.02. Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or any other Loan Party, the Administrative Agent or the L/C Issuer, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to ~~ARTICLE~~ Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials or notices through the platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to the Borrower, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. The Borrower, the Administrative Agent and the L/C Issuer may change its respective address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent and the L/C Issuer. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(c) Reliance by Administrative Agent, L/C Issuer and Lenders. The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices, Loan Notices and Letter of Credit Applications) purportedly given by or on behalf of the Borrower or any Guarantor even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower or any Guarantor. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03. No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.12), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.12, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall jointly and severally indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries,

or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against such Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such other Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower or any other Loan Party for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided further that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.11(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower and each other Loan Party shall not assert, and each hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 10.02(e) shall survive the resignation of the Administrative Agent and the L/C Issuer, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05. **Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower or any other Loan Party is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06. **Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any Guarantor may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment under any Facility and the Loans (including for purposes of this subsection (b), participations in L/C Obligations) at the time owing to it); provided that, in each case with respect to any Facility, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under any Facility and the Loans at the time owing to it under such Facility or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the ~~Commitment~~ Revolving Commitments and/or the Term B Commitments (which for this purpose includes Loans outstanding thereunder) under ~~any~~ the applicable Facility or, if the Commitment under such Facility is not then in effect, the principal outstanding balance of the Loans of the assigning Lender under such Facility subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 (or, solely with respect to the Term B Facility, \$1,000,000), unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof, and provided further, that the Borrower's consent shall not be required during the primary syndication of the Term B Facility;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment of Revolving Loans or Revolving Commitments.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, which, if such assignment relates to the Term B Facility, shall include a representation by the assignee that it is not a Disqualified Lender, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries except as provided in Section 10.06(h), (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), ~~or~~ (C) to a natural person or (D) solely with respect to the Term B Facility, subject to Section 10.06(g), to any Disqualified Lender.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this ~~paragraph~~ subsection, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower (and such agency being solely for tax purposes), shall maintain and update at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. In addition, the Administrative Agent shall maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than (w) a natural person, (x) a Defaulting Lender ~~or~~, (y) solely in respect of the Term B Facility, unless the Borrower has consented thereto, a Disqualified Lender, or (z) the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection

with such Lender's rights and obligations under this Agreement; provided further, that the written agreement or instrument pursuant to which a Lender sells a participation in respect of the Term B Facility shall include a representation by the Participant that it is not a Disqualified Lender (unless otherwise agreed by the Borrower). For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph subsection (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph subsection (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use commercially reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 10.13 with respect to any Participant.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant to which that Lender has sold a participation and the principal amounts (and stated interest) of each such Participant's interest in the Commitments, Loans, L/C Obligations or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, L/C Obligations or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, L/C Obligation or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other central banking authority; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation By Bank of America as L/C Issuer after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, upon 30 days' notice to the Borrower and the Revolving Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Borrower shall be entitled to appoint from among the Revolving Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Revolving Lenders to make Base Rate Revolving Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). Upon the appointment of a successor L/C Issuer, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, and (ii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

(g) Disqualified Lenders.

(i) Solely in respect of the Term B Facility, no assignment or, to the extent the DQ List has been posted on the Platform for all Lenders, sale of a participation shall be made to any Person that was a Disqualified Lender as of the date (the "Trade Effective Date") on which the assigning Lender entered into a binding agreement to sell and assign or participate all or a portion of its rights and obligations under this Agreement to such Person unless the Borrower has

consented to such assignment or participation to such entity, as otherwise contemplated by this Section 10.06, in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment or participation. For the avoidance of doubt, with respect to any assignee or participant that becomes a Disqualified Lender after the applicable Trade Effective Date (including as a result of the delivery of an updated DQ List pursuant to the definition of “Disqualified Lender”), (x) such assignee shall not retroactively be disqualified from being a Lender or participant and (y) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Administrative Agent and each assignor of a Term B Loan or Term B Commitments hereunder shall be entitled to rely conclusively on a representation of the assignee Lender in the relevant Assignment and Assumption that such assignee is not a Disqualified Lender. Any assignment with respect to the Term B Facility to a Disqualified Lender in violation of this clause (g)(i) shall not be void, but the other provisions of this clause (g) shall apply.

(ii) If any assignment is made in respect of the Term B Facility to any Disqualified Lender without the Borrower’s prior written consent in violation of clause (i) above or if any Person becomes a Disqualified Lender after the applicable Trade Effective Date, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (x) terminate any Term B Commitment of such Disqualified Lender, if applicable, and repay all obligations of the Borrower owing to such Disqualified Lender, such amount to equal the principal amount thereof plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents; provided that, such repayment may not be made with proceeds of the Loans provided hereunder, and/or (y) require such Disqualified Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions and conditions contained in this Section 10.06), all of its interest, rights and obligations under this Agreement and the other Loan Documents to one or more Eligible Assignees that shall assume such obligations at the lesser of (A) the principal amount thereof and (B) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and the other Loan Documents; provided that (x) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b)(iv) and (y) such assignment does not conflict with applicable Laws.

(iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders, solely in respect of the Term B Facility, (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (a “Bankruptcy Plan”), each Disqualified Lender party hereto hereby agrees (1) not to vote on such Bankruptcy Plan, (2) if such Disqualified Lender does vote on such Bankruptcy Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Bankruptcy Plan in accordance with Section 1126(c) of the Bankruptcy Code of the United States (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by any bankruptcy court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iv) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (x) post the DQ List on the Platform, including that portion of the Platform that is designated for “public side” Lenders or (y) provide the DQ List to each Lender requesting the same.

(h) Assignments to the Borrower. Notwithstanding anything to the contrary contained in this Section 10.06 or any other provision of this Agreement, so long as no Default or Event of Default has occurred and is continuing or would exist after giving effect thereto, each Term B Lender shall have the right at any time to sell, assign or transfer all or a portion of its Term B Loans to the Borrower on a non-pro rata basis, subject to the following limitations:

(i) Such sale, assignment or transfer shall be pursuant to either (1) one or more modified Dutch auctions conducted by the Borrower (each, an “Auction”) to repurchase all or any portion of the Term B Loans; provided that (x) notice of and the option to participate in the Auction shall be provided to all Term B Lenders, which notice shall contain language identifying the Borrower as the purchaser, assignee or transferee, as applicable, and (y) the Auction shall be

conducted pursuant to such procedures as the Auction Manager may establish, which are consistent with this Section 10.06(h) and the Auction Procedures and are otherwise reasonably acceptable to the Borrower and the Auction Manager or (2) Permitted Open Market Purchases.

(ii) The Borrower shall neither obtain nor have any rights as a Term B Lender hereunder or under the other Loan Documents by virtue of such assignment.

(iii) With respect to all repurchases made by the Borrower pursuant to this Section 10.06(h), (x) the Borrower shall not use the proceeds of any Revolving Loan to repurchase such Term B Loans and (y) the assigning Term B Lender and the Borrower shall execute and deliver to the Administrative Agent and, if the repurchase is made pursuant to an Auction, the Auction Manager, an Assignment and Assumption with respect to such repurchase.

(iv) Following a repurchase by the Borrower pursuant to this Section 10.06(h), (1) the Term B Loans so repurchased shall, immediately and without further action by any Person, be deemed canceled and no longer outstanding (and may not be resold by the Borrower) for all purposes of this Agreement and all other Loan Documents, including, but not limited to (x) the making of, or the application of, any payments to the Term B Lenders under this Agreement or any other Loan Document (it being understood that the remaining outstanding Term B Loans not so repurchased shall continue to be subject to the amortization provisions set forth in Section 2.06(c), (y) the making of any request, demand, authorization, direction, notice, consent or waiver under this Agreement or any other Loan Document or (z) the determination of the Required Lenders or the Required Term B Lenders, or for any similar or related purpose, under this Agreement or any other Loan Document and (2) the remaining scheduled amortization payments relating to the Term B Loans so repurchased shall be ratably reduced on account of such repurchase (but, for the avoidance of doubt, any repurchase of Term B Loans by the Borrower in accordance with this Section 10.06(h) shall not result in a reduction of the amounts payable under Section 2.06(c) with respect to Term B Loans that have not been so repurchased). In connection with any Term B Loans repurchased and canceled pursuant to this Section 10.06(h), the Administrative Agent is authorized to make appropriate entries in the Register to reflect any such cancellation.

10.07. **Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to Section 2.13(c) or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) with the consent of the Borrower, (h) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, "Information" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

10.08. **Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower and the other Loan Parties now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or Loan Parties may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness; ~~provided~~ that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Borrower or other relevant Loan Party and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09. **Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10. **Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means shall be effective as delivery of an original executed counterpart of this Agreement.

10.11. **Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12. **Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or the L/C Issuer, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13. **Replacement of Lenders.** If (i) any Lender requests compensation under Section 3.04, (ii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) any Lender is a Defaulting Lender or a Non-Extending Lender, or (iv) any Lender has refused or failed, within

a reasonable period of time (as determined by Administrative Agent in its reasonable discretion) from first receiving a written request therefor from Administrative Agent, to provide its written approval of any amendment, consent or waiver in respect of any matter related to this Agreement or the other Loan Documents requiring that all Lenders or all affected Lenders will have given written approval of such requested amendment, consent or waiver pursuant to Section 10.01 and in such instance Lenders sufficient to constitute Required Lenders have already provided such written approval pursuant to Section 10.01, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);
- (b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;
- (d) such assignment does not conflict with applicable Laws; ~~and~~
- (e) in the case of an assignment resulting from a Lender refusing or failing to provide its written approval referenced in clause (iv) above, the applicable assignee shall have consented to the applicable amendment, waiver or consent; ~~and~~
- (f) in the case of an assignment from a Non-Extending Lender, such assignment shall not be effective until the applicable Existing Maturity Date in accordance with Section 2.16(d).

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.14. Governing Law; Jurisdiction; Etc.

- (a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.
 - (b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.
 - (c) WAIVER OF VENUE. THE BORROWER AND EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO
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IN ~~PARAGRAPH~~SUBSECTION (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15. **Waiver of Jury Trial.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16. **No Advisory or Fiduciary Responsibility.** In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Joint Lead Arrangers and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers and the Lenders, on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each Joint Lead Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent nor any Lender or Joint Lead Arranger has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Joint Lead Arrangers, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent nor any Lender or Joint Lead Arranger has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. Each of the Borrower and the other Loan Parties agrees that it will not claim that any of the Administrative Agent, Joint Lead Arrangers or Lenders has rendered advisory services of any nature or respect or owes a fiduciary or similar duty to the Borrower or such Loan Party, in connection with the transactions contemplated hereby or the process leading thereto.

10.17. **Electronic Execution of Assignments and Certain Other Documents.** The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Loan Notices, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

10.18. **USA PATRIOT Act.** Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation

and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

10.19. **Multiparty Guaranty.**

(a) **Multiparty Guaranty.** Each Guarantor hereby absolutely and unconditionally, jointly and severally guarantees, as a guaranty of payment and performance and not merely as a guaranty of collection, prompt payment when due, whether at stated maturity, by required prepayment, upon acceleration, demand or otherwise, and at all times thereafter, of any and all of the Secured Obligations, whether for principal, interest, premiums, fees, indemnities, damages, costs, expenses or otherwise, of the Borrower to the Secured Parties, arising hereunder or under any other Loan Document, any Secured Cash Management Agreement or any Secured Hedge Agreement (including all renewals, extensions, amendments, refinancings and other modifications thereof and all costs, attorneys’ fees and expenses incurred by the Secured Parties in connection with the collection or enforcement thereof). Notwithstanding the foregoing, the liability of each Guarantor individually with respect to this Multiparty Guaranty shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law. The Administrative Agent’s books and records showing the amount of the Secured Obligations shall be admissible in evidence in any action or proceeding, and shall be binding upon each Guarantor, and conclusive for the purpose of establishing the amount of the Secured Obligations. This Multiparty Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Secured Obligations or any instrument or agreement evidencing any Secured Obligations, or by the existence, validity, enforceability, perfection, non-perfection or extent of any collateral therefor, or by any fact or circumstance relating to the Secured Obligations which might otherwise constitute a defense to the obligations of the Guarantors, or any of them, under this Multiparty Guaranty, and each Guarantor hereby irrevocably waives any defenses it may now have or hereafter acquire in any way relating to any or all of the foregoing.

(b) **Rights of Lenders.** Each Guarantor consents and agrees that the Secured Parties may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof: (i) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Secured Obligations or any part thereof; (ii) take, hold, exchange, enforce, waive, release, fail to perfect, sell, or otherwise dispose of any security for the payment of this Multiparty Guaranty or any Secured Obligations; (iii) apply such security and direct the order or manner of sale thereof as the Administrative Agent, the L/C Issuer and the Lenders in their sole discretion may determine; and (iv) release or substitute one or more of any endorser or other guarantors of any of the Secured Obligations. Without limiting the generality of the foregoing, each Guarantor consents to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of such Guarantor under this Multiparty Guaranty or which, but for this provision, might operate as a discharge of such Guarantor.

(c) **Certain Waivers.** Each Guarantor waives (i) any defense arising by reason of any disability or other defense of the Borrower or any other guarantor, or the cessation from any cause whatsoever (including any act or omission of any Secured Party) of the liability of the Borrower; (ii) any defense based on any claim that such Guarantor’s obligations exceed or are more burdensome than those of the Borrower; (iii) the benefit of any statute of limitations affecting any Guarantor’s liability hereunder; (iv) any right to proceed against the Borrower, proceed against or exhaust any security for the Secured Obligations, or pursue any other remedy in the power of any Secured Party whatsoever; (v) any benefit of and any right to participate in any security now or hereafter held by any Secured Party; and (vi) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable Law limiting the liability of or exonerating guarantors or sureties. Each Guarantor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Secured Obligations, and all notices of acceptance of this Multiparty Guaranty or of the existence, creation or incurrence of new or additional Secured Obligations. Each Guarantor waives any rights and defenses that are or may become available to it by reason of §§ 2787 to 2855, inclusive, and §§ 2899 and 3433 of the California Civil Code.

(d) **Obligations Independent.** The obligations of each Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Secured Obligations and the obligations of any other guarantor, and a separate action may be brought against each Guarantor to enforce this Multiparty Guaranty whether or not the Borrower or any other person or entity is joined as a party.

(e) **Subrogation.** No Guarantor shall exercise any right of subrogation, contribution, indemnity, reimbursement or similar rights with respect to any payments it makes under this Multiparty Guaranty until all of the Secured Obligations and any amounts payable under this Multiparty Guaranty have been indefeasibly paid and performed in full and the Commitments and the Facilities are terminated. If any amounts are paid to a Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to reduce the amount of the Secured Obligations, whether matured or unmatured.

(f) Termination; Reinstatement. This Multiparty Guaranty is a continuing and irrevocable guaranty of all Secured Obligations now or hereafter existing and shall remain in full force and effect until the Facility Termination Date (whereupon the Guarantors' obligations under this Multiparty Guaranty shall terminate, other than contingent indemnification obligations and subject to the following sentences). Notwithstanding the foregoing, this Multiparty Guaranty shall continue in full force and effect or be revived, as the case may be, if any payment by or on behalf of the Borrower or a Guarantor is made, or any of the Secured Parties exercises its right of setoff, in respect of the Secured Obligations and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by any of the Secured Parties in their discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such payment had not been made or such setoff had not occurred and whether or not the Secured Parties are in possession of or have released this Multiparty Guaranty and regardless of any prior revocation, rescission, termination or reduction. The obligations of each Guarantor under this ~~paragraph~~ subsection shall survive termination of this Multiparty Guaranty.

(g) Stay of Acceleration. If acceleration of the time for payment of any of the Secured Obligations is stayed, in connection with any case commenced by or against a Guarantor or the Borrower under any Debtor Relief Laws, or otherwise, all such amounts shall nonetheless be payable by each Guarantor, jointly and severally, immediately upon demand by the Secured Parties.

(h) Condition of Borrower. Each Guarantor acknowledges and agrees that it has the sole responsibility for, and has adequate means of, obtaining from the Borrower and any other guarantor such information concerning the financial condition, business and operations of the Borrower and any such other guarantor as such Guarantor requires, and that none of the Secured Parties has any duty, and such Guarantor is not relying on the Secured Parties at any time, to disclose to it any information relating to the business, operations or financial condition of the Borrower or any other guarantor (each Guarantor waiving any duty on the part of the Secured Parties to disclose such information and any defense relating to the failure to provide the same).

(i) Appointment of Borrower. Each of the Guarantors hereby appoints the Borrower to act as its agent for all purposes of this Agreement and the other Loan Documents and agrees that (i) the Borrower may execute such documents on behalf of such Guarantor as the Borrower deems appropriate in its sole discretion and each Guarantor shall be obligated by all of the terms of any such document executed on its behalf, (ii) any notice or communication delivered by the Administrative Agent or the Lender to the Borrower shall be deemed delivered to each Guarantor and (iii) the Administrative Agent or the Lenders may accept, and be permitted to rely on, any document, instrument or agreement executed by the Borrower on behalf of each Guarantor.

(j) Right of Contribution. The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable Law.

(k) Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time the Multiparty Guaranty or the grant of the security interest under the Loan Documents, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under this Multiparty Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Section 10.19(k) voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Qualified ECP Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

10.20. Designation as Senior Debt. All Obligations shall be "Designated Senior Indebtedness" for purposes of, and as defined in, each of (i) that certain indenture dated as of June 12, 2009, between Equinix, as issuer, and U.S. Bank National Association, as trustee, and all supplemental indentures thereto, and (ii) any future subordinated indentures or similar instruments issued by any Loan Party after the Closing Date.

10.21. Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day

following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

10.22. **Subordination.** Each Loan Party (a “Subordinating Loan Party”) hereby subordinates the payment of all obligations and indebtedness of any other Loan Party owing to it, whether now existing or hereafter arising, including but not limited to any obligation of any such other Loan Party to the Subordinating Loan Party as subrogee of the Secured Parties or resulting from such Subordinating Loan Party’s performance under the Multiparty Guaranty, to the indefeasible payment in full in cash of all Obligations. If the Administrative Agent on behalf of the Secured Parties so requests while a Default or Event of Default has occurred and is continuing (any such request, a “Turnover Request”), any such obligation or indebtedness of any such other Loan Party to the Subordinating Loan Party shall be enforced and performance received by the Subordinating Loan Party as trustee for the Secured Parties and the proceeds thereof shall be paid over to the Administrative Agent for the benefit of the Secured Parties on account of the Secured Obligations, but without reducing or affecting in any manner the liability of the Subordinating Loan Party under this Agreement. Without limitation of the foregoing, so long as no Default or Event of Default has occurred and is continuing and the Administrative Agent on behalf of the Secured Parties has not made a Turnover Request, the Loan Parties may make and receive payments with respect to intercompany obligations and Indebtedness; ~~provided~~ that, in the event that any Loan Party receives any payment of any intercompany obligations and Indebtedness at a time when such payment is prohibited by this Section, such payment shall be held by such Loan Party, in trust for the benefit of, and shall be paid forthwith over and delivered, upon written request, to the Administrative Agent.

10.23. **Parallel Debt (Dutch Collateral Documents).** To grant the collateral security pursuant to the Collateral Documents governed by Dutch law to the Administrative Agent, each Loan Party irrevocably and unconditionally undertakes (and to the extent necessary undertakes in advance (*bij voorbaat*)) to pay to the Administrative Agent amounts equal to any amounts owing from time to time by such Loan Party to any Secured Party under any Loan Document as and when those amounts are due. Each Loan Party and the Administrative Agent and the other Secured Parties acknowledge that the obligations of each Loan Party under this Section 10.23 are several and are separate and independent (*eigen zelfstandige verplichtingen*) from, and shall not in any way limit or affect, the corresponding obligations of that Loan Party to any Secured Party under this Agreement or any other Loan Document (its “Corresponding Debt”) nor shall the amounts for which each Loan Party is liable under this Section 10.23 (its “Parallel Debt”) be limited or affected in any way by its Corresponding Debt ~~provided~~ that: (a) the Parallel Debt of each Loan Party shall be decreased to the extent that its Corresponding Debt has been irrevocably paid or (in the case of guarantee obligations) discharged; (b) the Corresponding Debt of each Loan Party shall be decreased to the extent that its Parallel Debt has been irrevocably paid or (in the case of guarantee obligations) discharged; and (c) the amount of the Parallel Debt of each Loan Party shall at all times be equal to the amount of its Corresponding Debt. For the purpose of this Section 10.23, the Administrative Agent acts in its own name and on behalf of itself and not as agent, representative or trustee of any other Secured Party, and its claims in respect of each Parallel Debt shall not be held in trust. The collateral security granted under the Dutch law Collateral Documents to the Administrative Agent to secure each Parallel Debt is granted to the Administrative Agent in its capacity as sole creditor of each Parallel Debt. All monies received or recovered by the Administrative Agent pursuant to this Section 10.23, and all amounts received or recovered by the Administrative Agent from or by the enforcement of any collateral security granted to secure each Parallel Debt, shall be applied in accordance with Section 8.03. Without limiting or affecting the Administrative Agent’s rights against the Loan Parties (whether under this Section 10.23 or under any other provision of the Loan Documents), each Loan Party acknowledges that: (x) nothing in this Section 10.23 shall impose any obligation on the Administrative Agent to advance any sum to any Loan Party or otherwise under any Loan Document, except in its capacity as Lender or L/C Issuer, as the case may be, pursuant to other terms of this Agreement; and (y) for the purpose of any vote taken under any Loan Document, the Administrative Agent shall not be regarded as having any participation or commitment other than those which it has in its capacity as a Lender or L/C Issuer, as the case may be. For the avoidance of doubt: (i) the Parallel Debt of each Loan Party will become due and payable (*opeisbaar*) at the same time its Corresponding Debt becomes due and payable; and (ii) without prejudice to this Section 10.23, a Loan Party may not repay or prepay its Parallel Debt unless directed to do so by the Administrative Agent or the collateral security is enforced by the Administrative Agent.

10.24. **Waiver of Certain Notices Under the Existing Credit Agreement.** Immediately prior to giving effect to this Agreement, the Existing Administrative Agent and each Lender that is a “Lender” under and as defined in the Existing Credit Agreement hereby agree to waive the requirements set forth in (i) Sections 2.06(a) and (b) of the Existing Credit Agreement requiring the Borrower to provide an Optional Prepayment Notice (as defined in the Existing Credit Agreement) not less than

three Business Days prior to the date of prepayment of Eurocurrency Rate Revolving Loans or Term Loans (each as defined in the Existing Credit Agreement), respectively, and (b) Section 2.07 of the Existing Credit Agreement requiring the Borrower to provide an Optional Termination/Reduction Notice (as defined in the Existing Credit Agreement) not less than five Business Days prior to the date of termination of the Aggregate Revolving Commitments (as defined in the Existing Credit Agreement).

[Rest of page intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

EQUINIX, INC.

By:
Name:
Title:

GUARANTORS:

EQUINIX LLC

By:
Name:
Title:

SWITCH & DATA LLC

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as Administrative Agent

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as Existing Administrative Agent

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as a Lender and L/C Issuer

By:
Name:
Title:

[OTHER LENDER],
as a Lender

By:
Name:
Title:

Exhibit B

Schedule 2.01 - Commitments and Applicable Percentages

(See Attached)

COMMITMENTS AND APPLICABLE PERCENTAGES

REVOLVING COMMITMENTS

Lender	Revolving Commitment (\$)	Applicable Percentage of Revolving Commitments (%)
Bank of America, N.A.	\$208,333,333.33	13.88888889%
JPMorgan Chase Bank, N.A.	\$208,333,333.33	13.88888889%
Toronto Dominion (Texas) LLC	\$183,333,333.34	12.22222223%
MUFG Union Bank, N.A.	\$160,000,000.00	10.66666667%
Citibank, N.A.	\$135,000,000.00	9.00000000%
ING Bank N.B., Singapore Branch	\$135,000,000.00	9.00000000%
Royal Bank of Canada	\$135,000,000.00	9.00000000%
Barclays Bank PLC	\$125,000,000.00	8.33333333%
HSBC Bank U.S.A., N.A.	\$80,000,000.00	5.33333333%
Goldman Sachs Bank USA	\$65,000,000.00	4.33333333%
U.S. Bank, National Association	\$65,000,000.00	4.33333333%
Total	\$1,500,000,000	100%

COMMITMENTS AND APPLICABLE PERCENTAGES (Cont.)

TERM A LOANS

Lender	Euro Term A Loan	Applicable Percentage of Euro Term A Loans (%)	Sterling Term A Loan	Applicable Percentage of Sterling Term A Loans (%)	CHF Term A Loan	Applicable Percentage of CHF Term A Loans (%)	Yen Term A Loan	Applicable Percentage of Yen Term A Loans (%)
Bank of America, N.A.	€23,652,886.37	13.33333%	£11,840,990.61	13.33333%	CHF 6,110,639.42	13.33333%	¥1,524,974,150	13.33333%
JPMorgan Chase Bank, N.A.	€23,652,886.34	13.33333%	£11,840,990.61	13.33333%	CHF 6,110,639.45	13.33333%	¥1,524,974,150	13.33333%
Toronto Dominion (Texas) LLC	€23,652,886.34	13.33333%	£11,840,990.61	13.33333%	CHF 6,110,639.45	13.33333%	¥1,524,974,150	13.33333%
MUFG Union Bank, N.A.	€8,869,832.37	5.00000%	£4,440,371.48	5.00000%	CHF 2,291,489.80	5.00000%	¥571,865,306	5.00000%
Citibank, N.A.	€17,739,664.75	10.00000%	£8,880,742.96	10.00000%	CHF 4,582,979.60	10.00000%	¥1,143,730,612	10.00000%
ING Bank N.B., Singapore Branch	€17,739,664.75	10.00000%	£8,880,742.96	10.00000%	CHF 4,582,979.60	10.00000%	¥1,143,730,612	10.00000%
Royal Bank of Canada	€17,739,664.75	10.00000%	£8,880,742.96	10.00000%	CHF 4,582,979.60	10.00000%	¥1,143,730,612	10.00000%
Barclays Bank PLC	€17,739,664.75	10.00000%	£8,880,742.96	10.00000%	CHF 4,582,979.60	10.00000%	¥1,143,730,612	10.00000%
HSBC Bank U.S.A., N.A.	€8,869,832.37	5.00000%	£4,440,371.48	5.00000%	CHF 2,291,489.80	5.00000%	¥571,865,306	5.00000%
Goldman Sachs Bank USA	€8,869,832.37	5.00000%	£4,440,371.48	5.00000%	CHF 2,291,489.80	5.00000%	¥571,865,306	5.00000%
U.S. Bank, National Association	€8,869,832.37	5.00000%	£4,440,371.48	5.00000%	CHF 2,291,489.80	5.00000%	¥571,865,306	5.00000%
Total	€177,396,647.53	100%	£88,807,429.59	100%	CHF 45,829,795.92	100%	¥11,437,306,123	100%

COMMITMENTS AND APPLICABLE PERCENTAGES (Cont.)

TERM B COMMITMENTS

Lender	Sterling Term B Commitment (£)	Applicable Percentage Sterling Term B Commitments (%)	Dollar Term B Commitment (\$)	Applicable Percentage of Dollar Term B Commitments (%)
Bank of America, N.A.	£300,000,000.00	100.0000000000%	\$250,000,000.00	100.0000000000%
Total				

Exhibit C

Schedule 5.13 - Subsidiaries; Other Equity Investments

(See Attached)

SUBSIDIARIES; OTHER EQUITY INVESTMENTS

Part (a)

Entity	Ownership
AMERICAS	
Equinix LLC*	Wholly owned by Equinix, Inc.
Equinix Pacific LLC*	Wholly owned by Equinix, Inc.
Equinix South America Holdings, LLC*	Wholly owned by Equinix, Inc.
Equinix RP II LLC*	Wholly owned by Equinix LLC
Equinix (US) Enterprises, Inc.*	Wholly owned by Equinix LLC
CHI 3, LLC*	Wholly owned by Equinix LLC
CHI 3 Procurement, LLC*	Wholly owned by Equinix LLC
NY 3, LLC*	Wholly owned by Equinix, Inc.
SV1, LLC*	Wholly owned by Equinix LLC
LA4, LLC*	Wholly owned by Equinix LLC
Switch & Data LLC*	Wholly owned by Equinix, LLC
Switch & Data Facilities Company LLC*	Wholly owned by Switch & Data LLC
Switch and Data Operating Company LLC*	Wholly owned by Switch & Data LLC
Equinix Operating Co LLC*	Wholly owned by Switch & Data LLC
Equinix Canada Ltd.	Wholly owned by Equinix, Inc.
Equinix (Canada) Enterprises Ltd.	Wholly owned by Equinix Canada Ltd.
Switch and Data CA Nine LLC*	Wholly owned by Equinix, Inc.
Switch & Data MA One LLC*	Wholly owned by Switch & Data Facilities Company LLC
Switch And Data NJ Two LLC*	Wholly owned by Equinix, Inc.
NY2 Hartz Way, LLC*	Wholly owned by Equinix, Inc.
Switch & Data/NY Facilities Company, LLC*	Wholly owned by Switch and Data Operating Company LLC
Switch and Data VA Four LLC*	Wholly owned by Switch and Data Operating Company LLC
Switch & Data WA One LLC*	Wholly owned by Equinix, Inc.
Equinix Do Brasil Participacoes Ltda.	100% owned by Equinix South America Holdings, LLC
Alog Soluções de Tecnologia em Informática S.A.	52.46% owned by Equinix South America Holdings, LLC and 47.54% owned by Equinix Do Brasil Participacoes Ltda.
Alog-03 Soluções de Tecnologia em Informática Ltda.	100% by Alog Soluções de Tecnologia em Informática S.A.
ASIA PACIFIC	
Equinix Hong Kong Ltd	Wholly owned by Equinix Pacific LLC
Equinix Japan K.K.	Wholly owned by Equinix Pacific LLC
Equinix (Japan) Enterprises K.K.	Wholly owned by Japan K.K.
Equinix Australia Pty Ltd	Wholly owned by Equinix Hong Kong Ltd
Equinix Asia Pacific Pte Ltd	Wholly owned by Equinix Pacific LLC
Equinix Singapore Holdings Pte Ltd	Wholly owned by Equinix Asia Pacific Pte Ltd
Equinix Singapore Pte Ltd	Wholly owned by Equinix Singapore Holdings Pte Ltd

Equinix Information Technologies Hong Kong Limited	Wholly owned by Equinix Hong Kong Ltd
Equinix Information Technology (Shanghai) Co Ltd.	Wholly owned by Equinix Hong Kong Ltd
Equinix YP Information Technology (Shanghai) Co Ltd.	Wholly owned by Equinix Hong Kong Ltd
Equinix (Hong Kong) Enterprises Limited	Wholly owned by Equinix Hong Kong Ltd
Equinix (Australia) Enterprises Pty Limited	Wholly owned by Equinix Australia Pty Limited
Equinix (Singapore) Enterprises Pte. Ltd.	Wholly owned by Equinix Singapore Pte. Ltd.
EJAE2 G.K.	95% owned by Equinix (Japan) Enterprises K.K. 5% owned by Equinix Pacific LLC
QAON G.K.	Wholly owned by EJAE2 G.K.
Bit-Isle Inc.	96% owned by QAON G.K.
Bit-Surf Inc.	Wholly owned by Bit-Isle Inc.
AXLBIT, Inc.	Wholly owned by Bit-Isle Inc.
siteROCK K.K.	Wholly owned by Bit-Isle Inc.
Terra Power Co., Ltd.	Wholly owned by Bit-Isle Inc.
Nihon Clean Energy Co., Ltd.	Wholly owned by Bit-Isle Inc.
SETA International Co., Ltd.	50% owned by Bit-Isle Inc.
SETA International Asia Co., Ltd.	Wholly owned by SETA International Co., Ltd.
TP1 GK	Wholly owned by Terra Power Co., Ltd.
libraNEO Co., Ltd.	Wholly owned by Terra Power Co., Ltd.
Equinix Asia Pacific Holdings Pte. Ltd.	Wholly owned by Equinix Pacific LLC
EMEA	
EQIX (Global Holdings) C.V.	Over 99.5% owned by Equinix, Inc. Less than 0.5% owned by NY 3, LLC
Equinix (Luxembourg) Holdings S.à r.l.	Wholly owned by EQIX (Global Holdings) C.V.
Equinix (EMEA) B.V.	Wholly owned by EQIX (Global Holdings) C.V.
Equinix (Luxembourg) Investments S.à r.l.	Wholly owned by Equinix (Luxembourg) Holdings S.à r.l.
Equinix Europe Ltd	Wholly owned by Equinix (EMEA) Holdings B.V.
Equinix Group Ltd	Wholly owned by Equinix Europe Ltd
Equinix (UK) Ltd	Wholly owned by Equinix Europe Ltd
Equinix (UK) Enterprises Ltd	Wholly owned by Equinix (UK) Ltd
Equinix (Services) Ltd	Wholly owned by Equinix Europe Ltd
Equinix (Netherlands) Holdings BV	Wholly owned by Equinix Europe Ltd
Equinix (London) LTD.	Wholly owned by Equinix (Netherlands) Holdings BV
Equinix Middle East FZ-LLC	Wholly owned by Equinix (Netherlands) Holdings BV
Equinix (Real Estate) B.V.	Wholly owned by Equinix (Netherlands) Holdings BV
Equinix Netherlands BV	Wholly owned by Equinix (Netherlands) Holdings BV
Equinix (Netherlands) Enterprises BV	Wholly owned by Equinix Netherlands BV
Virtu Secure Webservices B.V.	Wholly owned by Equinix Netherlands BV
Equinix (Real Estate) GmbH	94% owned by Equinix (Netherlands) Holdings BV 6% owned by EQIX (Global Holdings) C.V.
Upminster GmbH	94% owned by Equinix (Netherlands) Holdings BV 6% owned by EQIX (Global Holdings) C.V.
Equinix (Germany) GmbH	Wholly owned by Upminster GmbH
ancotel HK Ltd	Wholly owned by Equinix (Germany) GmbH
ancotel UK Ltd	Wholly owned by Equinix (Germany) GmbH
Equinix (Germany) Enterprises GmbH	Wholly owned by Equinix (Germany) GmbH
Equinix (Switzerland) GmbH	Wholly owned by Equinix (Netherlands) Holdings BV

Equinix (Switzerland) Enterprises GmbH	Wholly owned by Equinix (Switzerland) GmbH
Equinix (France) SAS	Wholly owned by Equinix Europe Ltd.
Equinix (France) Enterprises SAS	Wholly owned by Equinix (France) SAS
Equinix Italia S.r.l.	Wholly owned by Equinix Europe Ltd
Equinix Corporation Ltd	Wholly owned by Equinix Europe Ltd
Equinix Investments Ltd	Wholly owned by Equinix Corporation Ltd
Interconnect Exchange Europe SL	Wholly owned by Equinix Investments Ltd
Equinix (EMEA) Acquisition Enterprises B.V.	Wholly owned by EQIX (Global Holdings) C.V.
Equinix (UK) Acquisition Enterprises Limited	Wholly owned by Equinix (EMEA) Acquisition Enterprises B.V.
Equinix (EMEA) Holdings B.V.	Wholly owned by Equinix (Luxembourg) Investments S.a.r.l.
Equinix (Spain), S.L.	Wholly owned by Equinix (Netherlands) Holdings B.V.

*Denotes Domestic Subsidiary

Part (b)

Moran Road Partners, LLC is 25% owned by Equinix LLC.

Exhibit D

Schedule 10.06(h) - Auction Procedures

(See Attached)

Schedule 10.06(h)

AUCTION PROCEDURES

This outline is intended to summarize certain basic terms of procedures with respect to certain Borrower buy-backs (each, an "Auction") pursuant to and in accordance with the terms and conditions of Section 10.06(h) of the Credit Agreement to which this Schedule 10.06(h) is attached. It is not intended to be a definitive list of all of the terms and conditions of an Auction and all such terms and conditions shall be set forth in the applicable auction procedures documentation set for each Auction (the "Offer Documents"). None of the Administrative Agent, Bank of America, N.A. (or, if Bank of America, N.A. declines to act in such capacity, an investment bank of recognized standing selected by the Borrower) (the "Auction Manager") or any of their respective Affiliates makes any recommendation pursuant to the Offer Documents as to whether or not any Term B Lender should sell by assignment any of its Term B Loans pursuant to the Offer Documents (including, for the avoidance of doubt, by participating in the Auction as a Term B Lender) or whether or not the Borrower should purchase by assignment any Term B Loans from any Term B Lender pursuant to any Auction. Each Term B Lender should make its own decision as to whether to sell by assignment any of its Term B Loans and, if so, the principal amount of and price to be sought for such Term B Loans. In addition, each Term B Lender should consult its own attorney, business advisor or tax advisor as to legal, business, tax and related matters concerning any Auction and the Offer Documents. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

Summary. The Borrower may purchase (by assignment) Term B Loans on a non-pro rata basis by conducting one or more Auctions pursuant to the procedures described herein; provided that no more than one Auction may be ongoing at any one time and no more than three (3) Auctions may be made in any period of four consecutive fiscal quarters of the Borrower.

Notice Procedures. In connection with each Auction, the Borrower will provide notification to the Auction Manager (for distribution to the Term B Lenders) of the Term B Loans that will be the subject of the Auction by delivering to the Auction Manager a written notice in form and substance reasonably satisfactory to the Auction Manager (an "Auction Notice"). Each Auction Notice shall contain (i) the maximum principal amount of Term B Loans the Borrower is willing to purchase (by assignment) in the Auction (the "Auction Amount"), which shall be no less than \$5,000,000 or an integral multiple of \$1,000,000 in excess of thereof, (ii) the range of discounts to par (the "Discount Range"), expressed as a range of prices per \$1,000 of Term B Loans, at which the Borrower would be willing to purchase Term B Loans in the Auction, (iii) the first date on which Return Bids (as defined below) may be submitted and (iv) the date on which the Auction will conclude, on which date Return Bids will be due at the time provided in the Auction Notice (such time, the "Expiration Time"), as such date and time may be extended upon notice by the Borrower to the Auction Manager not less than 24 hours before the original Expiration Time. For the avoidance of doubt, the Offer Documents will not include any representation or warranty by the Borrower to the effect that it is not in possession of any information that has not been disclosed to the Administrative Agent and Lenders that are not Public Lenders and that may be material to a Lender's decision to participate in such Auction. The Auction Manager will deliver a copy of the Offer Documents to each Term B Lender promptly following completion thereof.

Reply Procedures. In connection with any Auction, each Term B Lender holding Term B Loans wishing to participate in such Auction shall, prior to the Expiration Time, provide the Auction Manager with a notice of participation in form and substance reasonably satisfactory to the Auction Manager (the "Return Bid", to be included in the Offer Documents) which shall specify (i) a discount to par that must be expressed as a price per \$1,000 of Term B Loans (the "Reply Price") within the Discount Range and (ii) the principal amount of Term B Loans, in an amount not less than \$1,000,000, that such Term B Lender is willing to offer for sale at its Reply Price (the "Reply Amount"); provided that each Term B Lender may submit a Reply Amount that is less than the minimum amount described above only if the Reply Amount comprises the entire amount of the Term B Loans held by such Term B Lender at such time. A Term B Lender may only submit one Return Bid per Auction, but each Return Bid may contain up to three component bids, each of which may result in a separate Qualifying Bid (as defined below) and each of which will not be contingent on any other component bid submitted by such Term B Lender resulting in a Qualifying Bid. In addition to the Return Bid, a participating Term B Lender must execute and deliver, to be held by the Auction Manager, an assignment and acceptance in the form included in the Offer Documents which shall be in form and substance reasonably satisfactory to the Auction Manager and the Administrative Agent (the "Auction Assignment and Acceptance"). The Borrower will not purchase any Term B Loans at a price that is outside of the applicable Discount Range, nor will any Return Bids (including any component bids specified therein) submitted at a price that is outside such applicable Discount Range be considered in any calculation of the Applicable Threshold Price (as defined below).

Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Manager, the Auction Manager, in consultation with the Borrower, will calculate the lowest purchase price (the "Applicable Threshold Price") for the Auction within the Discount Range for the Auction that will allow the Borrower to complete the Auction by purchasing the full Auction Amount (or such lesser amount of Terms B Loans for which the Borrower has received Qualifying Bids). The Borrower

shall purchase (by assignment) Term B Loans from each Term B Lender whose Return Bid is within the Discount Range and contains a Reply Price that is equal to or less than the Applicable Threshold Price (each, a “Qualifying Bid”). The principal amount of all Term B Loans included in Qualifying Bids received at a Reply Price lower than the Applicable Threshold Price will be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration. If a Term B Lender has submitted a Return Bid containing multiple component bids at different Reply Prices, then all Term B Loans of such Term B Lender offered in any such component bid that constitutes a Qualifying Bid with a Reply Price lower than the Applicable Threshold Price shall also be purchased at a purchase price equal to the applicable Reply Price and shall not be subject to proration.

Proration Procedures. All Term B Loans offered in Return Bids (or, if applicable, any component bid thereof) constituting Qualifying Bids equal to the Applicable Threshold Price will be purchased at a purchase price equal to the Applicable Threshold Price; provided that if the aggregate principal amount of all Term B Loans for which Qualifying Bids have been submitted in any given Auction equal to the Applicable Threshold Price would exceed the remaining portion of the Auction Amount (after deducting all Term B Loans purchased below the Applicable Threshold Price), the Borrower shall purchase the Term B Loans for which the Qualifying Bids submitted were at the Applicable Threshold Price ratably based on the respective principal amounts offered and in an aggregate amount up to the amount necessary to complete the purchase of the Auction Amount. For the avoidance of doubt, no Return Bids (or any component thereof) will be accepted above the Applicable Threshold Price.

Notification Procedures. The Auction Manager, in consultation with the Borrower, will calculate the Applicable Threshold Price no later than two (2) Business Days after the date that the Return Bids were due. The Auction Manager will insert the amount of Term B Loans to be assigned and the applicable settlement date determined by the Auction Manager in consultation with the Borrower onto each applicable Auction Assignment and Acceptance received in connection with a Qualifying Bid. Upon written request of the submitting Term B Lender, the Auction Manager will promptly return any Auction Assignment and Acceptance received in connection with a Return Bid that is not a Qualifying Bid.

Additional Procedures. Once initiated by an Auction Notice, the Borrower may withdraw an Auction by written notice to the Auction Manager no later than 24 hours before the original Expiration Time so long as no Qualifying Bids have been received by the Auction Manager at or prior to the time the Auction Manager receives such written notice from the Borrower. Any Return Bid (including any component bid thereof) delivered to the Auction Manager may not be modified, revoked, terminated or cancelled; provided that a Term B Lender may modify a Return Bid at any time prior to the Expiration Time solely to reduce the Reply Price included in such Return Bid. However, an Auction shall become void if the Borrower fails to satisfy one or more of the conditions to the purchase of Term B Loans set forth in Section 10.06(h) of the Credit Agreement, as applicable, or to otherwise comply with any of the provisions of such Section 10.06(h). The purchase price for all Term B Loans purchased in an Auction shall be paid in cash by the Borrower directly to the respective assigning Term B Lender on a settlement date as determined by the Auction Manager in consultation with the Borrower (which shall be no later than ten (10) Business Days after the date Return Bids are due), along with accrued and unpaid interest (if any) on the applicable Term B Loans up to the settlement date. The Borrower shall execute each applicable Auction Assignment and Acceptance received in connection with a Qualifying Bid.

All questions as to the form of documents and validity and eligibility of Term B Loans that are the subject of an Auction will be determined by the Auction Manager, in consultation with the Borrower, and the Auction Manager’s determination will be conclusive, absent manifest error. The Auction Manager’s interpretation of the terms and conditions of the Offer Document, in consultation with the Borrower, will be final and binding.

None of the Administrative Agent, the Auction Manager, any other agent or any of their respective affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Borrower, the Loan Parties or any of their Affiliates contained in the Offer Documents or otherwise or for any failure to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Auction Manager acting in its capacity as such under an Auction shall be entitled to the benefits of the provisions of Article IX and Section 10.04 of the Credit Agreement to the same extent as if each reference therein to the “Administrative Agent” were a reference to the Auction Manager, each reference therein to the “Loan Documents” were a reference to the Offer Documents, the Auction Notice and Auction Assignment and Acceptance, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction.

This Schedule 10.06(h) shall not require the Borrower to initiate any Auction, nor shall any Term B Lender be obligated to participate in any Auction.

Exhibit E

Exhibit A - Form of Loan Notice

(See Attached)

FORM OF LOAN NOTICE

To: Bank of America, N.A., as Administrative Agent

Date: _____, _____

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 17, 2014 (as amended and as it may be further amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Equinix, Inc., as borrower (the "Borrower"), the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The undersigned hereby requests (select one):

- A Borrowing of [Revolving][Term B] Loans
- A [conversion] or [continuation] of [Revolving][CHF Term][Euro Term][Sterling Term A][Yen Term][Term B] Loans

1. On _____ (a Business Day) (the "Borrowing Date").
2. In the amount of [\$][CHF][€][¥][£]
[_____].
3. Comprised of _____ .
[Type of Loan requested]
4. In the following currency: _____.
5. For Eurocurrency Rate Loans: with an Interest Period of ___ months.

The [Revolving] [CHF Term][Euro Term][Sterling Term A][Yen Term][Term B] Borrowing, if any, requested herein complies with Sections 2.01 and 2.02 of the Agreement.

[Signature page follows.]



EQUINIX, INC.,
as Borrower

By:
Name:
Title:

Exhibit F

Exhibit C-5 - Form of Term B Note

(See Attached)

FORM OF Term B Note

[\$][£][_____]

[_____] , 20__

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Term B Loan made by the Lender to the Borrower in [Dollars][Sterling] under that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among the Borrower, the Guarantors from time to time party thereto, the Lenders and other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent.

The Borrower promises to pay interest on the unpaid principal amount of the Term B Loan made by the Lender from the date of such Term B Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in [Dollars][Sterling] in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Term B Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Term B Note is also entitled to the benefits of the Multiparty Guaranty and the Collateral Documents. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement (and subject to the terms of Section 8.01(b) of the Agreement), all amounts then remaining unpaid on this Term B Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Term B Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Term B Note and endorse thereon the date, amount and maturity of its Term B Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Term B Note.

[Signatures follow]



THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

EQUINIX, INC.

By:
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By
<hr/>						

Exhibit C

Exhibit D - Form of Compliance Certificate

(See Attached)

form of COMPLIANCE CERTIFICATE

Financial Statement Date: _____,

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 17, 2014 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among Equinix, Inc., as borrower (the "Borrower" or "Equinix"), the Guarantors from time to time party thereto, the Lenders from time to time party thereto, the L/C Issuer, and Bank of America, N.A., as Administrative Agent. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

The undersigned hereby certifies as of the date hereof that he/she is a Responsible Officer of the Borrower, and that, as such, he/she is authorized to execute and deliver this Compliance Certificate to the Administrative Agent on the behalf of the Borrower, and that:

[Use following paragraph 1 for fiscal year-end financial statements]

1. The Borrower has delivered the year-end audited financial statements required by Section 6.01(a) of the Agreement for the fiscal year of the Borrower ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. The Borrower has delivered the unaudited financial statements required by Section 6.01(b) of the Agreement for the fiscal quarter of the Borrower ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by such financial statements.

3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

4. [Except as specifically set forth below,][T]he representations and warranties of the Borrower and the Guarantors contained in Article V of the Agreement, and any representations and warranties of any Loan Party that are contained in any document furnished at any time under or in connection with the Loan Documents, are true and correct in all material respects on and as of the date hereof, except (i) for representations and warranties which are qualified by the inclusion of a materiality standard, which representations and warranties are true and correct in all respects, and (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

[Exceptions to the representations and warranties of the Loan Parties are as follows: [provide description of specific exceptions]]

5. The financial covenant analyses and information set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Compliance Certificate.

6. The total amount of Net Loan Party Accounts Receivable as of _____, 20__ (the "A/R Measurement Date") is \$ _____. Such amount constitutes at least 90% of all net accounts receivable of Equinix and its Domestic Subsidiaries (after intercompany eliminations and excluding Real Property Lease Accounts)], except for accounts receivable owned by [_____], which is a Person constituting a Material Domestic Subsidiary solely a result of it having been acquired through an Acquisition occurring after the Closing Date but no earlier than nine months prior to the A/R Measurement Date.]¹ The Loan Parties are in compliance with Section 6.14 of the Agreement.

¹ Include bracketed text, if necessary.

7. Each Loan Party's portion of the total amount of Net Loan Party Accounts Receivable as of the A/R Measurement Date is as follows: (a) for Equinix, \$ _____, (b) for OpCo, \$ _____, (c) for Switch & Data LLC, \$ _____, (d) for Equinix (US) Enterprises, Inc. \$ _____, [and (e) for [other Loan Party], \$ _____, etc.]. The following Persons are Material Domestic Subsidiaries: _____.

8. Since the Closing Date, no Loan Party has changed its legal name, jurisdiction of organization, organization type, organizational identification number, taxpayer identification number, principal place of business or chief executive office], except as previously disclosed to (and, if applicable, as authorized by) the Administrative Agent in writing on _____ pursuant to the Loan Documents].

9. Attached hereto are the following updated Schedules to the Pledge and Security Agreement (if applicable) (capitalized terms used in this Section 9 and not otherwise defined in the Agreement have the meanings set forth in the Pledge and Security Agreement):

- Instruments included in the Collateral with an outstanding or stated amount, individually, in excess of \$1,000,000 or, in the aggregate, in excess of \$10,000,000?
Yes ___ (include updated Schedule V)
No ___
- Chattel Paper included in the Collateral with an outstanding or stated amount, individually, in excess of \$1,000,000 or in the aggregate in excess of \$10,000,000?
Yes ___ (include updated Schedule V)
No ___
- New or additional certificates or instruments representing Pledged Equity (i.e., Equity Interests issued by the Guarantors, any other Pledged Domestic Subsidiaries or the Pledged Foreign Subsidiaries (including any Foreign Subsidiary Holdcos))?
Yes ___ (include updated Schedule I or II, as applicable)
No ___
- Letters of credit evidencing Letter-of-Credit Rights included in the Collateral with an outstanding or stated amount, individually, in excess of \$1,000,000 or in the aggregate in excess of \$10,000,000?
Yes ___ (include updated Schedule V)
No ___
- One or more contracts with any Government Account Debtor under which such Government Account Debtor, as account debtor, owes (as of the last day of the fiscal quarter covered by this Compliance Certificate) a monetary obligation to any Loan Party under any Accounts constituting Material Accounts (i.e., 5% of net domestic accounts receivable of the Loan Parties (after intercompany eliminations and excluding Real Property Lease Accounts))?
Yes ___ (include updated Schedule IV)
No ___

Delivery of an executed counterpart of a signature page of this Compliance Certificate by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Compliance Certificate.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate as of

_____ , _____ .

EQUINIX, INC.

By:
Name:
Title:

SCHEDULE 1
to the Compliance Certificate

Following are the calculations of the Borrower’s financial covenants. Unless otherwise defined, all items shall be calculated in accordance with GAAP, consistently applied from one period to the next. In the event of a conflict between the Agreement and this Schedule, the terms of the Agreement shall govern.

A. Section 7.11(a) - CONSOLIDATED FIXED CHARGE COVERAGE RATIO

A.1.	Consolidated Net Income (previous 2 fiscal quarters ending on Statement Date) ²	\$ _____
A.2.	Equinix’s consolidated interest expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____
A.3.	Equinix’s consolidated income tax expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____
A.4.	Equinix’s consolidated depreciation expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____

² **FOOTNOTE REGARDING CERTAIN EXPENSE ITEMS:** For purposes of calculating Consolidated EBITDAR, Consolidated Net Income shall be determined without deduction for any of the following items: (a) noncash expenses, charges and losses (including the write-down of any unamortized transaction costs, fees, original issue or underwriting discounts and expenses as a result of the redemption, refinancing, refunding, prepayment or exchange of, or modification to the terms of, any Indebtedness, to the extent not prohibited by the Agreement) not to exceed \$150,000,000 in the aggregate in any fiscal year of Equinix, (b) one-time costs, fees, original issue or underwriting discounts, premiums, expenses, charges and losses incurred in connection with any actual or proposed (1) issuance of Indebtedness or Equity Securities, (2) redemptions, refinancings, refundings, prepayments or exchanges of, or modifications to the terms of, any Indebtedness, (3) restructurings of or modifications to any operating leases, (4) Acquisitions, (5) Investments or (6) Dispositions, in each case to the extent not prohibited by the Agreement (including, for the avoidance of doubt, the issuance by Equinix of the 5.375% Senior Notes Due 2022 and the 5.750% Senior Notes Due 2025 and the entry by Equinix into this Agreement and the other Loan Documents), (c) ongoing expenses relating to the maintenance of Equinix’s status as a REIT and compliance with REIT rules and regulations, and (d) costs and expenses of Equinix and its Subsidiaries associated with the REIT Conversion (including, without limitation, planning and advisory costs related to the foregoing) but only to the extent such costs and expenses do not exceed \$200,000,000 in the aggregate. Attached as Schedule 1-A hereto is a detailed calculation of such Consolidated Net Income showing an accounting of the foregoing expense items (described in clauses (a) through (d), inclusive), if any, as part of such Consolidated Net Income amount.

A.5.	Equinix’s consolidated amortization expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____
A.6.	Equinix’s consolidated non-cash stock based compensation expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____
A.7.	Equinix’s consolidated rent expense (previous 2 fiscal quarters ending on Statement Date; to the extent deducted in calculating Line A.1)	\$ _____
A.8.	Consolidated EBITDAR (the sum of Lines A.1 through A.7, multiplied by 2) ³	\$ _____
A.9.	Equinix’s consolidated current maturity of long-term debt for next 12 months (but excluding (i) any Convertible Subordinated Notes, (ii) the current portion of the Revolving Facility, (iii) the final installment of the Term Loans and (iv) the 4.875% Senior Notes Due 2020)	\$ _____
A.10.	Equinix’s consolidated principal portion of the current maturity of capital lease obligations for next 12 months	\$ _____
A.11.	Line A.2 multiplied by 2 (consolidated interest expense, annualized)	\$ _____

³ **FOOTNOTE REGARDING PERMITTED ACQUISITIONS:** For purposes of calculating Consolidated EBITDAR for any period in which a Permitted Acquisition has been consummated, Consolidated EBITDAR shall be adjusted to include (a) the historical EBITDAR of the Person acquired in such Permitted Acquisition for the applicable Measurement Period on a pro forma basis as if such Permitted Acquisition had been consummated on the first day of the applicable Measurement Period, as the EBITDAR of such acquired Person is reflected in its historical audited financial statements for the most recently ended fiscal year, and management prepared unaudited statements for any periods following the end of such fiscal year, and (b) expected cost savings (without duplication of actual cost savings or other charges or expenses that are otherwise added back in calculating Consolidated EBITDAR) and synergies to the extent (x) such cost savings and synergies would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article 11 of Regulation S-X under the Securities Act of 1933, or (y) such cost savings or synergies are factually supportable and have been realized or are reasonably expected to be realized within 365 days following such Permitted Acquisition; provided that the aggregate amount of cost savings and synergies added pursuant to this clause (y) shall not exceed fifteen percent (15%) of Consolidated EBITDAR (calculated before giving effect to this clause (y)) in the aggregate for the Measurement Period. In the event that there are only unaudited financial statements or no financial statements available for such acquired Person, then the pro forma adjustments described in clause (a) above shall be made based on such unaudited financial statements or reasonable estimates as may be agreed between the Borrower and the Administrative Agent. *[If applicable:* Attached as Schedule 1-B hereto is additional detail regarding [the pro forma adjustments under clause (a) above] [,] [and] [the cost savings or synergies under clause (b)(x) above, together with a certificate of a Responsible Officer certifying that such cost savings and synergies meet the requirements set forth in such clause] [and] [the cost savings or synergies under clause (b)(y) above, together with a certificate of a Responsible Officer certifying that such cost savings and synergies meet the requirements set forth in such clause] to Consolidated EBITDAR in connection with the following Permitted Acquisition: _____, which was consummated on _____.]

A.12.	Line A.7 multiplied by 2 (consolidated rent expense, annualized)	\$ _____
A.13.	Consolidated Fixed Charges (sum of Lines A.9 through A.12)	\$ _____
A.14.	Consolidated Fixed Charge Coverage Ratio (Line A.8 divided by Line A.13)	_____ : 1.00

B. Section 7.11(b) and “Applicable Margin” - CONSOLIDATED NET LEASE ADJUSTED LEVERAGE RATIO

B.1.	Consolidated Funded Indebtedness at Statement Date ⁴	\$ _____
B.2.	Line A.12 (consolidated rent expense for previous 2 fiscal quarters ending on Statement Date, annualized)	\$ _____
B.3.	Line B.2 multiplied by 6	\$ _____
B.4.	The amount of unencumbered (other than by Liens permitted under clauses (a), (c) and (g) of Section 7.01 of the Agreement) and unrestricted cash, cash equivalents, freely tradable and liquid short term investments, and freely tradable and liquid long-term investments of Equinix and its Subsidiaries at Statement Date	\$ _____
B.5.	Consolidated Net Lease Adjusted Indebtedness at Statement Date (Line B.1 plus Line B.3, then minus Line B.4)	\$ _____
B.6.	Consolidated EBITDAR (Line A.8)	\$ _____
B.7.	Consolidated Net Lease Adjusted Leverage Ratio (Line B.5 divided by Line B.6)	_____ : 1.00

⁴ **FOOTNOTE REGARDING REDEMPTION OF CERTAIN DEBT SECURITIES:** “Consolidated Funded Indebtedness” shall not include, as of any date of determination, the outstanding principal amount of any debt securities issued by Equinix to the extent that (i) as of such date, Equinix shall have delivered (or the indenture trustee under the applicable indenture shall have delivered on Equinix’s behalf) to the holders of such debt securities an irrevocable notice of redemption with respect to all of such debt securities and shall have deposited funds with the indenture trustee or into an escrow account in an amount required to effect such redemption, unless any portion of such debt securities shall not in fact be redeemed within 35 days of such notice of redemption and deposit of funds or (ii) the proceeds of such debt securities are held by the trustee of the related indenture and have not been released to Equinix or are deposited into an escrow account pending the closing of an acquisition or the redemption of other debt securities solely until such proceeds are released, it being understood that any such proceeds shall not be included in the calculation of clause (iii) of the definition of Consolidated Net Lease Adjusted Indebtedness.

Schedule 1-A

Consolidated Net Income Detail

Schedule 1-B

Permitted Acquisition - [Pro Form Adjustments] [and] [Cost Savings and Synergies]⁵

⁵ If cost savings and synergies are included, to be accompanied by a certificate of a Responsible Officer certifying that such cost savings and synergies meet the requirements in clause (b)(x) or clause (b)(y), as applicable, in the definition of Consolidated EBITDAR.

Exhibit H

Exhibit G-1 - Form of Assignment and Assumption

(See Attached)

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each] ² Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, the Letters of Credit included in such facilities⁵) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

³ Select as appropriate.

⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

⁵ Include all applicable subfacilities.

1. Assignor[s]: _____

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [Identify Lender]]

3. Borrower: Equinix, Inc.

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement, dated as of December 17, 2014, among the Borrower (identified above), the Guarantors from time to time party thereto, the Lenders and the other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent, as amended, restated, extended, supplemented or otherwise modified in writing from time to time.

6. Assigned Interest[s]:

Assignor[s] ⁶	Assignee[s] ⁷	Facility Assigned ⁸	Aggregate Amount of Commitment/Loans for all Lenders ⁹	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ¹⁰	CUSIP Number
		_____	\$ _____	\$ _____	_____ %	
		_____	\$ _____	\$ _____	_____ %	
		_____	\$ _____	\$ _____	_____ %	

[7. Trade Date: _____] ¹¹

⁶ List each Assignor, as appropriate.

⁷ List each Assignee, as appropriate.

⁸ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment", "Term A Commitment", "Term B Commitment", etc.).

⁹ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

¹⁰ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

¹¹ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title:

[Consented to and]¹⁷ Accepted:

BANK OF AMERICA, N.A.,
as Administrative Agent

By: _____
Title:

[Consented to:]¹⁸

EQUINIX, INC.,

[By: _____
Title:]

[L/C ISSUER]

[By: _____
Title:]

¹⁷ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

¹⁸ To be added only if the consent of the Borrower and/or other parties (e.g. L/C Issuer) is required by the terms of the Credit Agreement.

Credit Agreement, dated as of December 17, 2014, among the Borrower (identified above), the Guarantors from time to time party thereto, the Lenders and the other parties from time to time party thereto, and Bank of America, N.A., as Administrative Agent, as amended, restated, extended, supplemented or otherwise modified in writing from time to time.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee [and (viii) it is not a Disqualified Lender]¹⁹; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

¹⁹ To be added only if an assignment of Term B Loans.

Exhibit I

Schedule I to Pledge and Security Agreement - Pledged Equity of Pledged Domestic Subsidiaries

(See Attached)

SCHEDULE I TO PLEDGE AND SECURITY AGREEMENT

**PLEDGED EQUITY
OF
PLEDGED DOMESTIC SUBSIDIARIES**

Grantor	Pledged Domestic Subsidiary	Class	Cert. Number	Number of Pledged Shares, Units, Interests	Percentage Ownership Represented By Pledged Shares	Art. VIII Securities Election under UCC
Equinix, Inc.	Equinix LLC	Limited Liability Company Interests (Units)	N/A	100	100%	No
Equinix, Inc.	NY2 Hartz Way, LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No
Equinix, Inc.	Switch & Data WA One LLC	Limited Liability Company Interests (Membership Interests)	2	100%	100%	Yes
Equinix, Inc.	Switch and Data CA Nine LLC	Limited Liability Company Interests (Membership Interests)	2	100%	100%	Yes
Equinix, Inc.	Switch and Data NJ Two LLC	Limited Liability Company Interests (Membership Interests)	5	100%	100%	Yes
Equinix LLC	CHI 3 Procurement, LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No
Equinix LLC	SV1, LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No
Equinix LLC	Switch & Data LLC	Limited Liability Company Interests (Membership Interests)	1	100%	100%	No
Equinix LLC	CHI 3, LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No
Equinix LLC	Equinix (US) Enterprises	Common Stock	CS-2	1000	100%	No
Equinix LLC	LA4, LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No
Equinix LLC	Equinix RP II LLC	Limited Liability Company Interests (Membership Interests)	N/A	N/A	100%	No.
Switch & Data LLC	Switch and Data Operating Company LLC	Limited Liability Company Interests (Membership Interests)	2	100%	100%	Yes
Switch & Data LLC	Switch & Data Facilities Company LLC	Limited Liability Company Interests (Membership Interests)	3	100%	100%	Yes
Equinix (US) Enterprises	Nimbo Technologies Inc.	Common Stock	CS-1	1000	100%	N/A

Subsidiaries of Equinix, Inc.

<u>Name</u>	<u>Jurisdiction</u>
Equinix LLC	Delaware, U.S.
Equinix (US) Enterprises, Inc.	Delaware, U.S.
Equinix Professional Services, Inc.	Delaware, U.S.
Equinix South America Holdings, LLC	Delaware, U.S.
Equinix RP II LLC	Delaware, U.S.
CHI 3, LLC	Delaware, U.S.
NY3, LLC	Delaware, U.S.
SV1, LLC	Delaware, U.S.
LA4, LLC	Delaware, U.S.
NY2 Hartz Way LLC	Delaware, U.S.
Equinix Pacific LLC	Delaware, U.S.
CHI 3 Procurement, LLC	Illinois, U.S.
Equinix Asia Pacific Pte Ltd	Singapore
Equinix Singapore Holdings Pte Ltd	Singapore
Equinix Singapore Pte Ltd	Singapore
Equinix (Singapore) Enterprises Pte. Ltd.	Singapore
Equinix Asia Pacific Holdings Pte. Ltd.	Singapore
Equinix (Japan) Enterprises K.K.	Japan
EJAE2 G.K.	Japan
QAON G.K.	Japan
Equinix Japan KK (in Kanji)	Japan
Bit-Isle Inc.	Japan
Bit-Surf Inc.	Japan
AXLBIT, Inc.	Japan
siteRock K.K.	Japan
SETA International Co., Ltd.	Japan
Terra Power Co., Ltd.	Japan
Nihon Clean Energy Co., Ltd.	Japan
SETA International Asia Co., Ltd	Japan
TP1 GK	Japan
libraNEO Co., Ltd.	Japan
Equinix Australia Pty Limited	Australia
Equinix (Australia) Enterprises Pty Limited	Australia
Equinix Hong Kong Limited	Hong Kong
Equinix (Hong Kong) Enterprises Limited	Hong Kong
Equinix Information Technologies Hong Kong Limited	Hong Kong
Equinix Information Technology (Shanghai) Co Ltd.	People's Republic of China
Equinix YP Information Technology (Shanghai) Co Ltd.	People's Republic of China
Equinix (China) Investment Co., Ltd.	China
Equinix Europe Ltd	United Kingdom
Equinix Group Limited	United Kingdom
Equinix (UK) Limited	United Kingdom

<u>Name</u>	<u>Jurisdiction</u>
Equinix (Services) Limited	United Kingdom
Equinix Corporation Limited	United Kingdom
Equinix Investments Limited	United Kingdom
Equinix (London) Limited	United Kingdom
Equinix (UK) Enterprises Ltd	United Kingdom
Equinix (Real Estate) GmbH	Germany
Equinix (Germany) GmbH	Germany
Upminster GmbH	Germany
Equinix (Germany) Enterprises GmbH	Germany
Equinix (France) SAS	France
Equinix (France) Enterprises SAS	France
Interconnect Exchange Europe SL	Spain
Equinix (Switzerland) GmbH	Switzerland
Equinix (Switzerland) Enterprises GmbH	Switzerland
Equinix (Netherlands) Holdings BV	The Netherlands
EQIX (Global Holdings) C.V.	The Netherlands
Equinix (EMEA) B.V.	The Netherlands
Equinix (EMEA) Acquisition Enterprises B.V.	The Netherlands
Equinix (UK) Acquisition Enterprises Limited	United Kingdom
Equinix (Netherlands) B.V.	The Netherlands
Virtu Secure Web Services B.V.	The Netherlands
Equinix (Real Estate) B.V.	The Netherlands
Equinix (Spain), S.L.	Spain
Equinix (Netherlands) Enterprises B.V.	The Netherlands
Equinix (Luxembourg) Holdings S.à r.l.	Luxembourg
Equinix (Luxembourg) Investments S.à r.l.	Luxembourg
Equinix (EMEA) Holdings B.V.	The Netherlands
Equinix Middle East FZ LLC	United Arab Emirates
Equinix Italia S.r.L	Italy
ancotel UK Ltd	United Kingdom
ancotel Hong Kong Limited	Hong Kong
Equinix do Brasil Soluções de Tecnologia em Informática S.A.	Brazil
Equinix do Brasil Telecomunicações Ltda.	Brazil
Equinix Do Brasil Participacoes Ltda.	Brazil
Moran Road Partners, LLC	Delaware, U.S.
Switch & Data LLC	Delaware, U.S.
Switch & Data Facilities Company LLC	Delaware, U.S.
Switch and Data Operating Company LLC	Delaware, U.S.
Equinix Canada Ltd.	Canada
Equinix (Canada) Enterprises Ltd.	Canada
Switch and Data CA Nine LLC	Delaware, U.S.
Switch & Data MA One LLC	Delaware, U.S.
Switch And Data NJ Two LLC	Delaware, U.S.
Switch & Data/NY Facilities Company, LLC	Delaware, U.S.
Switch and Data VA Four LLC	Delaware, U.S.

Name

Switch & Data WA One LLC

Nimbo Technologies Inc.

Jurisdiction

Delaware, U.S.

Delaware, U.S.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen M. Smith, certify that:

1. I have reviewed this Annual Report on Form 10-K of Equinix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2016

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Keith D. Taylor, certify that:

1. I have reviewed this Annual Report on Form 10-K of Equinix, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2016

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Equinix, Inc. (the "Company") on Form 10-K for the period ending December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen M. Smith, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Stephen M. Smith

Stephen M. Smith
Chief Executive Officer and President
February 26, 2016

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Equinix, Inc. (the "Company") on Form 10-K for the period ending December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Keith D. Taylor, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Keith D. Taylor

Keith D. Taylor
Chief Financial Officer
February 26, 2016